



Bringing In Revenues  
for Nation-Building

REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
**BUREAU OF INTERNAL REVENUE**  
National Office Building  
Quezon City



APR 07 2025

REVENUE MEMORANDUM CIRCULAR NO. 032-2025

**SUBJECT :** Circularizing Joint Administrative Order No. 002-2025, Series of 2025, Entitled "Guidelines to Implement Sections 6, 7, and 8 of Republic Act No. 12066, on the Certification of Export-Oriented Enterprise with Export Sales of at least Seventy Percent (70%) of the Total Annual Production of the Preceding Taxable Year"

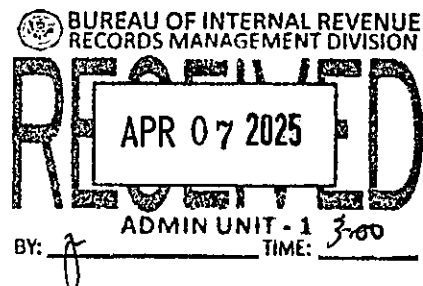
**TO :** All Internal Revenue Officials, Employees and Others Concerned

For the information and guidance of all internal revenue officials, employees and others concerned, attached as Annex "A" hereof is the Joint Administrative Order No. 002-2025, Series of 2025, entitled "Guidelines to Implement Sections 6, 7, and 8 of Republic Act No. 12066, on the Certification of Export-Oriented Enterprise with Export Sales of at Least Seventy Percent (70%) of the Total Annual Production of the Preceding Taxable Year."

All internal revenue officials and employees are hereby enjoined to give this Circular as wide a publicity as possible.

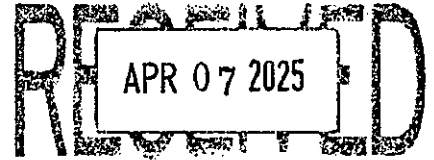


**ROMEO D. LUMAGUI, JR.**  
*Commissioner of Internal Revenue*





BUREAU OF INTERNAL REVENUE  
RECORDS MANAGEMENT DIVISION



BY: \_\_\_\_\_ TIME: \_\_\_\_\_  
ADMIN UNIT - 1

JOINT ADMINISTRATIVE ORDER NO. 002.2025  
Series of 2025

**Subject: GUIDELINES TO IMPLEMENT SECTIONS 6, 7, AND 8 OF REPUBLIC ACT NO. 12066, ON THE CERTIFICATION OF EXPORT-ORIENTED ENTERPRISE WITH EXPORT SALES OF AT LEAST SEVENTY PERCENT (70%) OF THE TOTAL ANNUAL PRODUCTION OF THE PRECEDING TAXABLE YEAR**

**WHEREAS**, Republic Act (RA) No. 12066, otherwise known as "An Act Amending Sections 27, 28, 32, 34, 57, 106, 108, 109, 112, 135, 237, 237-A, 269, 292, 293, 294, 295, 296, 297, 300, 301, 308, 309, 310, and 311, and Adding New Sections 135-A, 295-A, 296-A, and 297-A of the National Internal Revenue Code of 1997, as amended (Tax Code), and for Other Purposes", was enacted on 08 November 2024;

**WHEREAS**, Sections 6, 7, and 8 of RA No. 12066 amended Sections 106(A)(2)(a)(3), 108(B)(5), and 109(dd) of the Tax Code and provides for the Value-added tax (VAT) zero-rating of sales of goods to and sale of services performed for export-oriented enterprises, and VAT exemption of importation of goods by export-oriented enterprises: *Provided*, that the export sales of such export-oriented enterprises are at least seventy percent (70%) of its total annual production for the preceding taxable year: *Provided, further*, That such goods and services are directly attributable to the export activity of the export-oriented enterprise;

**WHEREAS**, the same provisions designated the Department of Trade and Industry (DTI)-Export Marketing Bureau (EMB) to determine compliance with the aforementioned thresholds;

**WHEREAS**, the Department of Finance (DOF) is responsible for the formulation, institutionalization, and administration of fiscal policies, acting in coordination with other concerned political subdivisions, agencies, and instrumentalities of the government;

**WHEREAS**, the DTI serves as the primary coordinative, promotive, facilitative, and regulatory arm of government for the country's trade, industry, and investment activities;

**WHEREAS**, the Bureau of Internal Revenue (BIR) assesses and collects all national internal revenue taxes, fees, and charges, enforces all forfeitures, penalties, and fines connected therewith, and interprets the provisions of the Tax Code and other tax laws;

**WHEREAS**, the Bureau of Customs (BOC) supervises and controls the entrance and clearance of vessels and aircraft engaged in foreign commerce, enforces the Customs Modernization and Tariff Act and all other laws, rules, and regulations related to tariff and customs administration, including the enforcement of forfeitures, penalties, and fines connected therewith.

**WHEREAS**, the DTI, through the DTI-EMB, is mandated to oversee the development, promotion, and monitoring of Philippine exports and provide exporters with the enabling environment to make them globally competitive;

**NOW, THEREFORE**, pursuant to the above-mentioned, and subject to the limitations of their mandates conferred by law, the DOF, BIR, BOC, and DTI, do hereby promulgate the following guidelines through this Joint Administrative Order (JAO).

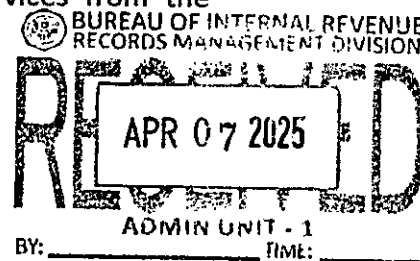
## **SECTION 1. GENERAL PROVISIONS**

- a. The DTI-EMB shall determine and certify the compliance of export-oriented enterprises with the seventy percent (70%) threshold under Sections 106 (A)(2)(a)(3), 108(B)(5), and 109(dd) of the Tax Code; and
- b. The Certification to be issued by DTI-EMB (DTI-EMB Certification) shall be a requirement in the availment of the VAT zero-rating on local purchases or VAT exemption on importation. For this purpose, the export-oriented enterprise shall furnish a copy of the DTI-EMB Certification to its local supplier prior to the transaction, and submit the same to the BOC in case of importation.

## **SECTION 2. DEFINITION OF TERMS**

As used in the JAO:

- a. **Total annual production** refers to, for goods, the volume or sales value of production, manufactured, and sold, including mark-up, by the export-oriented enterprise during a taxable year, and for services, the value of services rendered by the export-oriented enterprise during a taxable year;
- b. **Export-oriented enterprise** refers to a person, natural or juridical, engaged in the sale and actual shipment of goods and/or sale of services from the



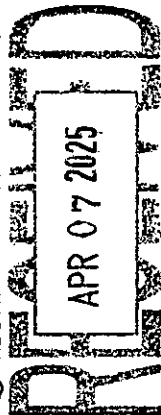
Philippines to a foreign country or economy as contemplated under Sections 106(A)(2)(a)(3), 108(B)(5), and 109(dd) of the Tax Code; and


- c. **Export Sales** refer to the actual sale and shipment of goods and services rendered that are covered under Sections 106(A)(2)(a)(1) and 108(B)(2), respectively, of the Tax Code.

### SECTION 3. CERTIFICATION PROCEDURE

- a. An export-oriented enterprise availing of the VAT zero-rating under Sections 106 (A)(2)(a)(3) and 108(B)(5) of the Tax Code, and VAT exempt importation under Section 109(dd) of the Tax Code, shall apply for a Certification with the DTI-EMB. The DTI-EMB Certification in this provision is to be distinguished from the VAT zero-rating certification to be issued by the Investment Promotion Agencies on the sale to Registered Business Enterprises (RBEs) which is covered under Title XIII of the Tax Code;
- b. The following are the documentary requirements:
- i. Application Form prescribed by DTI-EMB;
  - ii. Certified True Copy of the following:
    1. BIR Certificate of Registration (BIR Form No. 1556); and
    2. Proof of 70% export sales by the direct exporter (including but not limited to Financial Statements, Export documents, Bank Certification of Inward Remittances, etc.);
  - iii. Affidavit executed by the Owner/President or Finance Officer of the export-oriented enterprises, attesting and certifying that the export sales for the taxable year prior to the taxable year applied for is at least 70% of the total annual production;
  - iv. Original copy of Notarized Secretary's Certificate (for corporate claimant)/Special Power of Attorney (for individual and ROHQ exporters) or similar documents authorizing the representative/s to file, sign documents on behalf of the claimant and/or follow-up the DTI-EMB Certification;
  - v. Photocopy of at least one (1) government-issued ID with three (3) specimen signatures of authorized representative/s; and
  - vi. Other additional documentary requirements to be prescribed by the DTI-EMB.
- c. The DTI-EMB shall process the application within twenty (20) working days from the complete submission of the documentary requirements.
- d. Subsequent applications for the DTI-EMB Certification by export-oriented

BUREAU OF INTERNAL REVENUE  
RECORDS MANAGEMENT DIVISION



BY: 

enterprises shall be filed with the DTI-EMB not earlier than forty-five (45) working days prior to the close of the taxable year of the export-oriented enterprise.

#### **SECTION 4. VALIDITY OF THE CERTIFICATION**

The DTI-EMB Certification shall be valid until the end of the applicable taxable year (calendar/fiscal) adopted by the export-oriented enterprise unless earlier revoked.

#### **SECTION 5. REVOCATION OF CERTIFICATION**

If it is determined that export sales of the export-oriented enterprise is less than seventy percent (70%) of the total annual production of the preceding taxable year the Certification shall be revoked by the DTI-EMB.

After revocation of the DTI-EMB Certification, the export-oriented enterprise shall be subject to VAT on their importations for such taxable year covered by the revoked DTI-EMB Certification and shall be allowed to refund the excess input tax after verification.

#### **SECTION 6. ROLES AND RESPONSIBILITIES**

To fully implement the provisions of these Guidelines, the following agencies shall have the following roles and responsibilities:

**a. DOF**

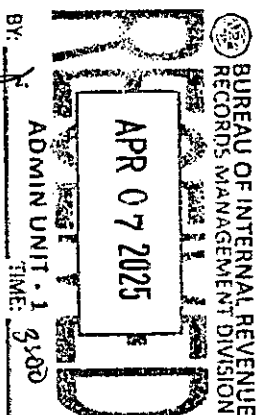
- i. The DOF shall provide policy direction, after consultation with the BIR, BOC, and DTI-EMB, on the implementation of the provisions of Sections 6, 7 and 8 of RA No. 12066 amending Sections 106 (A)(2)(a)(3), 108(B)(5), and 109(dd) of the Tax Code and its implementing rules and regulations; and
- ii. The DOF shall include in the database created under RA No. 10708 the reports herein submitted by the DTI-EMB to the DOF.

**b. DTI-EMB**

- i. The DTI-EMB shall determine and certify the compliance of export-oriented enterprises with the seventy percent (70%) threshold under Sections 106 (A)(2)(a)(3), 108(B)(5), and 109(dd);
- ii. The DTI-EMB shall submit to the DOF, BIR, and BOC, a Master List of all export-oriented enterprises issued a DTI-EMB Certification, including disapproved applications, beginning on the thirtieth (30th) day after the effectivity of these Guidelines;

**Guidelines to Implement Sections 6, 7, and 8 of Republic Act No. 12066**

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- iii. Such Master List shall be updated by the DTI-EMB on or before the fifth (5<sup>th</sup>) day following the close of each month, which includes the revoked certifications;
- iv. The DTI-EMB, in consultation with DOF, BIR, and BOC, shall establish a mechanism for the transmission of the Master List of export-oriented enterprises to the BIR, BOC, and DOF; and
- v. The DTI-EMB shall facilitate the publication of such Master List for the information of stakeholders, including the suppliers of export-oriented enterprises. For this purpose, the DTI-EMB may make use of any electronic means of publication.

**c. BIR and BOC**

- i. The BIR and BOC shall maintain a database of export-oriented enterprises based on the DTI-EMB's Master List of export-oriented enterprises with an issued certificate in accordance with Section 3 of these Guidelines.

**SECTION 7. VIOLATIONS AND PENALTIES**

Any violation of any of the provisions of RA No. 12066, as implemented by these Guidelines, shall be grounds for the initiation of appropriate action against the export-oriented enterprise without prejudice to the filing of appropriate administrative, civil, or criminal charges.

**SECTION 8. ADDITIONAL REQUIREMENTS**

The DTI-EMB, BIR, and BOC may issue pertinent administrative orders, memorandum circulars, or other similar documents further providing details of enforcement of these Guidelines.

**SECTION 9. INFORMATION DISSEMINATION**

This JAO shall be disseminated nationwide by the DTI-EMB, BIR, and BOC. Information campaigns, and dissemination programs and activities shall be undertaken by the agencies to educate export-oriented enterprises, local suppliers, and other stakeholders.

**SECTION 10. SEPARABILITY**

If any provision or part of this JAO is found invalid, illegal, and unenforceable, the remainder of the rules shall remain valid, legal, and subsisting.

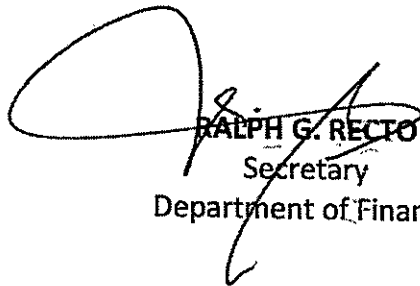
## SECTION 11. REPEALING CLAUSE

All other orders, issuances, rules and regulations which are inconsistent with RA No. 12066 and these rules are hereby repealed and modified.

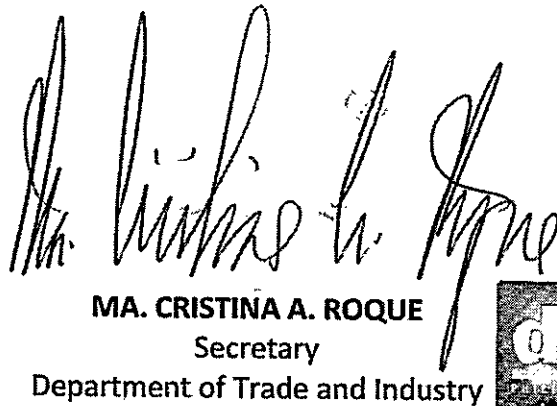
## SECTION 12. EFFECTIVITY

This JAO shall take effect immediately following its publication in a newspaper of general circulation and filing of three (3) copies hereof with the Office of National Administrative Register (ONAR), University of the Philippines (UP) Law Center, Dillman, Quezon City, pursuant to Presidential Memorandum Circular No. 11 dated 09 October 1992.

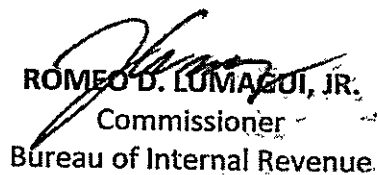
Issued this 26 day of February 2025.

  
**RALPH G. RECTO**  
Secretary  
Department of Finance

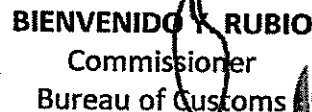


  
**MA. CRISTINA A. ROQUE**  
Secretary  
Department of Trade and Industry



  
**ROMEO D. LUMAQUI, JR.**  
Commissioner  
Bureau of Internal Revenue

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Bureau of Customs

