



Bringing In Revenues  
for Nation-Building

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



**BAGONG  
PILIPINAS**

APR 10 2025

**REVENUE MEMORANDUM CIRCULAR NO. 37 - 2025**

**SUBJECT :** Prescribes the Streamlined Procedures and Guidelines on the Mandatory Requirements for Claims of Value-Added Tax (VAT) Refund Under Section 112 of the National Internal Revenue Code of 1997, as Amended (Tax Code), Except Those Pursuant to a Writ of Execution by the Courts

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

This Circular is issued to provide uniform guidelines and prescribe the revised mandatory documentary requirements in the processing and grant of VAT refund claims under Section 112 of the Tax Code, in line with the latest developments on VAT introduced by Republic Act (R.A.) No. 12066.

**I. COVERAGE**

This Circular shall cover claims for VAT refund under Section 112(A) and (B) of the Tax Code, except those pursuant to a writ of execution by the Courts, that are filed on April 1, 2025 and thereafter.

**II. GENERAL POLICIES**

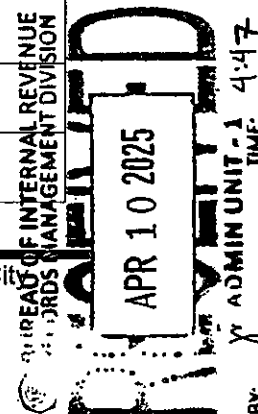
1. Pursuant to Section 6 of Revenue Regulations (RR) No. 10-2025, which further amended Section 4.112 of RR No. 16-2005, the time frame to process and grant claims for VAT refund is ninety (90) days from the date of submission of the certified true copies of the invoices or official receipts and other documents in support of the application filed in accordance with Section 112(A) and (B) of the Tax Code, up to the release of the payment for the approved amount of the refund.
2. The "Application for VAT Credit/Refund Claims" (BIR Form No. 1914) shall be received by the processing offices, to wit:
  - a. The VAT Credit Audit Division (VCAD) in the National Office for taxpayers whose claims of unutilized input taxes are attributable to VAT zero-rated sales under Section 112(A) of the Tax Code, to wit:

Type of VAT Zero-Rated Sales	Section in RR No. 16-2005, as amended by RR No. 10-2025
Direct export sales of goods, regardless of the percentage of export sales to total sales	4.106-5(a)(1)
Direct export sales of services, regardless of the percentage of export sales to total sales	4.108-5(b)(2)
Sale of goods to persons engaged in international shipping or international air transport operations	4.106-5(a)(4)

BIR National Office Bldg., Senator Miriam Defensor-Santiago Avenue, Diliman, Quezon City

Website: [www.bir.gov.ph](http://www.bir.gov.ph)

Trunkline: 8981-7000 ; 8929-7676



Type of VAT Zero-Rated Sales	Section in RR No. 16-2005, as amended by RR No. 10-2025
Services rendered to persons engaged in international shipping or international air transport operations	4.108-5(b)(4)
Transport of passengers and cargo by domestic air or sea vessels from the Philippines to a foreign country	4.108-5(b)(6)

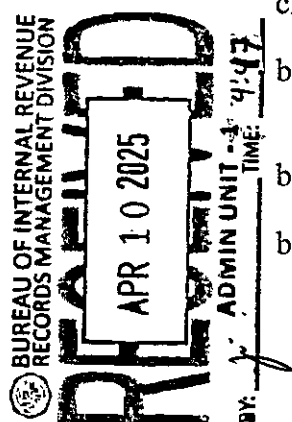
Claims of taxpayers engaged in direct exports exclude those with zero-rated sales coming from a combination of direct exports (e.g.: bio-fuels) and sales of power or fuel from renewable energy sources pursuant to Section 4.108-5(b)(7) of RR No. 16-2005, as amended by RR No. 10-2025, in which case, Item 2(b) hereof shall apply.

- b. Claims of taxpayer-claimants other than those mentioned in Section (II)(2)(a) of this Circular, to wit:

Type of Zero-Rated Sales/ Nature of Claim	Section in RR No. 16-2005, as amended by RR No. 10-2025
Sale of raw materials or packaging materials to a non-resident buyer for delivery to a resident local export-oriented enterprise to be used in manufacturing, processing, packing or repacking in the Philippines of the said buyer's goods	4.106-5(a)(2)
Processing, manufacturing or repacking goods for other persons doing business outside the Philippines which goods are subsequently exported	4.108-5(b)(1)
Sale of power or fuel from renewable energy sources	4.108-5(b)(7)
Those with effectively zero-rated sales <ul style="list-style-type: none"> <li>i. Sale of goods and services to an export-oriented enterprise (EOE)</li> <li>ii. Sale of goods to bonded manufacturing warehouses of EOE's</li> <li>iii. Sales of goods and services to persons or entities covered under special laws or international agreements</li> <li>iv. Sale of goods and services to registered business enterprises covered under Title XIII of the Tax Code</li> </ul>	4.106-5(a)(3) and 4.108(b)(5) 4.106-5(a)(5)  4.106-5(b) and 4.108-5(b)(3)  4.106-5(c) and 4.108-5(b)(8)
Taxpayers whose VAT registration has been cancelled or has changed in the VAT registration status to non-VAT but with accumulated unutilized input taxes pursuant to Section 112(B) of the Tax Code, which shall be filed within two (2) years from the date of issuance of the tax clearance by the BIR	4.112(b)

shall be filed at the following offices which have jurisdiction over the taxpayer-claimant:

- b.1 The VAT Audit Section (VATAS) of the Assessment Division of Regional Offices; or
- b.2 The respective Revenue District Office (RDO) if without VATAS; or
- b.3 The Large Taxpayers VAT Audit Unit (LTVAU) of the Large Taxpayers Service (LTS).

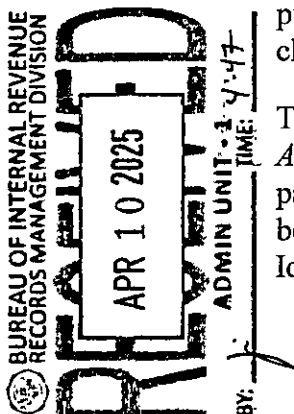


3. VAT refund claims shall be subject to validation by the processing office as to the completeness of the documentary requirements submitted during the filing of application, hence, claims for VAT refund shall be physically or manually filed at the designated processing office authorized to receive applications.
4. The taxpayer-claimant shall ensure the completeness and authenticity of the documentary requirements submitted upon filing of the application for VAT refund. Hence, only applications with complete documentary requirements, as enumerated in the Checklist of Requirements (Annexes "A.1.1", "A.1.2", or "A.2", whichever is applicable), shall be received and processed by the authorized processing office.
5. In case where the taxpayer-claimant filed the VAT refund claim beyond the 2-year prescriptive period as required under Section 112 of the Tax Code, the claim shall be accepted, however, the processing office shall recommend outright denial thereof.
6. If upon filing or during the processing of the VAT refund claim, the taxpayer-claimant has outstanding tax liabilities (final and executory) as defined under Section II (1) of Revenue Memorandum Order No. 11-2014, and evidenced by Delinquency Verification Certificate prescribed in Annex "A" of Revenue Memorandum Circular No. 64-2019, the ensuing approved VAT refund shall be referred for garnishment to the following:
  - a. **For Taxpayer-Claimants Under the Large Taxpayers Service.** – Large Taxpayers Collection Enforcement Division.
  - b. **For Taxpayer-Claimants Under the Revenue District Offices.** – Collection Section of the Revenue District Office and Collection Division of the Revenue Region having jurisdiction over the taxpayer-claimant.
  - c. **For Taxpayer-Claimants with Delinquent Accounts Originating from the National Investigation Division and Special Task Force.** – Collection Enforcement Monitoring Section of the Accounts Receivable Monitoring Division.

The said approved VAT refund may be used to settle or collect either fully or partially the outstanding delinquent tax liability subject to existing tax laws and revenue issuances on the enforcement and settlement of delinquent accounts.

7. The documents listed hereunder shall be signed by the following:
  - a. Application for VAT refund, affidavit/s and/or such other document/s supporting the claim, other than the copies of sales invoices or receipts in support of sales and purchases, shall be signed by the duly-authorized signatory of the taxpayer-claimant.

The "*Secretary's Certificate*", "*Partnership Resolution*", or "*Special Power of Attorney*" designating/authorizing said representative of the corporate claimant, partnership or sole proprietorship, as the case may be, should be notarized and must be presented to the processing office, together with one (1) valid government-issued Identification Card (ID) of the said authorized representative.

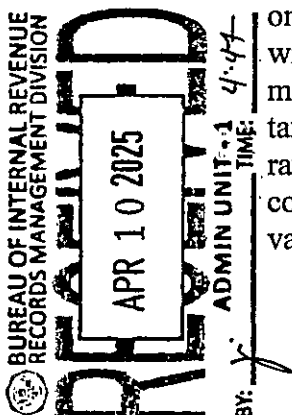


- b. Certified copies of invoices/receipts in support of sales and purchases shall be signed by the president or proprietor or head of the finance or accounting of the taxpayer-claimant. The said authorized official may assign other signatory/ies who are knowledgeable in the accounting and/or custodianship of the said documents.

The “*Secretary’s Certificate*”, “*Partnership Resolution*”, or “*Special Power of Attorney*” designating/authorizing said signatory of the corporate claimant, partnership or sole proprietorship, as the case may be, should be notarized and must be presented to the processing office, together with the company ID of the said official or employee of the taxpayer-claimant.

8. For VAT refund claims where the period covered starts from April 1, 2025, the following rules shall apply:

- a. No refund of input VAT shall be allowed on the part of the export-oriented enterprise (EOE) that attained the seventy percent (70%) threshold from the preceding taxable year in case the local suppliers passed-on VAT on the local purchases of goods directly attributable to the former’s export activity for the immediately succeeding year despite securing VAT zero-rating certificate from the Export Marketing Bureau (EMB) of the Department of Trade and Industry (DTI). In such cases, the qualified exporter may contest the same and/or resolve with the local supplier for the reimbursement of the VAT paid, if any, or convert the transaction from twelve percent (12%) VAT to VAT at zero percent (0%).
- b. Upon the effectivity of R.A. No. 12066 and its implementing rules and regulations, the EMB shall accept applications of EOE’s for VAT zero-rating on their local purchases and VAT exemption on their importations. To avoid duplication of government agencies having to validate the export activities of taxpayer-claimants, the EMB shall certify the direct export sales of qualified taxpayer-claimants. Hence, documents evidencing actual export of goods or services shall be submitted to the EMB for their scrutiny and issuance of a certification as to its veracity through a template/schedule prescribed for this purpose. The processing office of the BIR shall verify the export sales of the taxpayer-claimant on the basis of the certification issued by the EMB.
- c. EOE’s that have attained the 70% export threshold from the preceding taxable year but failed to secure certification from the EMB shall not be allowed for VAT refund covering the immediately succeeding year. However, the unutilized input VAT may be carried forward to the subsequent taxable quarters and can be utilized against future VAT liabilities.
- d. For EOE’s that failed to meet the threshold from the preceding year and would claim for refund the input taxes from their local purchases attributable to zero-rated sales on the immediately succeeding year, the copy of the notification from the EMB with a clear statement that sales from the preceding year is below the 70% threshold must be submitted. This proves that the immediately succeeding year (that is the taxable year covered by the VAT refund claim) is not qualified for VAT zero-rating on local purchases and is therefore subject to 12% VAT. Also, a certified copy of the schedule or evaluation sheet from the EMB, containing the result of validation of export sales and inward remittances for the current year or taxable



year covered by the VAT refund claim shall be submitted in lieu of the export documents such as airwaybills/bills of lading to prove actual export and bank certifications to prove inward remittances.

- e. For taxpayer-claimants that have purchases from registered business enterprises (RBEs) covered under RR No. 9-2025, no input VAT shall be claimed until the corresponding VAT has been paid on the purchase from RBE-sellers. The following documents are required for the local buyers of RBEs:

1. Sales Invoice issued by the RBE showing the amount of VAT on local sales; and,
2. Copy of the corresponding duly-filed BIR Form No. 1600VT or BIR Form No. 0605, whichever is applicable.

### III. DOCUMENTS TO BE SUBMITTED BY THE TAXPAYER-CLAIMANT UPON FILING OF THE APPLICATION FOR VAT REFUND

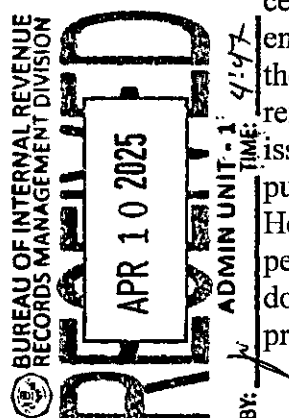
1. The application/s must be accompanied with complete supporting documents enumerated in the Checklist of Requirements under Annexes "A.1.1", "A.1.2", or "A.2", whichever is applicable, to wit:

- a. **For claims of input VAT attributable to zero-rated sales under Section 112(A) of the Tax Code.** – VAT refund claims filed starting April 1, 2025 onwards may include claims covering taxable periods prior to the effectivity of R.A. No. 12066 and its implementing rules and regulations, which still does not require EMB to certify direct exports of export-oriented enterprises. Thus, export-oriented enterprises that were passed on VAT on their local purchases and importation upon the effectivity of R.A. No. 12066 on November 28, 2024, may claim for VAT refund until the effectivity of the Department Administrative Order that will be issued by the DTI-EMB to effect the processing of VAT zero-rating on local purchases and VAT-exemption on importation of export-oriented enterprises. Hence, documentary requirements significantly vary for claims covering taxable period/s prior to and after April 1, 2025. In this regard, and to provide clarity in the documentary requirements, the appropriate checklists of requirements are hereto prescribed:

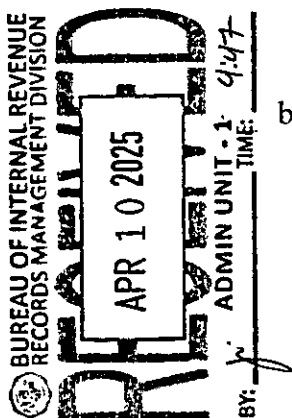
Taxable Period Covered	Annex No.
Prior to April 1, 2025	A.1.1
April 1, 2025 Onwards	A.1.2

- b. **For claims of accumulated input VAT as of the date of cessation/closure of business or change of registration status from VAT to non-VAT.** – Annex "A.2"

2. As could be gleaned from the said list of mandatory requirements, most documents or data that can be culled from the records of the BIR are no longer required to be submitted in compliance with the Ease of Doing Business Law (R.A. No. 11032). However, taxpayer-claimants are not precluded from submitting copies of the same to aid the processing offices in the timely processing of the VAT refund claim, subject to verification of the said documents from the records of the BIR.



3. The duly-certified copies of invoices/receipts for sales and purchases submitted for verification by the assigned Revenue Officers (ROs) shall be forwarded to the Commission on Audit (COA) if the claim is approved for refund. The original copies of the invoices or receipts in support of the input taxes claimed from local purchases shall be stamped with "VAT refund claimed" by the assigned ROs which may be conducted at the processing office for those with minimal volume of documents or at the taxpayer-claimant's registered office address for voluminous documents.
4. Claims for refund of unutilized input VAT on importation shall be supported with a "VAT Payment Certification" issued by the Revenue Accounting Division (RAD) of the Bureau of Customs (BOC) National Office. Only the importations appearing on the certification of BOC-RAD shall be considered in the computation of refundable amount.
5. For the amortized portion of the input VAT on aggregate purchases of capital goods exceeding one million pesos (P1,000,000.00) in a month pursuant to Section 110(A)(2)(b) of the Tax Code, the following rules shall apply:
  - a. For current claims, the corresponding sales invoices and/or official receipts, including proofs of payment, if qualified as "big ticket" purchase, shall be required to be submitted and verified.
  - b. For the amortized deferred input VAT which originated from purchases prior to the period of claim, acceptability of supporting documents is clarified as follows:
    - b.1 If the source documents of the capital goods were submitted and verified during the time they were claimed, there is no need to re-submit the same source documents. Instead, the schedule of amortization of deferred input VAT in the approved report will be the basis in determining the amortized portion in the subsequent claims.
    - b.2 For claims coming from the amortized portion of the deferred input VAT on importation of capital goods, photocopies of previous certifications from BOC-RAD, in addition to the certified schedules mentioned under b.1 above.
    - b.3 In case the input VAT of capital goods was previously disallowed due to noncompliance with the invoicing requirements for local purchases and importation or for some other reasons which may warrant absolute disallowance of the corresponding input VAT, the taxpayer-claimant is already barred from claiming the input VAT from the said purchases for the current claim and thereafter.
    - b.4 For purchase/importation of capital goods made starting January 1, 2022, no amortization shall be made and the input VAT shall be claimed on the month of purchase in accordance with Section 110(B) of Tax Code.
    - b.5 The unexpired portion of deferred input VAT on capital goods may be claimed for VAT refund under Section 112 of the Tax Code until fully amortized even after the effectivity of R.A. No. 12066 and its implementing rules and regulations.



6. Only the tax returns filed by the taxpayer-claimant, particularly the quarterly and/or Annual Income Tax Returns, the Quarterly VAT Returns (QVR) and the QVR showing the deduction of the amount of input VAT sought to be refunded, on or before the date of application of the VAT refund or the issuance of a Letter of Authority, whichever comes first, shall be considered in the processing of the claim.

The QVR showing the deduction of the amount of input VAT sought to be refunded that are filed after the date of application of the VAT refund or the issuance of a Letter of Authority covering the taxable period of the filed QVR shall result in the denial of the claim for non-compliance of Section 110(C) of the Tax Code, which requires that the sum of the excess input tax carried over from the preceding quarter and the input tax creditable to a VAT-registered person during the taxable quarter shall be reduced by the amount of claim for VAT refund.

7. The taxpayer-claimant shall attach a notarized sworn certification (Annexes "A.1.3.1" and "A.1.3.2") attesting to the completeness of the documents submitted. Accordingly, the claim/s shall be processed based on the documents submitted. The books of accounts and accounting records shall be presented by the taxpayer-claimant upon written request of the assigned ROs. Failure to present the books of accounts and accounting records relevant to the claim/s may be a ground for denial of the claim.
8. For claims filed under Section 112(B) of the Tax Code, despite the closure or cessation of business, the taxpayer-claimant must ensure cooperation with the assigned ROs. Failure to cooperate with the assigned ROs may result in the full or partial denial of the claim.

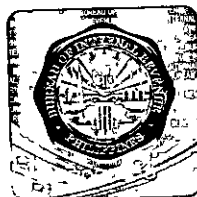
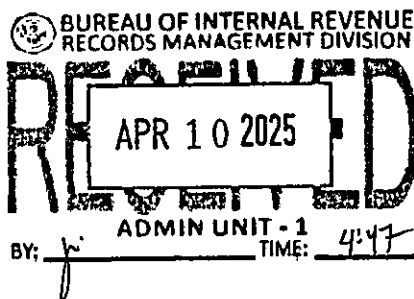
#### IV. REPEALING CLAUSE

All revenue issuances and BIR Rulings inconsistent herewith are hereby considered amended, modified or revoked accordingly.

#### V. EFFECTIVITY

This Circular shall take effect immediately.

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



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