REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

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October 26, 2017

REVENUE REGULATIONS NO. 7-2017

SUBJECT : Amending Pertinent Provisions of Revenue Regulations (RR) No. 2-98 as amended by RR 17-2003 in Relation to RR 6-2012

TO : All Internal Revenue Officers and Others Concerned

SECTION 1. SCOPE. – Pursuant to the provisions of Section 244, in relation to Section 245 of the National Internal Revenue Code (NIRC) of 1997, as amended, these Regulations are hereby promulgated to amend Section 2.57.2(T) of RR No. 2-98, as amended, and to amend certain provisions of Revenue Regulations (RR) No. 6-2012 which superseded RR No. 7-2008 reducing Bangko Sentral ng Pilipinas' (BSP's) obligation as withholding agent of the Creditable Withholding Tax from the rate of five percent (5%) to one percent (1%).

SECTION 2. – Section 2.57.2(T) of Revenue Regulations No. 2-98, as amended by Revenue Regulations No. 17-2003, is hereby amended:

> ***"(T) Income payments on purchases of minerals, mineral products and quarry resources as defined and discussed in Section 151 of the Code*** – *Income payments on purchases of minerals, mineral products, and quarry resources, such as but not limited to silver, gold, marble, granite, sand, boulders and other materials/products – Five percent (5%).* ***However, BSP is required to withhold one percent (1%) of gross payments made and remit the same to the Government.***

SECTION 3. - The provisions of Sections 3 (c) and 4 of RR No. 6-2012 shall likewise be amended and read as follows:

> **"SECTION 3. Duties and Obligations (Payment of Taxes). –**
> (a) xxx xxx xxx"
> (b) xxx xxx xxx"
>
> (c) Income Tax. – sellers are subject to income tax at the rate prescribed under Section 24 (A) in case of individual taxpayers, and under Section 27 (A) of the 1997 NIRC in case of corporations. Further, buyers of said metallic minerals are required to withhold five percent (5%) **except for BSP which is required to withhold one percent (1%)** of gross payments made and remit the same to the Government.

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In order for a seller/possessor of said metallic mineral to be able to claim the costs of said metallic mineral, said seller/possessor must be able to show proof of withholding and remittance of the five percent (5%) withholding tax on said product, **one percent (1%) in the case of metallic minerals sold to BSP**, otherwise all claimed costs and expenses associated therewith shall be disallowed.

xxx xxx xxx"

"SECTION 4. Mode of Collection and Payment of Tax. – All buyers of metallic minerals are hereby constituted as agents for the collection of the two percent (2%) excise tax on metallic minerals and the five percent (5%) creditable withholding tax thereon. **However, the BSP as constituted agent shall only collect the one percent (1%) creditable withholding tax on its purchase of metallic minerals and the two percent (2%) excise tax due thereon.**

xxx xxx xxx"

SECTION 3. REPEALING CLAUSE. - All other Regulations and issuances or parts thereof inconsistent with the provisions of these Regulations are hereby repealed, amended, or modified accordingly.

SECTION 4. EFFECTIVITY CLAUSE. – These Regulations shall take effect immediately.

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CARLOS G. DOMINGUEZ
Secretary of Finance

Recommending Approval:

CAESAR R. DULAY
Commissioner of Internal Revenue

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