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

Sec. 2 (r) of Revenue Bulletin No. 01-03
BIR Ruling No. 201-2015
CT- 0222-2020
MAR 12 2020

LUMANTA & ASSOCIATES LAW OFFICE
Suite B, 2nd Floor, Overland Park Building
No. 245 Banawe St. cor. Quezon Ave.
Quezon City

Attention: ATTY. JAN LOUENN L. LUMANTA

and

ATTY. RICHELLE H. ORPILLA

Gentlemen:

This refers to your letter dated March 21, 2018, requesting on behalf of **Diamond Millennium Corporation ("DMC" for brevity),** for a ruling on the preferential tax rate [which includes income tax, documentary stamp tax (DST) and value-added tax (VAT)] extended to grantees and licensees of the Philippine Amusement and Gaming Corporation (PAGCOR) pursuant to Presidential Decree (PD) No. 1869, as amended by Republic Act (RA) No. 9487.

Background:

DMC with Taxpayer's Identification Number (TIN) and Company Registration No. H200000081 is a corporation duly organized and existing under the laws of the Republic of the Philippines, the primary purpose of which is to establish and operate a conventional or stationary bingo outlet, online bingo terminal outlet, jai-alai terminal outlet, lotto outlet, to conduct and participate in the Small Town Lottery (STL) of the *Philippine Charity Sweepstakes Office* (PCSO) and other allied businesses and contracting incidental thereto or connected therewith and to offer such other services to the public in connection with the operation of gaming and amusement and to do and perform such other acts and things necessary to the accomplishment of the foregoing corporate business and objects insofar as may be allowed by law and rules and regulations. DMC is a holder of gaming licenses issued by PAGCOR for its bingo operations as follows:

Gaming License Reg. No.	Gaming Activity	Gaming Site	Date of Issuance	Date of Expiration
	Bingo Games	So Building, Gaabucayan St., Brgy. Lapasan, Cagayan de Oro City	June 17, 2016	June 16, 2017
	Bingo Games	Pereyras Bldg., Roxas St., Tagum City, Davao del Norte	Oct. 9, 2015	Oct. 4, 2017
	Bingo Games	2nd Flr., Unit C504 Harmonic Seven Building, 2543 Tejeron cor. Sampaguita Sts., Sta. Ana, Manila	July 4, 2017	July 4, 2018
	Bingo Games	Citymall-Tagum, Lapu-lapu St. cor. Pan Philippine Highway, Tagum City, Davao del Norte	Aug. 18, 2017	Aug. 18, 2018
	Bingo Games	Luz Lozada Building, J. Rizal Avenue, Digos City, Davao del Sur	Dec. 11, 2017	Sept. 10, 2018

Gaming License Reg. No.	Gaming Activity	Gaming Site	Date of Issuance	Date of Expiration
	Bingo Games	Thrives Arcade, #287 Gen. Capistrano St., Cagayan de Oro City	Sept. 15, 2017	Sept. 15, 2018
	Bingo Games	Yuyu Building, Quirante II corner National Highway, Tagum City, Davao del Norte	Oct. 13, 2017	Nov. 19, 2018
	Bingo Games	Lim Arcade, 2/F Doña Graciana St., Gingoog City	Nov. 27, 2017	Nov. 27, 2018
	Bingo Games	Samping Avenue, J.C. Aquino Avenue, Butuan City	Nov. 16, 2017	Dec. 11, 2018
	Bingo Games	Sinco Building, Bulua Highway, Cagayan de Oro City	Aug. 9, 2017	Dec. 11, 2018
	Bingo Games	Limketkai Mall, Limketkai Center, Cagayan de Oro City	Nov. 16, 2017	Jan. 19, 2019
	Bingo Games	Units 15 and 16, G/F and 2/F, Topmark, Commercial Building, Paz Mendoza Guazon St., Paco, Manila	Oct. 27, 2017	Jan. 26, 2019
	Bingo Games	Door 101 and 102, Ground Floor, LDL Commercial Bldg., C.P. Garcia St., Sasa, Davao City	Jan. 29, 2018	Feb. 9, 2019
	Bingo Games	Door 4 and 5, Ground Floor, LDL Commercial Bldg., Lakandula St., Agdao, Davao City	Jan. 29, 2018	Feb. 9, 2019
	Bingo Games	Skypark, Limketkai Center, Cagayan de Oro City	Aug. 9, 2017	Mar. 2, 2019
	Bingo Games	Island City Mall, Tagbilaran City, Bohol	Oct. 13, 2017	Mar. 31, 2019
	Bingo Games	G/F Bldg. 2, Door 3-5, G. Alkuino Bldg. Purok 2, Sayre Highway, Poblacion, Valencia City, Bukidnon	Aug. 9, 2017	Apr. 11, 2019
	Bingo Games	Ground Floor, Magdalino Building, Osmena St., Tandag City, Surigao del Sur	Nov. 16, 2017	May 16, 2019
	Bingo Games	Deofavente Bldg., Gov. Rosales Avenue, Butuan City	Jan. 29, 2018	May 26, 2019
	Bingo Games	GRC Bldg., M. Roxas St., Brgy. 34, Cagayan de Oro City	Nov. 16, 2017	June 20, 2019
	Bingo Games	Iligan Pagoda Complex, Baslayan St. cor. Quezon Ave., Iligan City	Mar. 9, 2018	June 26, 2019
	Bingo Games	CFA Bldg., Vamenta Boulevard, Zone 2, Brgy. Carmen, Cagayan de Oro City	Feb. 20, 2018	Sept. 9, 2019
	Bingo Games	Ground Floor, Z Arcade, Brgy. Puerto, Cagayan de Oro City	Jan. 22, 2018	Oct. 7, 2019
	Bingo Games	Ongco Holdings, Inc. Building, #1720 Agusto Francisco cor. Agua Marina Sts., San Andres, Bukid, Manila	Mar. 26, 2018	Mar. 23, 2021

DMC is also a holder of Certificates to Operate PAGCOR e-Games Station likewise issued by PAGCOR as follows:

Gaming License Reg. No.	Gaming Activity	Gaming Site	Date of Issuance	Date of Expiration
	Electronic Games	Ground Flr., CDSONS Bldg., Cruz Taal cor. J. Rizal Sts., Cagayan de Oro City, Misamis Oriental	Feb. 3, 2015	Feb. 2, 2017
	Electronic Games	Ground Floor, Bldg. 2 Door 3,4,5, G. Alkuino Bldg., Purok 2, Sayre Highway, Poblacion, Valencia City, Bukidnon	Apr. 12, 2016	Apr. 11, 2017

Gaming License Reg. No.	Gaming Activity	Gaming Site	Date of Issuance	Date of Expiration
	Electronic Games	Ground Floor, Deofavente Bldg., Gov. Rosales Avenue, Butuan City	Sept. 22, 2015	Sept. 25, 2017
	Electronic Games	Ground Floor, Pereyras Bldg., Roxas St., Tagum City, Davao del Norte	Dec. 15, 2015	Dec. 4, 2017
	Electronic Games	Ground Floor, Food Strip, Rosario Arcade, Limketkai Center, Cagayan de Oro City	May 17, 2016	June 20, 2018
	Electronic Games	2nd Flr., Unit C504 Harmonic Seven Building, 2543 Tejeron cor. Sampaguita Sts., Sta. Ana, Manila	July 4, 2017	July 4, 2018
	Electronic Games	Ground Floor Z Arcade (formerly Jubo Puerto Plaza), National Highway, Brgy. Puerto, Cagayan de Oro City	Mar. 29, 2017	Oct. 8, 2018
	Electronic Games	Ground Floor, Sinco Building, Bulua Highway, Cagayan De Oro City	July 26, 2017	Nov. 4, 2018
	Electronic Games	Ground Floor, CFA Building, Vamenta Boulevard, Brgy. Carmen, Cagayan de Oro City	July 26, 2017	Mar. 14, 2019

In reply, please be informed that requests for rulings on issues covered by an on-going audit is a "No Ruling Area" under Section 2 (r) of Revenue Bulletin (RB) No. 01-03 which provides, to wit:

> ***"SECTION 2. List of No-Ruling Areas.*** *— The following shall hereby be construed and identified as "No-Ruling Areas":*
>
> *xxx xxx xxx*
>
> *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."* (Emphasis and underscoring supplied)

Premises considered, since DMC has a pending assessment with the Large Taxpayers Service (LTS), this Office declines to issue a ruling on the issue raised.

Please be guided accordingly.

Very truly yours,

CAESAR R. DULAY
Commissioner of Internal Revenue

K-1-LMAT

033413