[BIR REVENUE MEMORANDUM CIRCULAR NO. 76-91, September 12, 1991]

APPLICABLE EXCHANGE RATE OF U.S. DOLLAR AND OTHER FOREIGN CURRENCIES TO PHILIPPINE PESO FOR THE COLLECTION OF INCOME TAXES OF NON-RESIDENT CITIZENS, SUPPLEMENTING REVENUE MEMORANDUM CIRCULAR NO. 77-89, DATED DECEMBER 19, 1989.

For the information and guidance of all concerned, the following rules are hereby prescribed to govern the conversion of U.S. dollar and other foreign currencies to Philippine pesos:

a) The exchange rate to be applied in converting items of gross income and deductions from gross income from other foreign currency to U.S. dollar shall be the average interbank reference rate for the taxable year when said gross income and deductions were earned and incurred, respectively. This average rate is contained in the U.S. Dollar Rates of Selected Currencies obtainable from the Treasury Department of the Central Bank of the Philippines. If pertinent foreign currency is not among those listed, the International Tax Affairs Division shall furnish the reference rate to utilize. For the taxable year 1990, the U.S. Dollar Rate of Selected Currencies are shown in EXHIBIT A*.

b) These amounts as converted to U.S. dollar at the *average interbank reference rate discussed in (a)* above shall subsequently be converted to Philippine peso using the *average peso/dollar interbank reference rate during the taxable year* when said gross income and deductions were earned and incurred, respectively. This rate is contained in the *Peso/Dollar Monthly Averages* report issued by the Central Bank of the Philippines. For the taxable year 1990, the average peso/dollar interbank reference rate is *P24.3105* as the equivalent of one (1) U.S. dollar.

c) For the purpose of converting the tax liability in U.S. dollar to Philippine peso, *the prevailing peso/dollar interbank reference rate at the time this tax liability shall actually be paid* shall apply. This exchange rate is being published daily in selected national newspapers.

d) If the tax liability is to be paid in other foreign currency, the amount of the tax liability in U.S. dollar shall be converted to the other foreign currency using the **prevailing exchange rate in the foreign post at the time of actual payment**.

e) In the event of any deficiency income tax becoming due after audit by the BIR, this deficiency tax, determined by deducting from the income tax due in U.S. dollar per audit any previous income tax payments also stated in U.S. dollar, shall be converted to Philippine peso using **the prevailing interbank reference rate at the time of assessment or preparation of the Transcript of Assessment**.

All previous revenue memoranda and portions thereof inconsistent herewith are hereby amended or modified accordingly.