February 1, 2021

BIR RULING NO. OT-010-21

Sec. 2 (r) of Revenue Bulletin No. 01-2003;
BIR Ruling No. 579-12

Philippine Prosperity Chemicals, Inc.
Unit 1201 Picadilly Star Building, 4th Avenue corner 27th Street
Fort Bonifacio Global City, Taguig City

Attention: *AAA*

Gentlemen :

This refers to your letter dated September 13, 2018 requesting for confirmation on whether the importation of chemical solvents is subject to excise tax.

It is represented that Philippine Prosperity Chemicals, Inc. ("PPCI") is a regular importer and distributor of chemical solvents in the Philippines. PPCI mainly sells its products to the paints/coatings, printing inks, packaging, adhesives, industrial cleaning, aerosol spray and agrochemical manufacturers.

In a Memorandum from the Office of the Assistant Commissioner of the Large Taxpayers Service dated March 6, 2019, it was disclosed that PPCI has a pending case with LT Audit Division 2 covering taxable year 2017 involving all internal revenue taxes (except VAT) pursuant to Letter of Authority (LOA) No. 124-2018-00000095 dated September 21, 2018.

In reply, please be informed that this Office cannot issue a determinative ruling on the above matter considering that the issue is still subject of an on-going audit/administrative protest, which is considered as a "No-Ruling Area" pursuant to Section 2 (r) of Revenue Bulletin 01-03.

Section 2 (r) of Revenue Bulletin 01-03 provides:

"SEC. 2. List of No-Ruling Areas. — The following shall hereby be construed and

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identified as "No-Ruling Areas":

r) Issue/s or transactions involving directly or indirectly the same taxpayer/s which is/are the subject of an investigation, on-going audit, administrative protest, claim for refund or issuance of tax credit certificate, collection proceedings, or a judicial appeal subject to Section 3 hereunder. Accordingly, the taxpayer must submit and include the following statement in the request for ruling: "The issue/s or transaction subject of the request is not under investigation, on-going audit, administrative protest, claim for refund or issuance of a tax credit certificate, collection proceedings, or a judicial appeal of the taxpayer/s involved." (Underscoring ours) *(BIR Ruling No. 579-12 dated September 19, 2012)*

Please be guided accordingly.

Very truly yours,

(SGD.) CAESAR R. DULAY
Commissioner of Internal Revenue

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