

REVISED IMPLEMENTING GUIDELINES OF THE VALUE ADDED TAX LAW, TITLE IV OF REPUBLIC ACT NO. 8424

PPA MEMORANDUM CIRCULAR NO. 08-2004, February 27, 2004

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/7c772ae02711/>

1. Authority

- 1.1 Executive Order No. 273 which took effect on January 1, 1988
- 1.2 Republic Act No. 7716 which took effect on January 1, 1996
- 1.3 Republic Act No. 8241 which took effect on January 1, 1997
- 1.4 Republic Act No. 8424, the National Internal Revenue Code (Title IV)
- 1.5 Revenue Regulations No. 7-95
- 1.6 Revenue Memorandum Circular No. 3-96
- 1.7 Revenue Memorandum Circular No. 8-99
- 1.8 Revenue Regulations No. 8-2002
- 1.9 Revenue Memorandum Circular No. 2-2004

2. Guidelines

2.1 As provided in the above-stated laws, 10% VAT shall be levied, assessed and collected on every sale, barter or exchange of goods or properties, importation of goods and sale or exchange of services including the use or lease of properties.

2.2 The VAT law likewise provided that VAT is an indirect tax which can be legally shifted or passed on to the buyer, transferee or lessee of the goods, properties or services.

2.3 On the same principle, the shifting of VAT by the cargo handling operators/port operators to cargo owners/clients/port users is also proper.

2.4 Pursuant to Revenue Memorandum Circular No. 2-2004 issued by the Bureau of Internal Revenue, all gross sales/receipts of the Authority are subject to 10% VAT.

2.5 Charges against the vessels engaged exclusively in international shipping, however, shall be subject to 0% VAT or Zero-Rated VAT pursuant to Section 108B (4) of Republic Act No. 8424.

2.6 The port tariff and all port charges, fees and dues presently imposed by the Authority are exclusive of VAT, hence, in the collection of charges, 10% VAT shall be added thereto and a VAT Official Receipt shall be issued.

3. Repealing Clause

This Memorandum Circular supersedes PPA Administrative Order No. 01-97, PPA Memorandum Circular No. 13-88, PPA Memorandum Order No. 15-88 and PPA Memorandum Circular No. 22-95. All other PPA issuances inconsistent herewith are hereby amended/modified accordingly.

4. Effectivity

This Memorandum Circular shall take effect immediately.

Adopted: 27 February 2004

(SGD.) ALFONSO G. CUSI

General Manager

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.