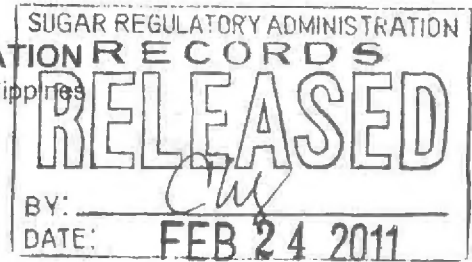




REPUBLIC OF THE PHILIPPINES
Department of Agriculture
SUGAR REGULATORY ADMINISTRATION
North Avenue, Diliman, Quezon City, 1101 Philippines



February 1, 2011

CIRCULAR LETTER NO. 15
Series of 2010-2011

TO : CUSTOMS BONDED WAREHOUSE (CBW)
OPERATORS, AND FOOD PROCESSORS AND
OTHER CONCERNED

SUBJECT : Amending Certain Provisions of Sugar Order No. 13 and
Circular Letter No. 40 Series of 1998-99, as Amended,
Circular Letter No. 17 Series of 2003-2004, Circular
Letter No. 18 Series of 2006-2007, Authorizing the
Administrator to Prescribe Additional Procedural and/or
Documentary Requirements in Connection with the
Guidelines in the Issuance of Certification of Sugar
Requirements for Processors/Manufacturers of Sugar-
Based Products for Export

SECTION 1. Pursuant to Section 2 of Sugar Order No. 13 Series of 1998-1999 as amended, Circular Letter No. 40 and Circular Letter No. 17 Series of 2003-2004, these regulations are hereby promulgated to amend certain provisions of the above-cited issuances prescribing the manner of compliance with documentary and/or procedural requirements in connection with the Guidelines in the Issuance of Certification of Sugar Requirements for Processors/Manufacturers of Sugar-based Products for Export.

SECTION 2. Section 3 of Circular Letter No.17 Series of 2003-2004, is hereby further amended to insert to Section 3 thereof:

"In addition to the mandated requirements and supporting documents in the original form or duly certified true copy, the following additional rules and regulations shall be submitted and complied prior to the issuance of certification of sugar requirements for processors/manufacturers of sugar-based products for export for the incoming allocation year, particularly the following:

1. Submission of Financial Statements with corresponding NOTES to Financial Statements pursuant and compliant to BIR REVENUE REGULATIONS No. 15-2010 issued on November 25, 2010 (copy attached), as part of the Statement of Liquidation of the "D" sugar or World Market Sugar (Imported and Local).



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2. On top of the requirements of Section 2.3 of Revenue Regulations No. 15-2010, additional information on the **cost** and **volume** of sugar imports shall also be included in the Financial Statement to be submitted to SRA as part of the SRA's validation process on the submitted Statement of Liquidation of sugar usage.

SECTION 3. Section 2.3 of Circular Letter No.18 Series of 2006-2007, is also hereby further amended to include monthly submission (***submittal must be done on or before 10 days after the end of each month***) to SRA through the Office of the Manager, Regulation Department a report on the "D" sugar usage (local and imported sugar) duly certified by either one of the following Officials, Production Manager/President of the company and/or the signatory is the duly authorized representative of the CBW operator/Food Processor, and granted full power and authority to do, execute and perform the report, with the duly notarized Secretary's certificate attesting to such fact, if the CBW operator/Food Processor is a corporation, partnership, cooperative or joint venture.

SECTION 4. "In addition to the disclosures mandated under the Philippine Financial Reporting Standards and pursuant to Revenue Regulations No. 15-2010, the NOTES to Financial Statements shall also include a statement that the applicant is not using undocumented sugar.

SECTION 5. Effectivity Clause. This Memorandum Circular shall take effect immediately.

Signed:

MA. REGINA-MARTIN BAUTISTA
Administrator

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

November 25, 2010

REVENUE REGULATIONS No. 15-2010

SUBJECT : Amending Certain Provisions of Revenue Regulations No. 21-2002, as Amended, Implementing Section 6 (H) of the Tax Code of 1997, Authorizing the Commissioner of Internal Revenue to Prescribe Additional Procedural and/or Documentary Requirements in Connection with the Preparation and Submission of Financial Statements Accompanying the Tax Returns

TO : All Internal Revenue Officers and Others Concerned

SECTION 1. Pursuant to Section 244 of the Tax Code of 1997, as amended, in relation to Section (H) of the Same Code, these Regulations are hereby promulgated to amend certain provisions of Revenue Regulations No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements accompanying the tax returns.

SECTION 2. Section 2 of RR No. 21-02, as amended, is hereby further amended to insert the following to paragraph (e) thereof:

"In addition to the disclosures mandated under the Philippine Financial Reporting Standards, and such other standards and/or conventions as may heretofore be adopted, the Notes to Financial Statements shall include information on taxes, duties and license fees paid or accrued during the taxable year, particularly the following:

1. The amount of VAT output tax declared during the year and the account title and amount/s upon which the same was based. If there are zero-rated sales/receipts and/or exempt sales/receipts, a statement to that effect and the legal basis therefor;
2. The amount of VAT Input taxes claimed broken down into:
 - a. Beginning of the year;

- b. Current year's domestic purchases/payments for:
 - i. Goods for resale/manufacture or further processing
 - ii. Goods other than for resale or manufacture
 - iii. Capital goods subject to amortization
 - iv. Capital goods not subject to amortization
 - v. Services lodged under cost of goods sold
 - vi. Services lodged under other accounts;
 - c. Claims for tax credit/refund and other adjustments; and
 - d. Balance at the end of the year.
 3. The landed cost of imports and the amount of customs duties and tariff fees paid or accrued thereon;
 4. The amount of excise tax/es, classified per major product category, i.e., tobacco products, alcohol products, automobiles, minerals, oil and petroleum, etc. paid on-
 - a. Locally produced excisable items, and
 - b. Imported excisable items.
 5. Documentary stamp tax (DST) on loan instruments, shares of stock and other transactions subject thereto;
 6. All other taxes, local and national, including real estate taxes, license and permit fees lodged under the Taxes and Licenses account both under the Cost of Sales and Operating Expense accounts;
 7. The amount of withholding taxes categorized into
 - i. Tax on compensation and benefits
 - ii. Creditable withholding tax/es
 - iii. Final withholding tax/es
 8. Periods covered and amount/s of deficiency tax assessments, whether protested or not;
 9. Tax cases, and amounts involved, under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR."

SECTION 3. Section 6 of RR 21-02 is hereby amended to read as follows:

"SECTION 6. Repealing Clause. - all existing rules, regulations and other issuances or portions thereof inconsistent with the provisions of these Regulations are hereby modified, repealed or revoked accordingly, including the submission of a separate Schedule of Taxes and Licenses."

SECTION 4. Effectivity Clause. - These Regulations shall take effect fifteen (15) days following complete publication in a newspaper of general circulation in the Philippines.

(Original Signed)
CESAR V. PURISIMA
Secretary of Finance

Recommending Approval:

(Original Signed)
KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

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