

PROCEDURAL GUIDELINES ON THE UTILIZATION OF EXCESS VAT SUBSIDY CHECKS NSC), ISSUED BY BIR TO QUALIFIED SUBCONTRACTORS/ SUPPLIERS AND SUB- SUBCONTRACTORS/ SUB-SUPPLIERS OF THE BA...

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/654c2a80205b/>

Pursuant to the Memorandum of Agreement entered into between the Bureau of Customs and Bureau of Internal Revenue on December 14, 2007; Fiscal Incentive Review Board (FIRB) Resolution No. 3-07; and BIR Revenue Regulation 17-2005; the following are hereby prescribed:

I. Objectives and Scope

This CMO is executed for the purpose of providing a procedure for the utilization of the tax subsidy granted by the FIRB to the BCDA relative to the SCTEP. Specifically, it aims to:

- a. Provide a procedure for the transfer of the portion of the SARO allotted for Value-Added Tax on Local Purchases originally apportioned to the BIR, to the BOC, which will be utilized as payment for Value-Added Tax on Importation in the BOC;
- b. Establish guidelines for the utilization of CEVS issued by BIR to the subcontractors/ sub-suppliers and sub-subcontractors/sub-suppliers of the SCTEP
- c. Facilitate efficient mechanism to expedite verification/inspection of relevant documents through enhanced database system to be adopted by both parties;
- d. Proper reconciliation in the Books of Accounts of both parties to reflect the utilization of the CEVS as provided for by the Bureau of Treasury.

The provisions of this Order shall be applicable to all claims for utilization of VAT Subsidy check as payment for VAT liabilities of subcontractors/suppliers, sub-subcontractors/sub-suppliers on their importations in connection with the SCTEP, and for other Projects embodied in the MOA.

II. Definition of Terms

For purposes of this CMO, the following definitions are hereby adopted;

- a. VSC-means Value-Added Tax Subsidy checks;
- b. BCDA -means Bases Conversion and Development Authority;
- c. SCTEP - means Subic-Clark-Tarlac Expressway Project;
- d. FIRB- means Fiscal Incentives Review Board;
- e. SARO - means Statement of Allotment and Release Order;
- f. CEVS - means Certificate of Excess VAT Subsidy issued by the BIR;
- g. CRMD -means Central Records Management Division of BOC;

- h. BCTDM- means BOC-Tax Debit Memo; .
- i. RAD-means Revenue Accounting Division of BOC/BIR;
- j. TSAC - means Tax Subsidy Availment Certificate;
- k. JEV- means Journal Entry Voucher of BTR.

Detailed definition of VSC, SARO, CEVS, TSAC are provided for under Revenue Regulation No. 17-2005.

III. Administrative Provisions

- 1 The RCMG, through the Collection Service, shall issue BCTDM to be utilized only in the payment of VAT on importation per import entry as provided in the CEVS issued by the BIR.
- 2.The BCTDM shall contain control number, to whom issued, Tax Identification Number (TIN), office address, amount of subsidy, date issued, Import Entry Internal Revenue Declaration Number, Bill of Lading/Airway Bill Number, where it can be used or utilized in the payment of VAT on importation, VSC Number, and other means necessary to monitor its use or utilization;
- 3.The BCTDM may only be utilized as payment for VAT on importation in the specific import entry provided in the CEVS and in case of non-utifization thereof, the RCMG, through the Collection Service, shall cancel the same, to be replaced anew upon receipt of the . CEVS from the BIR;
- 4.All issued BCTDM shall be subject to post-audit in a regular basis without prejudice for subsequent adjustments for any discrepancies;
- 5.Based on the report of the VSC utilized, as well as relevant documents furnished by the Collection Service, the CEVS shall be the basis of BOC RAD to record the revenue collection in the Book of Accounts of the Bureau, that shall cover the full amount of the utilized BCTDM, which shall likewise be reflected in the JEV of the BTR;
- 6.Collection Service shall be responsible in the proper monitoring of the utilization of the BCTDM.

III. Operational Provisions

1. upon receipt from CRMD of the applicable letter and its supporting documents from BIR, the collection Service shall verify with appropriate BIR-RDO the authenticity of the CEVS;
2. The applicant-subcontractors/suppliers and/or sub-subcontractors/ sub-suppliers shall be required by the Collection Service to submit the following:
 - a. Certification from BCDA that they are the legitimate contractor/supplier and/ or sub-contractor/sub-supplier of BCDA and was allowed to use VAT Subsidy check on importation (VSC);
 - b. Tax Subsidy Availment Certificate (TSAC)
 - c. Certificate of Excess VAT Subsidy (CEVS);
 - d. VAT Subsidy Check (VSC).
 - e. Import Entry Internal Revenue Declaration (IEIRD);
 - f. Certificate of Undertaking;
 - g. Certificate of Official Importation;
 - h. Bill of Lading or Airway Bill;
 - i. Commercial Invoice;

j. Packing List;

k. Special Allotment Release Order (SARO) with attachment on the amount of excess VAT subsidy of the specific contractor/supplier or subcontractor/subsupplier.

l. Subcontractor/Supplier shall submit, in a monthly basis, a report of all billings made to primary contractor.

2.If found sufficient and in order, the Collection Service shall issue the original copy of the BCTDM to the subcontractors/suppliers and/or sub-subcontractors/ sub-suppliers to be used in the payment of VAT on importation for the SCTEP;

3.The Director, Collection Service shall endorse the BCTDM and all other relevant documents to the concerned Collection District for appropriate action;

4. The Port Collector shall verify the correctness of the VAT imposed and deduct such amount from the BCTDM, but duties, other taxes and fees shall be paid in cash or any other means allowed by the BOC;

5. The Port Collector shall transmit the BCTDM, Statement of Account and other relevant documents to the Collection Service;

6. Collection Service records the utilized VAT subsidy and shall monitor its balance,

7. Collection Service shall furnish appropriate BIR-RDO the duplicate copy of the BCTDM.

8. Collection Service shall forward to the Bureau of Treasury, BOC-RAD, BIR-RDO, the monthly summary and photocopy of CEVS utilized, photocopy of BCTDM and the total, amount utilized as VAT subsidy.

IV. Separability Clause

The Provisions of this Order are hereby ordered separable and in case any of the provisions hereof are declared invalid, the other provisions which are not affected shall remain in full force and effect.

V. Repealing clause

All Customs Memorandum Orders which are inconsistent with this Order are hereby deemed superseded, amended or modified accordingly.

VI. Effectivity Clause

This Order shall take effect immediately and shall last until revoked.

Adopted: 29 Feb. 2008

(SGD.) NAPOLEON L. MORALES
Commissioner

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.