REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

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RECORDS MGT. DIVISION

April 5, 2024

REVENUE MEMORANDUM CIRCULAR NO. 59-2024

SUBJECT : **Prescribing the Supplemental Guidelines on the Affixture of Internal Revenue Stamps on Vapor Products Pursuant to Revenue Memorandum Circular (RMC) No. 105-2023**

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

This Circular is being issued to provide supplemental guidelines on the affixture of internal revenue stamps on Vapor Products as prescribed under Revenue Memorandum Circular (RMC) No. 105-2023, pursuant to Revenue Regulation (RR) Nos. 18-2021 and 14-2022.

I. DEFINITION OF TERMS

For purposes of this issuance, the following terms shall be defined as follows:

Stamp Order Consolidator – shall refer to a natural or juridical person with a Permit to Operate (PTO) as Importer/Local Manufacturer of Vapor Products who will represent and assist eligible Importers/Local Manufacturers of Vapor Products that are unable to undertake the ordering of internal revenue stamps through the Enhanced Internal Revenue Stamp Integrated System (IRSIS) due to the required minimum stamp order quantity;

Bad Order Stamps – shall refer to damaged internal revenue stamps released by APO and received by the Stamp Order Consolidator/Importer/Local Manufacturer of Vapor Products involving a deviation in any of the following specifications: Quick Reference (QR) Code, Unique Identifier Code (UIC), color, core, and dimension.

II. ENROLLMENT OF STAMP ORDER CONSOLIDATORS, IMPORTERS, AND LOCAL MANUFACTURERS OF VAPOR PRODUCTS WITH ENHANCED IRSIS

The Stamp Order Consolidator, Importer, and/or Local Manufacturer of Vapor Products shall enroll and register with the Enhanced IRSIS following the procedure in Section 3 of RR No. 18-2021.

III. PAYMENT OF EXCISE TAX ON ORDERS OF INTERNAL REVENUE STAMPS AND INSPECTION FEE

For Importers/Local Manufacturers of Vapor Products enrolled with the Electronic Filing and Payment System (eFPS), the excise tax due on the total number of internal revenue stamps and inspection fees shall be made through the eFPS using the excise tax return (BIR Form No. 2200-T). Non-EFPS taxpayers shall use other modes of filing and payment. In cases of eFPS downtime or unavailability, BIR Form No. 2200-T shall be manually filed and the excise tax and inspection fee payment be made through the duly Authorized Agent Banks (AABs) of the Bureau of Internal Revenue (BIR) where the Importers/Local Manufacturers of Vapor Products are enrolled. Accordingly, BIR Form No. 2200-T (initially filed manual return) should eventually be filed in the eFPS facility on or before the deadline stated in accordance with RMO No. 65-2016. The copies of duly received manually filed BIR Form No. 2200-T and proof of payment shall be submitted to the Chief, Excise LT Field Operations Division (ELTFOD), for purposes of encoding the details of payment in the Enhanced IRSIS.

Where the order of internal revenue stamps is placed through the Stamp Order Consolidator, the Stamp Order Consolidator shall submit the Order Report of Internal Revenue Stamps (Annex "A") as prescribed herein, to the Chief, ELTFOD, with the attached BIR Form No. 2200-T and proof of payment for the purpose of encoding the payment details in the Enhanced IRSIS.

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The following are the seven (7) prescribed container/packaging types according to type and volume of Vapor Products, with the corresponding excise tax rates and tax due.

Code	Type and Volume of Product	2024 Excise Tax Rate	Excise Tax Due
A	Nicotine Salt (1 ml)	P 54.60 (x1)	P 54.60
B	Nicotine Salt (2 ml)	P 54.60 (x2)	P 109.20
C	Nicotine Salt (5 ml)	P 54.60 (x5)	P 273.00
D	Nicotine Salt (10 ml)	P 54.60 (x10)	P 546.00
E	Conventional Freebase (10 ml)	P 63.00 (x1)	P 63.00
F	Conventional Freebase (30 ml)	P 63.00 (x3)	P 189.00
G	Conventional Freebase (60 ml)	P 63.00 (x6)	P 378.00

Rates shall be increased by 5% every year effective January 1, 2024.

In the event of an increase in excise tax rate, collection of Top-up on excise tax shall be recorded in the Enhanced IRSIS based on the remaining inventory of stamps. BIR user shall adjust taxpayer ledger to apply the computed additional excise tax. Taxpayer should pay the additional charges due to top-up on excise tax thru eFPS and/or other modes of filing/payment in order to proceed with their next stamp order before the effectivity of the new rate for validation by ELTFOD.

IV. ORDERING OF INTERNAL REVENUE STAMPS

Every order of internal revenue stamps shall be placed only through the stamp ordering module of the Enhanced IRSIS, limited to 165,000 pieces or 1,650,000 pieces of internal revenue stamps per container/packaging per order. For internal revenue stamps ordered through the Stamp Order Consolidator, the order shall be in pack/s of thousand/s (1,000), and no stamp order may cover more than one (1) container/packaging type. All orders submitted on or before twelve o'clock noon (12:00 NN) shall be processed by the BIR within the said working day. All orders received after 12:00 NN shall be processed the following working day.

Upon approval by the BIR of the order, an email notification shall be received by the taxpayer's authorized officer confirming the order and indicating the date of release of the internal revenue stamps from the APO Production Unit, Inc. (APO)-designated plant.

V. PAYMENT OF THE PRICE OF INTERNAL REVENUE STAMPS

After the approval of the order of internal revenue stamps and prior to its release from the APO-designated plant, the printing and personalization cost thereof shall be paid by the Stamp Order Consolidator/Importer/Local Manufacturer of Vapor Products through the online payment facility of APO or over-the-counter, in the amount of ONE PESO (P1.00) per piece of internal revenue stamp for a minimum of 1,650,000 pieces per order or TWO PESOS AND FIFTY CENTAVOS (P2.50) per piece of internal revenue stamp for a minimum of 165,000 pieces per order.

VI. RELEASE OF INTERNAL REVENUE STAMPS

In accordance with Section 7 of RR No. 18-2021, the internal revenue stamps shall be released and received personally by the authorized receiving officer of the Stamp Order Consolidator/Importer/Local Manufacturer of Vapor Products directly from the APO-designated plant, within fifteen (15) calendar days from the scheduled date of its release as indicated in the email notification. The ownership and responsibility thereon shall be transferred to the Stamp Order Consolidator/Importer/Manufacturer; any damage or loss of internal revenue stamps after release thereof shall be for their account. Failure to claim the internal revenue stamps from the said period shall authorize APO to charge the said taxpayer for the reasonable storage fees.

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The said authorized receiving officer should be able to present his/her identification card duly issued by the Stamp Order Consolidator/Importer/Local Manufacturer of Vapor Products upon claiming the internal revenue stamps.

In cases of consolidated orders, the Stamp Order Consolidator shall allocate the UICs in accordance with the number of internal revenue stamps ordered by the Importers and/or Local Manufacturers of Vapor Products.

VII. REPORTING OF AFFIXTURE AND REMOVAL OF STAMPS

The Stamp Order Consolidator/Importer/Local Manufacturer of Vapor Products shall submit the reports enumerated below through the Enhanced IRSIS reporting facility within the deadlines prescribed as follows:

Type of Report	Submission Deadline
Affixture Report	Local Manufacturer – within ten (10) working days from the end of the month of affixture. Importer – within ten (10) working days from the end of the month of release from Customs custody. Stamp Order Consolidator – immediately upon release of internal revenue stamps from APO-designated plant.
Removal Report	Importer/Local Manufacturer of Vapor Products – within fifteen (15) working days from the date of removal from the finished goods warehouse (A-9). Stamp Order Consolidator – immediately upon release of internal revenue stamps from APO-designated plant.

Moreover, Liquidation Report on the Affixture of Internal Revenue Stamps (Annex "B") as prescribed herein, attached to the Official Register Book (ORB), shall be submitted by the Stamp Order Consolidator/Importer/Local Manufacturer of Vapor Products to the LT Performance Monitoring and Programs Division (LTPMPD) in the BIR National Office Building or to the concerned Excise Tax Area (EXTA) having jurisdiction of the place of production or warehouse on or before the eight (8th) day of the month immediately following the month of operation.

VIII. BAD ORDER INTERNAL REVENUE STAMPS

In cases where the internal revenue stamps were found to be bad orders, the said stamps shall be surrendered by the Stamp Order Consolidator/Importer/Local Manufacturer of Vapor Products to the BIR within six (6) months from the date of release by APO. Bad order stamps shall be affixed and properly arranged in rows and columns on the sheet of paper specifically provided by APO.

The price for the printing and personalization cost shall no longer be paid by the Stamp Order Consolidator/Importer/Local Manufacturer of Vapor Products, subject to prior verification by APO upon the surrender thereof, with corresponding approval from the BIR.

The Enhanced IRSIS will utilize the process of Return Material Authorization (RMA) in handling the replacement of the returned internal revenue stamps by the Stamp Order Consolidator/Importer/Local Manufacturer of Vapor Products. Once approved, this will correspond to the production order for internal revenue stamps with new UICs, subject to Top-Up, if applicable.

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IX. TRANSITORY PROVISIONS

The following transitory provisions shall be strictly observed:

a. On May 8, 2024, 4th Generation Internal Revenue Stamps for Vapor Products shall be available for ordering in the Enhanced IRSIS as prescribed in RMC No. 41-2024.

b. Effective June 1, 2024, all imported and locally manufactured Vapor Products in the market shall be affixed with the 4th Generation Internal Revenue Stamps prescribed in RMC No. 41-2024.

c. Effective June 1, 2024, no removals of locally manufactured Vapor Products from the place of production shall be allowed unless the 4th Generation Internal Revenue Stamps shall have been affixed thereto.

d. Effective June 1, 2024, no importation and subsequent release of Vapor Products from customs custody shall be allowed unless the 4th Generation Internal Revenue Stamps shall have been affixed thereto.

X. PENALTIES

The Stamp Order Consolidator shall be solidarily liable with the Importer/Local Manufacturer of Vapor Products in case of any violation committed by the latter under Section No. 254 (**Attempt to Evade or Defeat Tax**) and Section No. 265 (**Offenses Relating to Stamps**) of the National Internal Revenue Code (NIRC) of 1997, as amended.

Moreover, any violation of this Circular shall be subject to the corresponding penalties under the pertinent provisions of RR No. 18-2021 and RR No. 14-2022 and other relevant tax laws and regulations.

XI. EFFECTIVITY

All concerned are hereby enjoined to be guided accordingly and give this Circular as wide a publicity as possible.

This Circular takes effect immediately.

ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue

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