

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

October 15, 2003

REVENUE REGULATIONS NO. 28-2003

SUBJECT : Amending Further Pertinent Provisions of Revenue Regulations No. 2-98 as Amended, Relative to the Issuance of Certificate of Value-Added Tax Withheld at Source, Thereby Amending Revenue Regulations No. 4-2002; and for Other Purpose.

TO : All Internal Revenue Officers and Others Concerned

SECTION 1. SCOPE - Pursuant to the provisions of Section 244, in relation to Section 114(C) of the Tax Code, these Regulations are hereby promulgated to further amend portions of Revenue Regulations Nos. 2-98 and 4-2002, providing for additional procedures in the issuance of Certificate of Value-Added Tax Withheld at Source on certain income payments made by the Bureau of Treasury.

SEC. 2. WITHHOLDING OF CREDITABLE VALUE-ADDED TAX. - Sec. 4.114(D) of Revenue Regulations No. 2-98 hereby further amended to read as follows:

"Sec. 4.114(D). Certificate of Value-Added Tax Withheld At Source. - Every government agent, whether a large or non-large taxpayer, shall furnish each seller of goods and services from whom value-added taxes (VAT) have been deducted and withheld, the Certificate of Creditable Tax Withheld at Source (BIR Form No. 2307) to be accomplished in quadruplicate, the first three copies of which shall be given to the seller/payee not later than the 10th day of the following month. The rule stated herein shall also apply to private payors/persons in control of the payment, whether large or non large taxpayers, for: a) the lease or use of properties or property rights owned by non-residents; b) services rendered to local insurance companies, whether large or non-large taxpayers, with respect to reinsurance premiums payable to non-resident insurance or reinsurance companies; and c) services rendered in the Philippines by non-residents; but the certificate or statement to be issued in this case is the Certificate of Final Tax Withheld at Source (BIR Form No. 2306) which should be issued upon request of the payee. **Provided, however, that for income (interest/discount/trading gain) earned by financial institutions (FI) on Treasury Bills/Bonds, the Bureau of Treasury (BTR) may be allowed to issue one consolidated *Certificate***

of Value-Added Tax Withheld at Source (BIR Form No. 2307) covering the total income payment and the corresponding value-added tax withheld during the month. The Certificate of Value-Added Tax Withheld at Source (BIR Form No. 2307) shall have as its attachment a summary list reflecting the following: (1) Name of the financial institution; (2) TIN (Taxpayer Identification Number; (3) Period covered; (4) Amount of Income (interest/discount/trading gain earned on Treasury Bills/Bonds); and (5) VAT Remitted to the account of the Bureau of Internal Revenue. Such Certificate of Creditable Tax Withheld at Source (BIR Form No. 2307) and Attachment shall bear the signature of the Treasurer of the Philippines or his duly authorized representative and shall be submitted directly to the Bureau of Internal Revenue (BIR), Attention: ISOS DC Head. Provided, further, that the Revenue District Officer having jurisdiction over the principal place of business of the Bureau of Treasury shall be responsible for the issuance of individual certificates/certification to the financial institutions reflecting exactly on a per FI/payee basis, the information/data in the Certificate of Creditable Tax Withheld at Source (BIR Form No. 2307) and the Attachment issued by the BTR. Said certification is required to be attached to the VAT return in lieu of BIR Form No. 2307 as proof of the creditable value-added tax withheld claimed as deduction thereof."

SEC. 3. REPEALING CLAUSE. - Portions of Revenue Regulations Nos. 2-98 and 4-2002 inconsistent with the provisions of these Regulations are hereby amended accordingly. Thus, revenue issuances or portions thereof, not otherwise affected by these Regulations shall remain in full force and effect.

Sec. 4. EFFECTIVITY. - These Regulations shall take effect immediately.

(Original Signed)
JOSE ISIDRO N. CAMACHO
Secretary of Finance

Recommending Approval:

(Original Signed)
GUILLERMO L. PARAYNO, JR.
Commissioner of Internal Revenue