April 5, 2018

BIR RULING NO. 611-18

Section 30 of the National Internal Revenue Code of 1997, as amended; Revenue Memorandum Order (RMO) No. 20-2013; BIR Ruling No. 159-2015; BIR Ruling No. 140-2014

Paglaum Training International, Inc.
6th Floor, CIFC Tower, North Reclamation Area,
Cebu City 6000

Attention: *AAA*

Gentlemen :

This refers to your letter dated October 26, 2015, applying in behalf of **PAGLAUM TRAINING INTERNATIONAL, INC.**, for tax exemption certificate being enjoyed by non-stock, non-profit corporation, association, or organization under Section 30 of the National Internal Revenue Code of 1997, as amended, which was forwarded by Revenue Region No. 13, Cebu City, through 4th Indorsement dated September 19, 2016, and was received by this Office on October 6, 2016.

It is represented that **PAGLAUM TRAINING INTERNATIONAL, INC.**, with BIR Taxpayer's Identification No. (TIN) 000-000-000-000 and Certificate of Registration No. OCN 2RC0000339907 dated August 13, 2010, is a foreign company organized and existing under the laws of State of California, USA; that it was licensed to transact business in the Philippines under Securities and Exchange Commission (SEC) Registration No. FN201025836 dated July 15, 2010; and that it was duly licensed to establish its branch office in the Philippines for the following purpose, to wit:

> *a. To facilitate a process of holistic and sustainable reconciliation for survivors of trafficking and exploitation, specifically providing non-formal, non-credited vocational development skills, access to vocational training and employment opportunities, and career development support in order to prevent re-trafficking and exploitation, without engaging in private recruitment for overseas employment.*

In reply, please be informed that the last paragraph of Section 5 (a) of Revenue

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Memorandum Order (RMO) No. 20-2013 states that:

> *"A branch office of a foreign non-stock, non-profit corporation cannot qualify as a tax-exempt corporation under Section 30 of the NIRC, as amended."*

Thus, in view of the foregoing, your request for the exemption of **PAGLAUM TRAINING INTERNATIONAL, INC.** 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 legal basis. ***(BIR Ruling No. 159-2015 dated May 06, 2015 and BIR Ruling No. 140-2014 dated May 23, 2014)***

Please be guided accordingly.

Very truly yours,

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

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