REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

January 11, 2006

REVENUE MEMORANDUM CIRCULAR NO. 10-2006

SUBJECT : Suspension of the Implementation of Certain Provisions of Section 20 B of Revenue Regulations No. 3-2006

TO : All Internal Revenue Officials and Others Concerned

Pending resolution of the issues pertaining to the pertinent provisions of Revenue Regulations No. 3-2006 dated January 3, 2006, re:

(1) Section 20 B in which it is specifically prescribed that only heads and tails of ethyl alcohol shall be used in denaturing of ethyl alcohol and the proviso prescribing that medicinal preparation, using denatured alcohol as raw material in the manufacture thereof, shall be subject to excise tax as distilled spirits;

(2) The term "rectification" provided under Section 14; and

(3) The provisions of sub-paragraph (3) of Section 25 of the same Regulations pertaining to the payment of excise tax on under-bond ethyl alcohol in the possession of rectifiers and rectifiers-compounders that do not fall squarely under the prescribed definition of the term "rectification" as of the effectivity of the said Regulations, as well as, the prescribed submission of inventory list and the issuance of notice of disqualification to affected rectifiers or rectifier-compounders.

the implementation of the said provisions is hereby suspended until further written notice from this Office or the issuance of an amendatory revenue regulations to be issued for the purpose, as the case may be.

All internal revenue officials and employees are enjoined to give this Circular as wide a publicity as possible.

(Original Signed)
JOSE MARIO C. BUÑAG
Commissioner of Internal Revenue