Republic of the Philippines
Department of Finance
BUREAU OF INTERNAL REVENUE
National Office Building
Quezon City

Bringing in Revenues
For Nation-building

SEP 18 2024

REVENUE MEMORANDUM CIRCULAR NO. 108-2024

SUBJECT : Clarifying the Taxability of Microinsurance Mutual Benefit Associations in Respect to Income Received by Them

TO : All Internal Revenue Officers and Others Concerned

This Circular is being issued to clarify the application of Section 30(C) of the National Internal Revenue Code (Tax Code) of 1997, as amended, to Microinsurance Mutual Benefit Associations (Mi-MBAs).

Section 30(C) of the Tax Code of 1997, as amended, provides that a beneficiary society, order or association operating for the exclusive benefit of the members, such as a fraternal organization operating under the lodge system, or mutual aid association or a nonstock corporation organized by employees providing for the payment of life, sickness, accident, or other benefits exclusively to the members of such society, order, or association, or nonstock corporation or their dependents, shall not be taxed under Title II of the same Code in respect to income received by them.

In relation thereto, Revenue Memorandum Order (RMO) No. 38-2019 was issued, which provides for the nature, characteristics, corporate purposes, and actual operations of tax-exempt mutual aid associations. The description provided under the RMO corresponds to the definition of mutual benefit associations, including Mi-MBAs, as outlined in Section 403 of Republic Act No. 10607, otherwise known as "The Insurance Code".

Therefore, it is hereby clarified that Mi-MBAs, as long as they are registered and actually operate as such pursuant to the provisions of RMO No. 38-2019, and secure a valid Certificate of Tax Exemption from the Bureau of Internal Revenue, shall not be taxed under Title II of the Tax Code of 1997, as amended, on the income received by them as such.

All internal revenue officials, employees, and others concerned are hereby enjoined to give this Circular as wide publicity as possible.

ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue

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by:

MARIDUR V. ROSARIO
Deputy Commissioner
Operations Group
Officer-in-Charge
(per DPO No. CIR Memo-Aug. 30, 2024
Date of signing : 09/17/2024

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