REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

OT-034-2020
JAN 24 2020

SUMISHO MOTOR FINANCE CORPORATION
12th Flr. PSBank Center, Paseo de Roxas cor. Sedeño St.,
Makati City 1226

Attention: HAZEL GRACE A. ABELLA
Comptroller

Gentlemen:

This refers to your letter dated November 12, 2018 requesting for clarification on the tax rate applicable for interest payments to Sumisho Motor Finance Corporation's bank creditors related to its loans payable evidenced by promissory notes which are not securitized, assigned, or participated.

As represented, Sumisho Motor Finance Corporation received a letter from Revenue District Office No. 050 dated October 11, 2018, re: Notification to Withholding Agents Required to Deduct Creditable Withholding Taxes for Purchases of Goods and Services.

In reply, please be informed that the subject matter of your request has already been sufficiently addressed by Section 2 (I) of Revenue Regulations (RR) No. 11-2018, *"Amending Certain Provisions of Revenue Regulations No. 2-98, as Amended, to Implement Further Amendments Introduced by Republic Act No. 10963, Otherwise Known as the "Tax Reform for Acceleration and Inclusion (TRAIN)" Law, Relative to Withholding of Income Tax,"* dated January 31, 2018, in relation to Revenue Memorandum Circular (RMC) No. 84-2012, *"Clarifying Tax Treatment of Interest Income Earnings on Loans That are Not Securitized, Assigned or Participated Out,"* dated December 21, 2012. Hence, a clarificatory ruling or opinion is unnecessary. In this regard, you are advised to strictly comply with the provisions of the said RR and RMC.

Very truly yours,

CAESAR R. DULAY
Commissioner of Internal Revenue

032360

K-1-LMAT