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

May 2, 2012

REVENUE MEMORANDUM CIRCULAR NO. 24-2012

SUBJECT : Clarifying the Issue on the Maintenance and Submission of Official Register Books on Tax-Paid Petroleum Products Stored on Formerly Bonded Storage Facilities

TO : All Internal Revenue Officers and Others Concerned

This Circular is hereby issued in order to clarify the issue on the maintenance of Official Register Books (ORBs) and the submission of the transcript sheets thereof to the Bureau of Internal Revenue (BIR) with respect to tax-paid petroleum products stored on formerly bonded storage facilities.

Under previously issued revenue issuances and permits, certain storage facilities and/or terminals like the Joint Oil Companies Aviation Fuel Storage Plant (JOCASP), and the Pandacan Oil Depot, including the blending facilities located therein for the manufacture of lubricating oils and greases owned and operated by the oil companies were required to maintain ORBs and to submit, on a regular basis, the transcripts sheets thereof to the BIR. However, subsequent issuance of certain tax laws and Revenue Regulations such as Republic Act No. 8424, imposing excise tax on the major raw materials for lubricating oils and grease effectively rendering the said finished products no longer subject to excise tax, as well as, the promulgation of Revenue Regulations No. 8-2006, introducing the Product Replenishment scheme which effectively unbonded formerly bonded storage facilities, seemed to have created the impression that the maintenance of ORB and submission of the transcripts sheets thereof is no longer required.

It should be borne in mind that the imposition of these administrative requirements contemplates the monitoring of two aspects of the facilities: *first*, movements of untaxed or bonded products, if the facilities are bonded, and *second*, the entire operation of the facilities, whether or not the facilities are bonded. Hence, while taxes on products stored in the facilities may have been paid already, or is subject to P0.00 rate, there is still a need to ensure that taxes on all products stored within and handled by the facilities are properly paid in order to protect the revenues due to the government. Considering that these administrative requirements are duly prescribed by revenue issuances and permits and remained in effect, as no revoking issuance has been issued, continued compliance thereto should be strictly observed by concerned taxpayers.

Accordingly, the maintenance of ORBs and submission of transcripts sheets thereof is strictly enjoined from those concerned oil companies. Revenue officials and employees tasked with the monitoring of these facilities are thus likewise enjoined to require the submission of the ORBs and the transcript sheets thereof on the preceding three (3) years.

All revenue officials concerned are requested to give this Circular as wide a publicity as possible.

(Original Signed)
KIM S. JACINTO-HENARES
Commissioner of Internal Revenue