



BIR MEDIA RELEASE

Lumagui: BIR cuts in half the requirements for VAT Refund in an effort to promote Ease of Doing Business in the PH



Bureau of Internal Revenue Commissioner Romeo D. Lumagui Jr. issued Revenue Memorandum Circular (RMC) No. 71-2023 and Revenue Memorandum Order (RMO) No. 23-2023, both effective July 1, 2023, to streamline the documentary requirements and procedures in the filing and processing of VAT refund claims pursuant to Section 112 of the National Internal Revenue Code of 1997, as amended. This is in response to the clamor of taxpayer-claimants who encounter difficulties in complying with the documentary requirements previously set under Annex “A.1” of RMO No. 47-2020, and in conformity with Republic Act No. 11032, otherwise

known as the “Ease of Doing Business and Efficient Government Service Delivery Act of 2018”.

Most notable changes under these new revenue issuances compared to RMO No. 47-2020 are the following:

1. Substantial reduction of the number of documentary requirements from 30 to a minimum of 9 and maximum of 17 requirements;
2. Non-submission of soft copies of the scanned sales invoices or official receipts in support of both purchases and sales of goods or services. Instead, the taxpayer claimant availing of the VAT refund is only required to submit the original copies of the said documents;
3. Non-submission of documents that can be verified from the records of the BIR, either through the existing information tax systems or access of records from other BIR Offices;
4. Streamlining in the verification and procedures in the processing of VAT refund claims; and
5. Reduction in the number of processing offices since filing of VAT refund claims for the taxpayers under the Large Taxpayers Service shall be at the LT VAT Audit Unit and for taxpayers under the jurisdiction of Revenue Regions with VAT Audit Section shall be filed at the said section.

“Cutting the BIR requirements of VAT refund to half, is a historic step towards Ease of Doing Business. We hope that with this landmark issuance, taxpayers will realize that the BIR is now a service-oriented agency, not merely a goal-oriented one. We will continue to look for ways that will make the Philippines a haven for businesses and investments”, Commissioner Lumagui stated.