BUREAU OF INTERNAL REVENUE
RECORDS MGT. DIVISION

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

Date: March 13, 2015

REVENUE REGULATIONS NO. 4-2015

SUBJECT : Amending Further Section 2 of Revenue Regulations No. 13-08, as amended by Revenue Regulations No. 13-2013, Relative to the Definition of Raw Sugar and Raw Cane Sugar for Value-Added Tax Purposes

TO : All Internal Revenue Officers and Others Concerned

SECTION 1. Scope. — Pursuant to the provisions of Sections 6 and 244, in relation to Sections 106 and 109 (1)(A), both of the National Internal Revenue Code of 1997 (Tax Code), as amended, these regulations are hereby promulgated to amend provisions of Revenue Regulations (RR) No. 13-08, as amended by RR No. 13-2013.

SECTION 2. Amendment. — Section 2 (b) and (c) of RR No.13-08, as amended by RR No. 13-2013, is hereby amended to read as follows:

> **"SECTION 2. Definition of Terms.** — For purposes of these regulations the following terms will be construed to mean:
>
> xxx xxx xxx
>
> (b) **Raw Sugar** — refers to sugar whose content of sucrose by weight in dry state, corresponds to a polarimeter reading of less than 99.5°. Raw Sugar produced each production year shall be classified, for internal revenue purposes, as follows:
>
> 1. "A" is raw sugar which is intended for export to the United States Market.
>
> 2. "B" is raw sugar which is intended for the Domestic Market.
>
> 3. "C" is raw sugar which is reserved for, but have not yet matured for release to the Domestic Market.
>
> 4. "D" is raw sugar which is intended for export to the World Market.
>
> 5. "E" is reclassified "D" sugar for sale to Food Processors/Exporters operating Customs Bonded Warehouse (CBW) or to an enterprise located within the special processing export zone.
>
> xxx xxx xxx

(e) **Raw Cane Sugar** —refers to sugar produced by simple process of conversion of sugar cane without need of any mechanical or similar device such as muscovado. For this purpose, raw cane sugar refers only to muscovado sugar. Thus, only muscovado is exempt from VAT under Section 109 (1) (A) of the Tax Code.

Centrifugal process of producing sugar is not in itself a simple process. Therefore, any type of sugar produced therefrom are not exempt from VAT such as raw sugar and refined sugar.

xxx xxx xxx

(f) **Sugar** as used in these Regulations refers to sugar other than raw cane sugar."

SECTION 3. Advance VAT. — For purposes of these Regulations, refined sugar and raw sugar, as defined above, shall be subject to advance payment of VAT by the owner/seller before the sugar is withdrawn from any sugar refinery/mill.

SECTION 4. Repealing Clause. — Any rules and regulations or parts thereof inconsistent with the provisions of these Regulations are hereby repealed, amended, or modified accordingly.

SECTION 5. Effectivity. —The provisions of these Regulations shall take effect after fifteen (15) days following publication in any newspaper of general circulation.

CESAR V. PURISIMA
Secretary of Finance

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Recommending Approval:

KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

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