

[REPUBLIC ACT NO. 3825, June 22, 1963]

**AN ACT TO AMEND CERTAIN SECTIONS OF COMMONWEALTH ACT
NUMBERED FOUR HUNDRED SIXTY-SIX, OTHERWISE KNOWN AS
THE NATIONAL INTERNAL REVENUE CODE, AND FOR OTHER
PURPOSES.**

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Subparagraph (1), paragraph (b) of Section twenty-four of the National Internal Revenue Code, as amended, is further amended to read as follows:

"(b) *Tax on foreign corporations.*—(1) *Non-resident corporations.*—There shall be levied, collected, and paid for each taxable year, in lieu of the tax imposed by the preceding paragraph, upon the amount received by every foreign corporation not engaged in trade or business within the Philippines, from all sources within the Philippines, as interest, dividends, rents, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinate annual or periodical gains, profits, and income, a tax equal to thirty *per centum* of such amount: *Provided, however,* That premiums shall not include reinsurance premiums."

SEC. 2. Section fifty-four of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"SEC. 54. *Payment of corporation income tax at source.*— In the case of foreign corporations, subject to taxation under this Title not engaged in trade or business within the Philippines and not having any office or place of business therein, there shall be deducted and withheld at the source in the same manner and upon the same items as is provided in Section fifty-three a tax equal to thirty *per centum* thereof, and such tax shall be returned and paid in the same manner and subject to the same conditions as provided in that section: *Provided, however,* That no such deduction or withholding shall be required in the case of reinsurance premiums ceded to foreign insurance corporations not engaged in trade or business in the Philippines and having no office or place of business therein."