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

September 25, 2017

REVENUE REGULATIONS NO. 6-2017

SUBJECT : Amending Certain Provisions of Revenue Regulations No. 7-2014 Prescribing the Affixture of Internal Revenue Stamps on Imported and Locally Manufactured Cigarettes and the Use of the Internal Revenue Stamp Integrated System (IRSIS) for the Ordering, Distribution and Monitoring Thereof.

TO : All Internal Revenue Officials, Employees and Others Concerned

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SECTION 1. SCOPE. - Pursuant to the provisions of Section 8, in relation to Sections 244 and 245 of the National Internal Revenue Code (NIRC) of 1997, as amended, and in compliance with Section 4 of the Memorandum of Agreement (MOA) between this Bureau and APO Production Unit, Inc. for the Printing of Internal Revenue Stamps for Cigarettes, Procurement of Security Features, and Delivery of an Ordering, Distribution and Monitoring System, which provides that *"the security features of the stamps shall be changed every three (3) years."*, these Regulations are hereby promulgated in order to amend certain provisions of Revenue Regulations No.7-2014, as amended by RR No. 9-2015, requiring the affixture of new internal revenue stamps on imported and locally manufactured cigarettes, whether for domestic sale or for export.

SECTION 2. AMENDATORY PROVISIONS. – The provisions of Sections 2, 6, 9 and 13 of Revenue Regulations No. 7-2014, as amended by RR No. 9-2015, are hereby amended as follows:

"**SEC. 2. DEFINITION OF TERMS.** – For purposes of these Regulations, the following words and phrases shall be defined as follows:

(a) xxx xxx xxx"

(b) xxx xxx xxx"

(c) Internal Revenue Stamp – shall refer to the BIR-issued stamp with a dimensional size of 23 millimeters (mm) by 43 mm containing multi-layered security features and an IRSIS-assigned Unique Identifier Code and a Quick Reference Code containing information pertinent only to the cigarette container (e.g. pack) to which the internal revenue stamp is affixed. The **new internal revenue stamp comes in five (5) different color designs** according to whether the cigarettes are packed by hand or by machine **(bearing a unitary tax rate), for locally manufactured cigarettes; or imported cigarettes or for export.** Internal Revenue Stamps **may be ordered in banderols or pre-cut/stack or in sheets** according to the machine requirements of the importer or the local manufacturers.

xxx xxx xxx"

"SEC. 6. PAYMENT OF THE PRICE OF INTERNAL REVENUE STAMPS, ESCALATION PROVISIONS. – After the approval of the order of internal revenue stamps and prior to its release from the APO designated plant, the price thereof shall be paid by the importer or local manufacturer of cigarettes to APO in the amount of **FIFTEEN CENTAVOS (P0.15)** per piece of internal revenue stamp.

xxx xxx xxx"

"SEC. 9. AFFIXTURE OF STAMPS. – Subject to the transitory provisions of Section 13 hereof, and except as provided herein, all importations and removals from the place of production of cigarettes shall be affixed with the internal revenue stamps prescribed by these regulations.

xxx xxx xxx"

The internal revenue stamp shall be affixed at the upper portion of the immediate container of the cigarettes (e.g. hard pack, soft pack, tin can, **shall include the packages containing cigarettes packed in five (5) sticks and/or ten (10) sticks, etc.),** regardless of the number of sticks contained therein, overlapping the intended opening of the immediate container in such a manner as to effectively sealed container and prevent the removal of the sticks of cigarettes without breaking the said stamp, before the immediate container is wrapped in cellophane or transparent wrapper, However, for containers of cigarettes with pictogram, the internal revenue stamp may be affixed at the side overlapping the intended opening of the immediately container in a manner as to effectively sealed container and prevent the removal of the sticks prescribed under existing law, rules and regulations.

Provided further, that cigarettes packed **in five (5) sticks and/or ten (10) sticks bundled in packs of twenties (20s) and other packaging combinations of not more than twenty (20) shall be taxed as one, but, the internal revenue stamps affixed to these cigarettes shall be equivalent to the number of packs bundled together.**

"SEC. 13. TRANSITORY PROVISIONS. – The following transitory provisions shall be strictly observed:

(a) xxx xxx xxx

(b) xxx xxx xxx

(c) No later than **January 1, 2018**, all locally manufactured packs of cigarettes to be removed from place of production shall be affixed with the **new internal revenue stamps** prescribed by these Regulations.

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(d) With respect to imported cigarettes, no importation and subsequent release of cigarette from customshouse shall be allowed unless the **new internal revenue stamps** shall have been affixed thereto effective **June 1, 2018**.

(e) **Effective September 1, 2018**, all cigarettes manufactured in the Philippines and/or imported into the Philippines found in the market shall have been affixed with the **said new stamps**.

xxx xxx xxx"

SECTION 3. REPEALING CLAUSE. – The provisions of any existing rules and regulations or rulings or portions thereof, which are contrary to or inconsistent with the provision of these Regulations are hereby revoked, repealed or amended accordingly.

SECTION 4. EFFECTIVITY. – These Regulations shall take effect fifteen (15) days after publication in any leading newspaper of general circulation.

CARLOS G. DOMINGUEZ
Secretary of Finance

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Recommending Approval:

CAESAR R. DULAY
Commissioner of Internal Revenue

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