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

June 19, 2012

**REVENUE MEMORANDUM CIRCULAR NO. 28-2012**

**SUBJECT** : Publishing the Full Text of the Implementing Guidelines of the Memorandum of Agreement Between the BIR and MGB

**TO** : All Internal Revenue Officers and Others Concerned

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For the information and guidance of all internal revenue officers, employees and others concerned, quoted hereunder are the provisions of the guidelines implementing the Memorandum of Agreement (MOA) on the exchange of information between this Bureau and the Mines and Geosciences Bureau:

**"IMPLEMENTING GUIDELINES OF THE MEMORANDUM OF AGREEMENT BETWEEN THE BUREAU OF INTERNAL REVENUE AND THE MINES AND GEOSCIENCES BUREAU**

The Bureau of Internal Revenue (BIR) and the Mines and Geosciences Bureau (MGB) hereby jointly promulgate these guidelines in the implementation of the Memorandum of Agreement entered into by and between them on January 7, 2004.

1. The MGB shall:

a. Submit to the BIR within thirty (30) days from the issuance of these guidelines, for a one-time validation, its updated database, in soft and hard copies, of existing mining and/or quarry contractors, permittees and operators, together with their respective Tax Identification Numbers (TINs). In case the information on the TINs is not available, the BIR, thru its Revenue District Offices, shall endeavor to supply the missing TINs, copy furnished the MGB.

b. Submit to the BIR an annual report on any addition to the existing MGB database for purposes of identifying potential registrants.

c. Require all mining applicants, contractors, permittees and operators to indicate their respective BIR-validated TINs in all statistical report forms and mining applications including application for area

clearance required to be submitted under its existing rules and regulations.

d. Assist the BIR, thru the Provincial/City Mining Regulatory Boards (P/CMRBs) where the MGB Regional Director has jurisdiction over, in obtaining data on the volume and value of production that will serve as basis in the computation of excise tax on minerals of mining contractors, permittees and operators in far-flung areas where no revenue officers are assigned.

e. Require mining contractors, permittees and operators to present the following documents as part of its requirements for the issuance or renewal of mining, quarry and other permits at the central and regional offices:

(1) Copy of proof of payment of excise taxes paid on extracted minerals, mineral products and quarry resources duly authenticated by the BIR;

(2) Income Tax Returns (ITRs) filed with the BIR for the operating year(s) immediately preceding the application for permit;

(3) Business Tax Returns filed with the BIR such as Excise Tax Returns (Form 2200M) and Value-Added Tax (BIR Form Nos. 2550M and 2550Q), or Percentage Tax (BIR Form No. 2551 M) for non-VAT contractors, permittees and operators, covering the operating year(s) immediately preceding the application for permits;

(4) Certificate of BIR Registration and Proof of Payment of Annual Registration Fee with the BIR for each place of extraction; and

(5) Tax Clearance Certificate and Certificate of "No Delinquent Accounts or Outstanding Liabilities" duly issued by the BIR, or a copy of the written request for said certificates duly received by the BIR Office concerned, in case the said certificates were not issued by the said Office within fifteen (15) working days from actual receipt of the written request.

f. Provide BIR with the following data or information:

(1) Annual list of large-scale metallic mining contractors, permittees and operators in each project with the corresponding volume and value of their gross output within ninety (90) days after the end of each year, in hard and soft copies, to serve as basis in the validation of payment for excise tax on minerals;

(2) A Directory of Mines and Quarries containing an updated list of mining contractors, permittees or operators of mining projects in the Philippines as of December 31 of the reporting year, in diskette (soft) copy, not later than every end of December

immediately after the preceding reporting year, to serve as guide in identifying taxpayers liable to pay excise tax under Section 151 of the National Internal Revenue Code of 1997, as amended;

(3) An annual list of companies that were subjected to administrative/legal sanctions, together with the specific violations committed by said errant companies in soft and hard copies;

(4) Copies of the Annual Report on Taxes, Fees and Royalties Paid and Withheld by Mining Operators and Exploration Permittees, within one month upon receipt of said report form; and

(5) A quarterly summary report of all the Mineral Ore Export Permits (MOEPs) issued by all MGB Regional Offices, in hard and/or soft copies, within two months after the end of each quarter.

g. Furnish the BIR, upon request, other available information, in soft and hard copies relevant and pertinent to the effective implementation of the revenue laws to maximize tax compliance.

2. The BIR shall:

a. Perform a one-time validation of the TINs of all contractors, permittees and operators in the MGB database. In case said information is incomplete in the MGB database, it shall endeavor, thru its Revenue District Offices, to provide the MGB with the missing information.

b. Validate the veracity and authenticity of TINs supplied by mining contractors, permittees and operators in the report forms submitted by MGB and inform the latter if there are invalid TINs as reported.

c. Provide the MGB with data/information in soft or hard copy on the following, subject to the limitations prescribed under Section 270 of the Tax Code:

(1) Report of annual collection of excise tax on minerals from mining contractors, permittees and operators based on the authenticated TINs in Items 2(a) and 2(b) above, and in a format arranged by the collecting Revenue District Office before the end of July of each year, indicating therewith the number of taxpayers covered by the report;

(2) Annual collections of other internal revenue taxes for revenue regions with computerized system; and

(3) Other information/data as may be requested/needed by the MGB.

d. Process and issue within fifteen (15) working days upon request by mining contractors, permittees and operators, a Tax Clearance Certificate and Certificate of "No Delinquent Account or Outstanding Tax Liabilities" which will serve as basis in the processing of application or renewal of mining permits and contracts by the MGB. Provided, that if said Tax Clearance is not issued by the BIR within the prescribed period, processing of the mining application or renewal shall proceed.

e. Certify the Proof of Payment of excise and other taxes, upon request of mining contractors, permittees and operators, for submission to the MGB.

f. Coordinate with the MGB in the revision and formulation of Revenue Regulations, definition of terms, and other policy matters affecting mining and the mineral industry.

g. Furnish MGB with copies of the latest BIR regulations, ruling and other tax issuances(s) affecting mining and the mineral industry.

3. The BIR and MGB shall:

a. Promulgate and disseminate to their respective offices pertinent issuances for the proper execution of the provisions of these Implementing Guidelines.

b. Issue their respective Orders designating BIR and MGB officials concerned, in their national, regional and district offices, who shall undertake proper coordination to ensure effective implementation of these guidelines. The BIR shall provide a copy of its order to the MGB and vice versa to facilitate communication and coordination.

c. Establish and maintain a system of information exchange, with the primary objective of enhancing inter-agency cooperation.

d. Conduct meetings, as often as necessary, to promptly resolve any issue involving discrepancies in the exchanged information.

This Implementing Guidelines shall take effect immediately upon signing and shall remain effective until otherwise modified through an Addendum mutually agreed, approved and duly signed by the parties hereto.

The parties hereto affix their signatures this _____ day of _____ in Quezon City, Philippines.

| BUREAU OF INTERNAL REVENUE | MINES AND GEOSCIENCES BUREAU |
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| By: | By: |
| **(Sgd.) KIM S. JACINTO-HENARES**<br>Commissioner | **(SGD.) LEO L. JASARENO**<br>Acting Director |

**SIGNED IN THE PRESENCE OF:**

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| **(Sgd.) ALFREDO V. MISAJON**<br>Assistant Commissioner<br>Large Taxpayers Service | **(Sgd.) ELMER B. BILLEDO**<br>OIC-Assistant Director<br>Mines and Geosciences Bureau" |

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

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

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