**November 15, 2018**

# BIR RULING NO. 1325-18

Section 30 of the National Internal Revenue Code of 1997, as amended; RMC 64-2016; RMO 20-2013

Multi Savings & Loan Association
7/F Pryce Center Bldg., 1179 Chino Roces Ave.
cor. Bagtikan St., Makati City

Attention: *AAA*

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Gentlemen :

This refers to your letter dated December 17, 2013 applying on behalf of **MULTI SAVINGS & LOAN ASSOCIATION**, for tax exemption certificate being enjoyed by non-stock and non-profit corporation under Section 30 of the National Internal Revenue Code of 1997, as amended, which was forwarded to this Office by Revenue District Office No. 49, North Makati.

It is represented that MULTI SAVINGS & LOAN ASSOCIATION, with Taxpayer's Identification No. 000-000-000-000, is a duly organized non-stock corporation under the laws of the Philippines, registered with the Securities and Exchange Commission (SEC) under Registration No. 126064; and that the purposes for which it was incorporated as appearing in its Articles of Incorporation, states that:

> "SECOND. — That the purpose for which the corporation is formed is to engage in the operations of a non-stock savings and loan association; to encourage industry, frugality and accumulation of savings among the members; to extend loans to members and/or make investments in the securities of productive enterprises or in securities of the Government or any of its political subdivisions, instrumentalities or corporations; and generally to exercise and execute all the powers, prerogatives and privileges inherent in and granted to corporations and to such savings and loan associations, primarily for the benefit and interest of its members";

In reply, please be informed that the request of MULTI SAVINGS & LOAN

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ASSOCIATION for exemption from income tax as a non-stock, non-profit corporation is denied as it does not fall under Section 30 of the National Internal Revenue Code of 1997, as amended. It is now specifically governed by Republic Act No. 8367 and Republic Act No. 9520.

As stated in Revenue Memorandum Circular 064-2016:

> "B. Mutual savings bank not having a capital stock represented by shares, and cooperative bank without capital stock organized and operated for mutual purposes and without profit;
>
> xxx xxx xxx
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> With the passage of Republic Act No. (RA) 8367, otherwise known as "Revised Non-Stock Savings and Loan Association Act of 1997," which grants tax exemption to non-stock savings and loan associations, and by RA 6938, otherwise known as the "Cooperative Code of the Philippines," as amended by RA 9520, otherwise known as "Philippine Cooperative Code of 2008," which grants tax incentives to cooperative banks, recognition of tax exemptions of non-stock savings and loan associations and cooperative banks are now governed by RA 8367 and RA 9520, respectively, and not by Section 30 (B)."

In view of the foregoing, this Office is of the opinion that **MULTI SAVINGS & LOAN ASSOCIATION** does not fall under Section 30 of the National Internal Revenue Code of 1997, as amended, and that your request for the exemption of **MULTI SAVINGS & LOAN ASSOCIATION** as a non-stock, non-profit corporation under Section 30 of the National Internal Revenue Code of 1997, as amended, is hereby denied for lack of factual and legal basis.

Please be guided accordingly.

Very truly yours,

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

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