REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

RECEIVED
2:28 P.M.
NOV 05 2018
RECORDS MGT. DIVISION

October 31, 2018

REVENUE MEMORANDUM CIRCULAR NO. 92-2018

SUBJECT : **Clarification on the Filing of Tax Returns of Accredited Microfinance Non-Government Organizations**

TO : **All Accredited Microfinance Non-Government Organizations, Internal Revenue Officials, Employees and Others Concerned.**

This Circular is being issued to clarify the forms to be used by the duly registered and accredited Microfinance Non-Government Organizations (MF-NGOs) in filing and payment of the two percent (2%) tax, based on its gross receipts from microfinance operations in lieu of all national taxes.

A. Accredited MF-NGOs, whose operation is **purely microfinance** that refers only to the lending activities and insurance commission which are bundled and forming an integral part of the qualified lending activities of the MF-NGOs, shall declare the 2% tax on its gross receipts from microfinance operations using the following:

Source of Income	Type of Tax	Tax Rate	Forms	Frequency
Purely microfinance operations	Income Tax	2%	1702Q 1702MX	Quarterly Annually
	Business Tax	Not applicable. The 2% tax on its gross receipts from microfinance operations is in lieu of all national taxes.		

B. Accredited MF-NGOs with income from **non-microfinance activities** shall file the following:

Source of Income	Type of Tax	Tax Rate	Taxable Base	Forms	Frequency
Purely microfinance operations	Income Tax	2%	Gross Receipts	1702Q 1702MX	Quarterly Annually
All non-microfinance activities or all other income not generated from microfinance operations	Income Tax	30% or 2% MCIT whichever is higher	Taxable income Gross Income	1702Q 1702MX	Quarterly Annually
	Business Tax ▪ Non-VAT registered - Percentage Tax	3%	Gross sales or receipts	2551Q	Quarterly
	▪ VAT-registered - VAT	12%	Gross sales or receipts	2550M/ 2550Q	Monthly/ Quarterly

RECEIVED
NOV 05 2018

Accredited MF-NGOs with income from purely microfinance operations shall use the Alphanumeric Tax Code (ATC)-IC210 in manual filing of income tax returns. In case the accredited MF-NGOs is enrolled in Electronic Filing and Payment System (eFPS) or using eBIRForms facility in filing the required income tax returns, the ATC-IC011 shall be used pending enhancement of the income tax return forms in the eBIRForms/eFPS.

Moreover, accredited MF-NGOs shall register/update the applicable tax/form types above, or cancel, if applicable, the previously registered percentage tax type using BIR Form No. 1905 to the Revenue District Office where they are registered.

Previously Filed Tax Return

Accredited MF-NGOs who filed and paid the 2% preferential tax rate using BIR Form Nos. 2551M/2551Q for the first (1st) to third (3rd) quarters of 2018, shall file its quarterly income tax return (BIR Form No. 1702Q) for the 3rd quarter of 2018 by declaring the cumulative gross receipts for the 1st to 3rd quarters of 2018. Such gross receipts shall be reflected under the "Special Rate" column and compute the total 2% tax due thereon. The amount paid using BIR Form Nos. 2551M/2551Q for the 1st to 3rd quarters of 2018 shall be reflected under tax credits/payments in item no. 31G (Others, please specify) field of BIR Form No. 1702Q.

Accordingly, accredited MF-NGOs with income from non-microfinance activities shall declare the cumulative gross receipts from such activities for the 1st to 3rd quarters of 2018 in the "Regular Rate" column of BIR Form No. 1702Q and compute the applicable tax due thereon.

This Circular clarifies Section IV of RMO No. 2-2018 relative to Revenue Regulations No. 3-2017 pertaining to the form/s to be used in filing of the 2% preferential tax rate.

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

CAESAR R. DULAY
Commissioner of Internal Revenue

020692

H-2/mag

BUREAU OF INTERNAL REVENUE
RECEIVED
2:28 P.M.
NOV 05 2018
RECORDS MGT. DIVISION