



Bringing In Revenues
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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE



Quezon City

SEP 07 2026

REVENUE MEMORANDUM CIRCULAR NO. 096-2026

SUBJECT : Clarification on the Qualification of Export-Oriented Enterprises to VAT Refund during the transitory period for Securing a VAT Zero-Rating Certificate from the Export Marketing Bureau of the Department of Trade and Industry

TO : All Internal Revenue Officials, Employees and Others Concerned

This Circular is issued to provide clarification on Section III (1)(a) of Revenue Memorandum Circular (RMC) No. 37-2025 on the qualification of Export-Oriented Enterprises (EOEs) for VAT refund, specifically during the transitory period for securing a VAT zero-rating certificate from the Export Marketing Bureau of the Department of Trade and Industry, hereinafter referred to as the DTI-EMB.

I. BACKGROUND

On March 28, 2025, Department Administrative Order (DAO) No. 25-03 series of 2025 was issued by the DTI prescribing the guidelines on certification of EOEs under Republic Act (RA) No. 12066 (CREATE MORE Act). Moreover, on April 10, 2025, RMC No. 37-2025 was issued by the Bureau of Internal Revenue (BIR) prescribing the streamlined procedures and requirements for claims of VAT refund under Section 112 of the National Internal Revenue Code of 1997, as amended.

Section III(1)(a) of RMC No. 37-2025 states that *export-oriented enterprises that were passed on VAT on their local purchases and importation upon the effectivity of RA No. 12066 on November 28, 2024, may claim for VAT refund until the effectivity of the DAO that will be issued by the DTI-EMB to effect the processing of VAT zero-rating on local purchases and VAT-exemption on importations of export-oriented enterprises.*

However, based on the Masterlist of Certified EOEs provided by the DTI-EMB through the Audit Information, Tax Exemption & Incentives Division (AITEID) as of December 31, 2025, it was observed that the validity start dates of their VAT-zero rating certifications vary (*i.e., earliest start date – May 14, 2025; latest start date – December 26, 2025*) due to the transitory period offered to EOEs for applying for VAT zero-rating certification with the DTI-EMB.

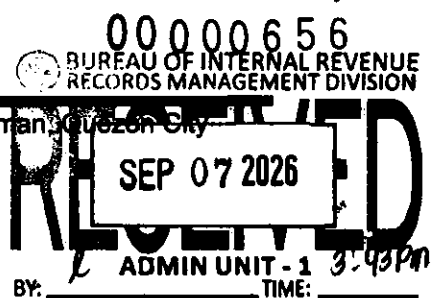
II. CLARIFICATION

To provide due consideration to EOEs that secured VAT zero-rating certifications from the DTI-EMB during the transitory period, the BIR shall allow such EOEs to claim VAT refund on their passed-on VAT on local purchases and importations that are attributable to zero-rated sales covering the period beginning the effectivity of RA No. 12066 on November 28, 2024 until the issuance of the VAT zero-rating certification by the DTI-EMB, provided that such certification was issued within the transitory period.

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For purposes of this Circular, the transitory period shall refer to the period from November 28, 2024 until December 31, 2025.

Accordingly, Section III(1)(a) of RMC No. 37-2025 is amended as follows:

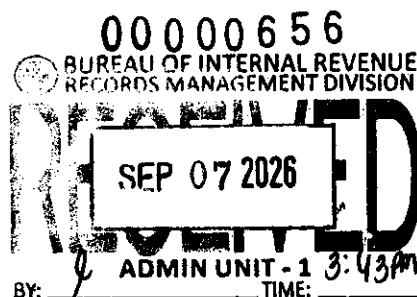
a. For claims of input VAT attributable to zero-rated sales under Section 112(A) of the Tax Code. – VAT refund claims filed starting April 1, 2025 onwards may include claims covering taxable periods prior to the effectivity of R.A. No. 12066 and its implementing rules and regulations, which still does not require EMB to certify direct exports of export-oriented enterprises. Thus, export-oriented enterprises that were passed on VAT on their local purchases and importation during the period from the effectivity of R.A. No. 12066 on November 28, 2024 up to the issuance of the VAT zero-rating certification by the DTI-EMB, may claim VAT refund for such passed-on VAT, provided that such certification was issued during the transitory period ending December 31, 2025. Hence, documentary requirements significantly vary for claims covering taxable period/s prior to and after April 1, 2025. In this regard, and to provide clarity in the documentary requirements, the appropriate checklists of requirements are hereto prescribed:

Taxable Period Covered	Annex No.
Prior to April 1, 2025	A.1.1
April 1, 2025 Onwards	A.1.2

EOEs that have attained the 70% export threshold from the preceding taxable year but failed to secure certification from EMB (including during the transitory period) shall not be allowed for VAT refund covering the immediately succeeding year. However, the unutilized input VAT may be carried forward to the subsequent taxable quarters and can be utilized against future VAT liabilities.

Moreover, only input VAT allowable under Section 112 of the Tax Code and directly attributable to qualified zero-rated sales shall be refundable, subject to compliance with all the documentary, substantiation, attribution, and verification requirements under existing laws, rules and regulations.

Furthermore, no refund shall be allowed to the extent that the VAT has already been reimbursed, credited, adjusted, recovered from suppliers, or otherwise utilized under the existing tax laws and regulations.



III. REPEALING CLAUSE

All other Circulars and/or portions thereof that are inconsistent herewith are hereby repealed, modified or amended accordingly.

IV. EFFECTIVITY

This Circular shall take effect immediately.

All internal revenue officials and employees concerned are hereby enjoined to give this Circular as wide a publicity as possible.



CHARLITO MARTIN R. MENDOZA
Commissioner of Internal Revenue

