

Tax in a dot

Revised guidelines on the mandatory requirements for VAT refund claims



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Revised guidelines on the mandatory requirements for VAT refund claims

The Bureau of Internal Revenue (BIR) issued Revenue Memorandum Circular (RMC) No. 37-2025 to provide uniform guidelines and prescribe the revised mandatory documentary requirements in the processing and grant of value-added tax (VAT) refund claims that are filed on 1 April 2025 and onwards, excluding those pursuant to a writ of execution by the Courts.

General policies

The time frame to process and grant claims for VAT refund is 90 days from the date of submission of the certified true copies of the invoices or official receipts and other documents in support of the application filed in accordance with the Section 112(A) and (B) of the National Internal Revenue Code of 1997, as amended (Tax Code), up to the release of the payment for the approved amount of refund.

The Application for VAT Credit/Refund Claims (BIR Form No. 1914) shall be received by the following processing offices:

- a. **VAT Credit Audit Division (VCAD) in the National Office** – for taxpayers whose claims of unutilized input taxes are attributable to VAT zero-rated sales under Section 112(A) of the Tax Code, such as the following:
 - Direct export sales of goods, regardless of the percentage of export sales to total sales;
 - Direct export sales of services, regardless of the percentage of export sales to total sales;
 - Sale of goods to persons engaged in international shipping or international air transport operations;
 - Services rendered to persons engaged in international shipping or international air transport operations; and
 - Transport of passengers and cargo by domestic air or sea vessels from the Philippines to a foreign country.
- b. **Offices having jurisdiction over the taxpayer-claimant** – i.e., the VAT Audit Section (VATAS) of the Assessment Division of Regional Offices, the Revenue District Office (RDO) if without VATAS, or the Large Taxpayers VAT Audit Unit of the Large Taxpayers Service (LTS) – for applications other than those mentioned above, including:
 - Sale of raw materials or packaging materials to a non-resident buyer for delivery to a resident local export-oriented enterprise to be used in manufacturing, processing, packing or repacking in the Philippines of the said buyer's goods;
 - Processing, manufacturing, or repacking goods for other persons doing business outside the Philippines which goods are subsequently exported;
 - Sale of power or fuel from renewable energy sources;
 - Those with effectively zero-rated sales
 - i. Sale of goods and services to an export-oriented enterprise (EOE)
 - ii. Sale of goods to bonded manufacturing warehouses of EOE's
 - iii. Sales of goods and services to persons or entities covered under special laws or international agreements
 - iv. Sale of goods and services to registered business enterprises covered under Title XIII of the Tax Code; and
 - Taxpayers whose VAT registration has been cancelled or has changed in the VAT registration status to non-VAT but with accumulated unutilized input taxes pursuant to Section 112(B) of the Tax Code, which shall be filed within 2 years from the date of issuance of the tax clearance by the BIR.

Note that applications with complete documentary requirements as enumerated in the Checklist of Requirements shall be received and processed by the authorized processing office.

If upon filing or during the processing of the VAT refund claim, the taxpayer-claimant has outstanding tax liabilities, the ensuing approved VAT refund shall be referred for garnishment to the following:

- a. **For taxpayer-claimants under the LTS** – Large Taxpayers Collection Enforcement Division
- b. **For taxpayer-claimants under the RDOs** – Collection Section of the RDO and Collection Division of the Revenue Region having jurisdiction over the taxpayer-claimant
- c. **For taxpayer-claimants with delinquent accounts originating from the National Investigation Division and Special Task Force** – Collection Enforcement Monitoring Section of the Accounts Receivable Monitoring Division (ARMD)

Signatures on documentary requirements

Application for VAT refund, affidavit/s and other supporting documents other than sales invoices or receipts shall be signed by the duly authorized signatory of the taxpayer-claimant. Receipts/invoices, on the other hand, shall bear the signature of the president or proprietor or head of the finance or accounting of the taxpayer. The “Secretary’s Certificate”, “Partnership Resolution”, or “Special Power of Attorney” designating the authorized official/representative of the entity must be notarized and presented to the processing office, along with one valid government-issued identification card (ID) of the said authorized official/representative.

Revised procedures on VAT refund claims of EOE where the period starts from 1 April 2025

In cases where local suppliers passed on VAT to EOE for the local purchases of goods directly attributable to the latter’s export activity for the immediately succeeding year, no input VAT refund shall be allowed for EOE despite securing the VAT zero-rating certificate from the Export Marketing Bureau (EMB) of the Department of Trade and Industry (DTI). In such cases, the qualified exporter may contest the same and/or resolve with the local supplier for the reimbursement of the VAT paid, if any, or convert the transaction from 12% VAT to 0% VAT.

The EMB shall accept applications of EOE for VAT zero-rating on their local purchases and VAT exemption on their importations and shall certify the direct export sales of qualified taxpayers. Documents evidencing actual export of goods or services shall be submitted to the EMB for their scrutiny and issuance of a certification as to its veracity. The processing office of the BIR shall verify export sales of the taxpayer-claimant based on the certification issued by the EMB.

Qualified EOE that failed to secure the certification from the EMB shall not be entitled to 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.

If the threshold from the preceding year is not met and the EOE requests a refund for the input taxes from their local purchases attributable to zero-rated sales on the immediately succeeding year, the copy of the notification from the EMB with a clear statement that sales from the preceding year is below the 70% threshold must be submitted. This proves that the immediately succeeding year is subject to 12% VAT instead of zero-rating.

For taxpayer-claimants that have purchases from registered business enterprises (RBEs) covered under Revenue Regulations (RR) No. 9-2025, no input VAT shall be claimed until the corresponding VAT has been paid on the purchase from RBE-sellers. They must have the sales invoice issued by the RBE showing the amount of VAT on local sales and a copy of the duly filed BIR Form No. 1600VT or BIR Form No. 0605, whichever is applicable.

Please see attached RMC No. 37-2025, as well as its annexes, for your reference.

Get in touch

Should you have any comments or questions, please contact our Tax & Legal Partners:



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