

MCC TAX AND OTHER RELEVANT UPDATES

Period Covered: December 2023



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IMPORTANT UPDATES:

A. REVENUE REGULATIONS		
ISSUANCE	DATE ISSUED	SUBJECT
RR No. 15-2023	December 13, 2023	Topic: Tax Administration Implements the grant of Donor's Tax exemption on the donation of imported capital equipment, raw materials, spare parts, or accessories directly and exclusively used by Registered Business Enterprises under Section 295 (C)(2)(e) of the National Internal Revenue Code of 1997, as amended
RR No. 16-2023	December 21, 2023	Topic: Tax Administration Further amends the provisions of Revenue Regulations No. 2-98 , as amended, to impose Withholding Tax on gross remittances made by electronic marketplace operators and digital financial services providers to sellers/merchants
B. REVENUE MEMORANDUM CIRCULARS		
RMC No. 122-2023	December 1, 2023	Topic: Tax Administration Announces the availability of the Offline Electronic Bureau of Internal Revenue Forms (eBIRForms) Package Version 7.9.4.1
C. REVENUE MEMORANDUM ORDER		
RMO No. 39-2023	December 13, 2023	Suspends all audit and other field operations of the BIR effective December 16, 2023

DISCUSSION OF UPDATES

A. REVENUE REGULATIONS

REVENUE REGULATIONS 15-2023

REVENUE REGULATIONS NO. 15-2023, issued on December 13, 2023 implements the grant of **Donor's Tax exemption on the donation of imported capital equipment, raw materials, spare parts, or accessories directly and exclusively used in the registered project or activity by Registered Business Enterprises (RBEs)** of any existing Investment Promotion Agencies (IPAs) under Section 295 (C)(2)(e) of the Tax Code of 1997, as amended.

The donation of capital equipment, raw materials, spare parts, or accessories, which were granted tax and customs duty exemption to the Technical Education and Skills Development Authority (TESDA), State Universities and Colleges (SUCs), or Department of Education (DepEd) and Commission on Higher Education (CHED)-accredited schools shall be exempt from Donor's Tax, provided that:

- a. **If made within the first five (5) years** from the **date of importation**, the RBE secures a Certificate of Approval issued by the concerned IPA;
- b. **If made after five (5) years from the date of importation**, the **RBE has provided prior notice** to the concerned IPA; and
- c. The deed of Donation **shall indicate in detail the items donated**, their quantity/number, and the amount/value of the donation for post-audit/ verification by the BIR.

The amount/value of donation shall be deductible from the gross income of the donor subject to limitations, conditions and rules set forth in Section 34 (H) of the Tax Code, as amended. **The deduction shall be availed of in the taxable year in which the donation was made.** Moreover, the donor can substantiate the deduction with sufficient evidence, such as sales invoice/s, deed of donation, delivery receipt and other adequate records indicating the following:

- a. the amount of donation being claimed as a deduction; and
- b. proof of acknowledgment of receipt of the donated capital equipment, raw materials, spare parts, or accessories by TESDA, SUCs, or DepEd and CHED accredited schools.

Finally, the donation shall not be treated as a transaction deemed sale subject to Value-Added Tax (VAT) under Section 106(B)(1) of the Tax Code, as amended. The donation amount shall be based on the net book value of the capital equipment, raw materials, spare parts, or accessories donated.

You may access the full text via [RR No. 15-2023.pdf \(bir.gov.ph\)](https://bir.gov.ph/RR%20No.%2015-2023.pdf)

REVENUE REGULATIONS NO. 16-2023

REVENUE REGULATIONS NO. 16-2023 issued on December 21, 2023 which further amends the provisions of Revenue Regulations (RR) No. 2-98, as amended by RR No. 11-2018, **to impose Withholding Tax on gross remittances made by electronic marketplace (e-marketplace) operators and digital financial services providers to sellers/merchants for goods and services sold/paid through the former's platform/ facility.**

Said Revenue issuance likewise defines “Electronic Marketplace” for the purpose of the imposition of the Withholding Tax on Gross Remittances made by them.

You may access the full text of the Revenue Regulation through the following link [RR No. 16-2023 3.pdf \(bir.gov.ph\)](#)

B. REVENUE MEMORANDUM CIRCULARS

The Bureau of Internal Revenue has announced **the availability of Ebir Forms Package 7.9.4.1**, which can now be downloaded online via [Home - Bureau of Internal Revenue \(bir.gov.ph\)](#).



C. REVENUE MEMORANDUM ORDERS

REVENUE MEMORANDUM ORDER NO. 39-2023

REVENUE MEMORANDUM ORDER NO. 39-2023 issued on December 13, 2023 **suspends all field audits and related field operations of the BIR about the examination and verification of taxpayers' books of accounts, records, and other transactions from December 16, 2023 to January 7, 2024.** During the suspension period, the issuance of written orders to audit or investigate taxpayers' internal revenue tax liabilities **will be on hold, except in the following specific scenarios:**

- Investigation of cases prescribing on or before April 15, 2024;
- Cases involving tax evasion;
- Processing and verifying Estate Tax Returns, Donor's Tax Returns, Capital Gains Tax Returns, and Withholding Tax Returns concerning the sale of real properties or shares of stock, along with associated Documentary Stamp Tax Returns;
- Examination and/or verification of internal revenue tax liabilities for taxpayers retiring from business;
- Monitoring of privilege stores (tiangge); and
- Other matters or concerns subject to specific deadlines.

Examiners and investigators shall utilize this period for completing office-based tasks and finalizing reports on cases where fieldwork has already been completed. The issuance of Assessment Notices, Warrants, and Seizure Notices shall continue as necessary. Taxpayers can also voluntarily pay their known deficiency taxes without requiring approvals from revenue officials.

You may access the full text online via [RMO No. 39-2023.pdf \(bir.gov.ph\)](#)

*****Nothing Follows*****