APPLICABLE FOREIGN EXCHANGE CONVERSION RATE FOR THE COLLECTION OF WITHHOLDING TAXES FROM FOREIGN CURRENCY DENOMINATED INCOME PAYMENTS, SUPPLEMENTING REVENUE MEMORANDUM CIRCULAR ...

Read online (full-text search, related cases, audio case brief): https://batas.org/library/b2a2e051f65c/

The following rules are hereby prescribed to govern the conversion of foreign currency denominated income payments to Philippines Peso for the purpose of collection of withholding taxes due thereon.

The foreign currency denominated income payment shall first be converted into Philippine Peso equivalence, using the applicable foreign exchange conversion rate prevailing at the time such income, which is subject to withholding, is payable or paid. This can either be one of the following:

1. The interbank reference rate at the time such income is payable or paid when this does not involve any foreign exchange transactions and consist merely of an accrual recording in the books of account;

2. The bank conversion rate (buying or selling rate, whichever is applicable) at time such income payment shall have been transacted in the authorized agent bank in the Philippines.

In both instances, the foreign exchange conversion rate shall be the same rate used in recording the income payment (expense) in the books of account of the withholding agent.

The withholding tax liability arising from such transactions shall then be settled in Philippine currency.

All previous revenue issuances are hereby amended or modified accordingly.

Adopted: 27 July 1992

(SGD.) JOSE U. ONG
Commissioner of Internal Revenue

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.