



REPUBLIC OF THE PHILIPPINES
Department of Finance
Department of Trade and Industry



JOINT MEMORANDUM CIRCULAR NO. 01, Series of 2016

TO: Incentives Promotion Agencies, the Bureau of Internal Revenue and the Bureau of Customs, the Registered Business Entities, and Others Concerned

SUBJECT: Clarification on Certain Provisions of Joint Administrative Order No. 1-2016 dated June 23, 2016, entitled "Rules and Regulations to Implement Republic Act No. 10708, otherwise known as the "Tax Incentives Management and Transparency Act (TIMTA)"

1. Objectives

This Circular is issued to clarify certain provisions of Joint Administrative Order No. 1-2016 relating to the implementation of Republic Act No. 10708, entitled "An Act Enhancing Transparency in the Management and Accounting of Tax Incentives Administered by Investment Promotion Agencies, otherwise known as the Tax Incentives Management and Transparency Act (TIMTA).

2. Rule II Section 2 and Rule III Section 1(b)

2.1 Only Registered Business Entities (RBEs) availing of incentives are mandated to submit the Annual Tax Incentives Report (Annex A.1 and Annex A.2) to their respective Investment Promotions Agency (IPA). Thus, the following are no longer required to submit the Annual Tax Incentives Reports:

- 2.1.1 International organizations invoking tax treaties or international agreements to which the Philippines is a signatory;
- 2.1.2 Business entities registered with an IPA but are not qualified for incentives;
- 2.1.3 Business entities registered with an IPA that are qualified for incentives but have not availed or applied for any incentive during the taxable year;
- 2.1.4 Business entities registered with an IPA but are no longer availing any incentives after their incentives entitlement period;
- 2.1.5 Business entities registered with an IPA that utilize special or preferential treatment by virtue of Free Trade Agreements; and

2.1.6 Regional or Area Headquarters and Regional Operating Headquarters under Book III of Executive Order No. 226, as amended by Republic Act No. 8756.

RBEs falling under Item 2.1.2 shall still be included in the Master List (Annex C of JAO 1-2016) required under Rule III Section 1(a).

2.2 For purposes of reporting of incentives for taxable year 2017 and subsequent years, the RBEs shall file with their respective IPAs their Annual Tax Incentives Reports, within thirty (30) days from the statutory deadline for filing of Final Adjustment Return for Income Tax, and payment of tax due thereon, if any, such that:

Year Ending	Statutory deadline for filing the Final Adjustment Return and payment of tax due thereon, if any*	Submission of Annual Tax Incentives Report to IPA**	Accounting Period
31 January 2017	15 May 2017	14 June 2017	Fiscal Year
29 February 2017***	15 June 2017	15 July 2017	
31 March 2017	15 July 2017	14 August 2017	
30 April 2017	15 August 2017	14 September 2017	
31 May 2017	15 September 2017	15 October 2017	
30 June 2017	15 October 2017	14 November 2017	
31 July 2017	15 November 2017	15 December 2017	
31 August 2017	15 December 2017	14 January 2018	
30 September 2017	15 January 2018	14 February 2018	
31 October 2017	15 February 2018	17 March 2018****	
30 November 2017	15 March 2018	14 April 2018	
31 December 2017	15 April 2018	15 May 2018	

* Based on Section 77(B) of the National Internal Revenue Code of 1997, as amended.

** Applying computation of number of days under Article 13 of the New Civil Code.

*** 2016 is a leap year, thus, this may change.

**** May move, if year ends on a leap year.

2.3 RBEs employing the Fiscal Year accounting period shall state in the title of their Annual Tax Incentives Report – Income-based Tax Incentives (Annex A.1) the ending date of their fiscal year.

3. Rule IX Section 1

3.1 The period on the submission of the reports both for income-based tax incentives and value-added tax (VAT) duty exemptions covering Taxable Year 2015 required under R.A. No. 10708 and its implementing rules and regulations is amended to read as:

Submission by RBEs to IPAs	Submission by IPAs to BIR of Consolidated Annual Tax Incentives Report and to the NEDA Secretariat of Aggregate	Submission of BIR to DOF	Submission by IPA to NEDA Secretariat of Other Relevant Date or
----------------------------	---	--------------------------	---

	Annual Tax Incentives Report		Information
From September 15, 2016 to November 15, 2016	On December 30, 2016	On February 28, 2017	April 14, 2017

3.2. For RBEs using the calendar year method, the submission of Annual Tax Incentives Reports for taxable year 2016 to their respective IPAs shall be on 15 May 2017.

3.3. For RBEs with Fiscal Year ending January 31, 2016 to July 31, 2016, the period on the submission of the reports both for income-based tax incentives and value-added tax (VAT) duty exemptions covering Taxable Year 2016 required under R.A. No. 10708 and its implementing rules and regulations are as follows:


Year Ending	Statutory deadline for filing the Final Adjustment Return and payment of tax due thereon, if any*	Submission of Annual Tax Incentives Report to IPA**
31 January 2016	15 May 2016	15 December 2016
29 February 2016***	15 June 2016	
31 March 2016	15 July 2016	
30 April 2016	15 August 2016	
31 May 2016	15 September 2016	
30 June 2016	15 October 2016	
31 July 2016	15 November 2016	
31 August 2016	15 December 2016	14 January 2017
30 September 2016	15 January 2017	14 February 2017
31 October 2016	15 February 2017	17 March 2017****
30 November 2016	15 March 2017	14 April 2017

* Based on Section 77(B) of the National Internal Revenue Code of 1997, as amended.


**Applying computation of number of days under Article 13 of the New Civil Code.

For your guidance.

01 September 2016, Makati City, Philippines.


CARLOS G. DOMIGUEZ III
 Secretary of Finance




RAMON M. LOPEZ
 Secretary of Trade and Industry