

**[BIR REVENUE MEMORANDUM ORDER NO. 81-99,
October 08, 1999]**

**ISSUANCE OF VALUE ADDED TAX (VAT) EXEMPTION
CERTIFICATE TO ALL QUALIFIED EMBASSIES AND THEIR
PERSONNEL.**

BACKGROUND

It has been the procedure that requests for ruling on VAT exemptions of embassies and their personnel are filed first with the Department of Foreign Affairs (DFA) before the same is transmitted to the BIR for processing and issuance of said certificate.

Pursuant to the Memorandum dated March 23, 1999 which was approved by Commissioner Beethoven L. Rualo, the function of processing the requests for VAT exemption ruling/certificate of embassies and their personnel on their purchases of goods and services in the Philippines is transferred from the Law Division to the International Tax Affairs Division.

OBJECTIVE

This Order is being issued to provide guidelines for the processing and the issuance of a VAT Exemption Certificate to all qualified embassies and their personnel on their purchases of goods and services in the Philippines.

GUIDELINES AND PROCEDURES

1. All requests for ruling on VAT exemption and/or the issuance of a VAT Exemption Certificate (VEC) to embassies for the purpose of exempting them and their personnel on the purchase of goods and services shall be filed with the Office of Protocol of the Department of Foreign Affairs (DFA) which will in turn forward the same to International Tax Affairs Division (ITAD) for appropriate action.
2. The request shall be filed preferably on the first quarter of the calendar year.
3. ITAD shall issue a VEC based on an issued BIR Ruling and under the principle of reciprocity as confirmed by the Office of Protocol of the DFA.
4. In the absence of a previous ruling exempting an embassy, a request for certification shall be treated as a request for a ruling. Once a ruling has been issued to an embassy, certification requested will be based on the issued ruling unless the ruling has been rendered ineffective.
5. The ruling exempting a particular embassy and its personnel from VAT on their purchases of goods and services in the Philippines shall be valid and effective for as