

## **MCC TAX AND OTHER RELEVANT UPDATES**

Period Covered: November 2023



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## IMPORTANT UPDATES:

A. REVENUE REGULATIONS		
ISSUANCE	DATE ISSUED	SUBJECT
RR 13-2023	November 10, 2023	<b>Topic: Tax Administration</b>  Prescribes the <b>policies and guidelines for the optional VAT-Registration of Registered Business Enterprises</b> classified as Domestic Market Enterprise <b>under the 5% tax on Gross Income</b> earned in lieu of all taxes regime during the transitory period pursuant to Rule 18, Section 5 of the amended IRRs of Republic Act No. 11534 (CREATE Act)
RR 14-2023	November 10, 2023	<b>Topic: Tax Administration</b>  Further <b>amends</b> the pertinent provisions of <b>RR No. 2-98</b> , as amended, to impose <b>Creditable Withholding Tax on certain income payments by joint ventures/consortiums</b>
B. REVENUE MEMORANDUM CIRCULARS		
RMC No. 120-2023	November 29, 2023	<b>Topic: Tax Administration</b>  Announces the <b>availability, use and acceptance of Digital TIN ID</b>
RMC No. 121-2023	November 29, 2023	<b>Topic: Tax Administration and compliance</b>  Announces the <b>updated features and functionalities of the Online Registration and Update System (ORUS)</b> .  The said RMC summarizes the following functionalities available via ORUS:  <b>a. Primary registration</b> <ul style="list-style-type: none"><li>i. Registration of business, new branch, new facility, NRFC, etc.</li><li>ii. Issuance of TIN</li><li>iii. Employer account enrollment</li></ul>

		<p><b>b. Secondary registration</b></p> <ul style="list-style-type: none"> <li>i. Application for authority to print</li> <li>ii. Registration of books of accounts, looseleaf, computerized accounting system</li> </ul> <p><b>c. Registration information update</b></p> <ul style="list-style-type: none"> <li>i. Availment of 8% income tax return option</li> <li>ii. Application for change in accounting period</li> <li>iii. Registration/addition of tax incentive</li> <li>iv. Change/update of taxpayer information, etc.</li> </ul> <p><b>d. Other online facility</b></p> <ul style="list-style-type: none"> <li>i. Application for closure/de-registration of business</li> <li>ii. Application for TIN cancellation</li> <li>iii. Application for cancellation of PTU loose-leaf and AC computerized accounting system</li> <li>iv. Online TIN verification</li> <li>v. BIR registered business search facility</li> <li>vi. Digital TIN ID/ TIN inquiry</li> </ul>
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## **DISCUSSION OF UPDATES**

### **A. REVENUE REGULATIONS**

#### **REVENUE REGULATIONS 13-2023**

REVENUE REGULATIONS NO. 13-2023 issued on November 10, 2023 prescribes the policies and guidelines for the optional VAT-registration of Registered Business Enterprises (RBE) classified as Domestic Market Enterprise (DME) under the five percent (5%) tax on Gross Income Earned (GIE) in lieu of all taxes regime during the transitory period pursuant to Rule 18, Section 5 of the amended Implementing Rules and Regulations (IRR) of Republic Act No. 11534 (CREATE Act).

An RBE classified as DME, which is located inside the Economic or Freeport Zone, may retain the availment of the 5% GIE incentive during the ten (10) year transitory period under Section 311 (C) of the CREATE Act and be allowed to register as a VAT taxpayer provided it secures from the concerned Investment Promotion Agency (IPA) a Certification specifically excluding VAT from the 5% GIE in lieu of all taxes incentive granted to it (Certification). The Certification shall expressly state that the five percent (5%) GIE shall be in lieu of all taxes except VAT.

For this purpose, such RBE shall submit to the concerned IPA the following documentary requirements:

- a. Request letter stating its intention to avail of the option to register as a VAT taxpayer with the BIR pursuant to Section 5, Rule 18 of the amended IRR of the CREATE;
- b. Notarized "Deed of Waiver of Right to Avail of the VAT Exemption Incentive" in the form prescribed in the Regulations; and
- c. Other documents that may be prescribed by the concerned IPA.

The waiver of rights to avail of the VAT exemption incentive shall be irrevocable from the time it is made and shall be binding in the remaining transitory period.

Non-VAT registered RBEs that have been issued the Certification shall update their registrations with the concerned Revenue District Office (RDO) to reflect their registration from non-VAT to VAT taxpayer. Consequently, such RBE shall be treated on par with regular corporations insofar as the VAT imposition and compliance is concerned.

Upon the effectivity of these Regulations, the concerned IPA shall furnish the BIR through the Assessment Service, Attention: Audit Information, Tax Exemption and Incentives Division (AITEID) within twenty (20) days following the close of each taxable quarter a list of RBEs that have been issued the Certification. In order to obtain relevant information, for audit purposes, the Commissioner of Internal Revenue may prescribe a report template in a separate revenue issuance.

These Regulations shall apply prospectively in accordance with Section 3 of the amended IRR of CREATE. DMEs inside the economic or freeport zone that will opt to register as VAT taxpayers pursuant to the Regulations shall not be allowed to claim

for VAT refund relating to its transactions prior to the effectivity of the amended IRR of CREATE.

For Full Text, you may access it via [RR No. 13-2023.pdf \(bir.gov.ph\)](#)

## **REVENUE REGULATIONS NO. 14-2023**

**REVENUE REGULATIONS NO. 14-2023** issued on November 10, 2023 further amends the pertinent provisions of Revenue Regulations (RR) No. 2-98, as amended, by adding items (V) and (W) to impose Creditable Withholding Tax on certain income payments by joint ventures/ consortiums.

The pertinent provisions of Section 2.57.2 of RR No. 2-98, as amended, is hereby further amended to read as follows:

*"Sec. 2.57.2. Income Payments Subject to Creditable Withholding Tax and Rates Prescribed Thereon. Except as herein otherwise provided, there shall be withheld a creditable income tax at the rates herein specified for each class of payee from the following items of income payments to persons residing in the Philippines:*

*xxx xxx xxx*

*(V) Income payments made by joint ventures/consortiums. – Income payments made by joint ventures, whether incorporated or not, taxable or non-taxable, to their local/resident supplier of goods and services, shall be subjected to the following Withholding Tax rates:*

*Supplier of goods – One percent (1 %)  
Supplier of services – Two percent (2%)*

*(W) Distributive share of co-venturers/members from the net income of the joint venture/consortium not taxable as corporation. – On the share of each co-venturer/member from the net income of the joint venture/consortium not taxable as corporation prior to actual or constructive distribution thereof — Fifteen percent (15%)*

*xxx xxx xxx*

For full text, you may access it online at [RR No. 14-2023.pdf \(bir.gov.ph\)](#)

## **B. REVENUE MEMORANDUM CIRCULARS**

### **REVENUE MEMORANDUM CIRCULAR 120-2023**

The Bureau of Internal has issued on November 29, 2023, Revenue Memorandum Circular 120-2023 which announces the availability of the Digital TIN for individual taxpayers through the Online Registration and Update System (ORUS).

As mentioned in the revenue issuance, for those individuals who intend to secure a Digital TIN, one must apply for an account through ORUS which can be accessed online via [ORUS \(bir.gov.ph\)](https://bir.gov.ph).

It must be reminded however that an individual must only possess one Tax Identification Number as the possession of more than one (1) is criminally punishable under the National Internal Revenue Code.

For fuller details of this Revenue Issuance, you may access the copy via [RMC No. 120-2023.pdf \(bir.gov.ph\)](#).

The job aid is also available at [RMC No. 120-2023 Attachment.pdf \(bir.gov.ph\)](#)

### **REVENUE MEMORANDUM CIRCULAR 121-2023**

The Bureau of Internal Revenue announces through the issuance of Revenue Circular 121-2023 on November 29, 2023 the availability of the following functionalities of the Online Registration and Update System (ORUS):

1. Taxpayer Identification Number (TIN) Inquiry;
2. Access to Digital TIN ID and;
3. Availability of MyEG as one of the online facilities in ORUS.

With the addition of the following functionalities, said memorandum circular also made a summary of the following functionalities available via ORUS:

<b>Features</b>	<b>Application Details</b>
<b>Primary Registration</b>	<ul style="list-style-type: none"><li>• Registration of business and issuance of electronic Certificate of Registration (COR) and Authority to Print (ATP) with e-Payment of Registration Fee and Loose Documentary Stamp Tax (DST)</li><li>• Issuance of Taxpayer Identification Number (TIN) for foreign individuals</li><li>• Issuance of TIN for Taxpayers under Executive Order 98 (E.O. 98) and One-Time Transaction Taxpayers</li><li>• Registration of Non-Resident Foreign Corporation (NRFC)</li><li>• Conversion of Non-Business Taxpayers (e.g. Employee, E.O. 98) with existing TIN to Business Taxpayers</li><li>• Registration of New Branch</li><li>• Registration of New Facility</li><li>• Employer Account Enrollment to facilitate the TIN issuance of employees Update/Change in Registered Address or Transfer of Registration</li></ul>

Features	Application Details
<b>Secondary Registration</b>	<ul style="list-style-type: none"> <li>• Application for Authority to Print (ATP)</li> <li>• Registration of Books of Accounts</li> <li>• Registration of Permit to Use (PTU) Loose-leaf</li> <li>• System Registration of Computerized Accounting System (CAS)</li> </ul>
<b>Registration Information Update</b>	<ul style="list-style-type: none"> <li>• Availment of 8% Income Tax Return Option</li> <li>• Submission of Application for Change in Accounting Period</li> <li>• Registration/Addition of Tax Incentive</li> <li>• Change/Update of Contact Type</li> <li>• Change/Update of Contact Person/Authorized Representative</li> <li>• Change/Update of Stockholders/Members/Partners</li> <li>• Addition of Tax Type</li> <li>• Registration of Additional Business/Trade Name</li> <li>• Registration of Additional Line of Business</li> <li>• Change in Registered Name of Non-Individual taxpayers</li> <li>• Update/Change in Registered Address or Transfer of Registration</li> <li>• Update/Change of Civil Status</li> </ul>
<b>Other Online Facility</b>	<ul style="list-style-type: none"> <li>• Submission of Application for Closure or De-registration of Business</li> <li>• Submission of Application for TIN Cancellation</li> <li>• Application for Cancellation of Permit to Use (PTU) Loose-leaf and Acknowledgement Certificate (AC) of Computerized Accounting System (CAS)</li> <li>• Online Verification of Taxpayer Identification Number (TIN)</li> <li>• BIR Registered Business Search Facility</li> <li>• Digital TIN ID</li> <li>• Taxpayer Identification Number (TIN) Inquiry;</li> </ul>

Those taxpayers who wish to take advantage of these functionalities have to apply for account via ORUS ([ORUS \(bir.gov.ph\)](http://ORUS (bir.gov.ph))) pursuant to the procedure laid down under Revenue Memorandum Circular 122-2022.

**\*\*\*Nothing Follows\*\*\***