Republic of the Philippines
Department of Finance
BUREAU OF INTERNAL REVENUE
National Office
Quezon City

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April 6, 2020

REVENUE REGULATIONS NO. 9-2020

SUBJECT: IMPLEMENTING SECTION 4(Z) AND SECTION 4(EE) OF REPUBLIC ACT NO. 11469, OTHERWISE KNOWN AS THE "BAYANIHAN TO HEAL AS ONE ACT", BY GRANTING FURTHER BENEFITS ON DONATIONS DURING THE PERIOD OF THE ENHANCED COMMUNITY QUARANTINE (ECQ) IN RELATION TO THE NATIONAL INTERNAL REVENUE CODE (NIRC) OF 1997, AS AMENDED.

TO: ALL INTERNAL REVENUE OFFICERS AND OTHERS CONCERNED

Section 1. PURPOSE AND OBJECTIVE. – Under Section 3 of R.A. No. 11469, otherwise known as the "Bayanihan to Heal as One Act", the National Government acknowledges the need to urgently adopt policies to combat the rising cases of COVID 19 in the Philippines. Sec. 3(g) and 3(h) of the Declaration of Policy of R.A. No 11469 states, thus:

> Section 3. Declaration of Policy.— The COVID-19 pandemic has greatly affected nations worldwide, including the Philippines, and has caused and is continuing to cause loss of lives and disruption to the economy. Thus, there is an urgent need to:
>
> xxx xxx xxx
>
> (g) partner with the private sector and other stakeholders to deliver these measures and programs quickly and efficiently; and
>
> (h) promote and protect the interests of all Filipinos in these challenging times.
>
> xxx xxx xxx

Currently, the private sector has taken the bold step of working side-by-side with various stakeholders to heed the government's call in the fight against COVID-19. In true "bayanihan spirit", the private sector is at the forefront of contributing financial assistance and giving donations in kind to our frontliners, including Personal Protective Equipment (PPE), which under said law, refers to gloves, gowns, masks, goggles, face shields, surgical equipment and supplies, laboratory equipment and its

reagents, medical equipment and devices, support and maintenance for laboratory and medical equipment, surgical equipment and supplies; medical supplies, tools, and consumables such as alcohol, sanitizers, tissue, thermometers, hand soap, detergent, sodium hydrochloride, cleaning materials, povidone iodine, common medicines (e.g., paracetamol tablet and suspension, mefenamic acid, vitamins tablet and suspension, hyoscine tablet and suspension, oral rehydration solution, and cetirizine tablet and suspension); testing kits, and such other supplies or equipment as may be determined by the DOH and other relevant government agencies, to affected stakeholders.

Thus, in accordance with Section 244 of the National Internal Revenue Code (NIRC) of 1997, as amended, in relation to Sections 101 and 34 (H) thereof, the following regulations are hereby issued to implement Sec. 4(z) and Section 4(ee) of R.A. 11469, while adopting the government policies as embodied under Sec. 3(g) and Sec. 3(h) thereof.

Section 2. BASIS. – Under Sec. 4(z) and 4(ee) of R.A. 114969, the President is authorized to adopt the following measures to respond to the crisis brought about by the COVID 19 pandemic:

(z) Move statutory deadlines and timelines for the filing and submission of any documents, the payment of taxes fees and other charges required by the law, and the grant of any benefit, in order to ease the burden on individuals under the Community Quarantine;

xxx xxx xxx;
xxx xxx xxx;
xxx xxx xxx;
xxx xxx xxx;
xxx xxx xxx;

(ee) Undertake such other measures as may be reasonable and necessary to enable the President to carry out the declared national policy subject to the Bill of Rights and other constitutional guarantees. (Emphasis supplied)

On the other hand, Sections 101 and 34 (H) of the NIRC of 1997, as amended, allow exemption from donor's tax and full deductibility from gross income of gifts or donations made in favor of the National Government or any entity created by any of its agencies which is not conducted for profit, or to any political subdivision of said Government, or made in favor of an educational and/or charitable, religious, cultural or social welfare corporation, institution, accredited non-government organization, trust or philanthropic organization or research institution or organization.

Section 3. FULL DEDUCTIBILITY OF SPECIFIC DONATIONS/GIFTS ALREADY EXEMPT FROM DONOR'S TAX UNDER THE LAW- Based on the law, it is hereby declared that the following specific donations/gifts made in accordance with Section 101, as implemented by Revenue Regulation No. 12-2018, and Section 34 (H), both of the NIRC of 1997, as amended, when given for the sole and exclusive purpose of combatting COVID 19 during the period of the state of national

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emergency under R.A. No. 11469, shall be considered fully deductible against the gross income of the donor-Corporation/donor-individual:

(a) Cash donations;

(b) Donations of all critical or needed healthcare equipment or supplies as enumerated above;

(c) Relief goods such as, but not limited to, food packs (rice, canned goods, noodles, etc.) and water; and

(d) Use of property, whether real or personal (shuttle service, use of lots/ buildings);

To be entitled to full deductibility, said donations shall be made to any of the following donees as enumerated under Sections 34 (H), in relation to Section 101 of the NIRC of 1997, as amended, and as implemented by Section 17 of Revenue Regulation No. 12-2018, namely:

1. National Government or any entity created by any of its agencies (including public hospitals) which is not conducted for profit, or to any political subdivision of the said Government, including fully-owned government corporations; and

2. Accredited non-stock, non-profit educational and/or charitable, religious, cultural or social welfare corporation, institution, foundation, non-government organization,[1] trust or philanthropic organization and/or research institution or organization.

Moreover, donations of any of the above items to the National Government or to any of its agencies or political subdivisions, including fully-owned government corporations, for the sole and exclusive purpose of combatting the COVID-19, shall be allowed full deductibility, regardless if covered by the National Economic and Development Authority (NEDA)'s annual priority plan, considering that such donations are made during State of Public Health Emergency and State of Calamity as declared by no less than the President per Presidential Proclamation Nos. 922 and 929, series of 2020.

The requirement of submission of a Notice of Donation shall be dispensed with for this purpose.

Supporting Documents. – In order to be fully deductible and allowable as an expense against the gross income of the donor-Corporation and/or donor-individual, said exempt donation/gifts shall be supported by the following

[1] Under Revenue Regulations No. 13-98, as amended, accredited non-government organization (NGO) shall refer to a non-stock, non-profit domestic corporation or organization as defined under Section 34(H)(2)(c) of the NIRC of 1997, as amended, organized and operated exclusively for scientific, research, educational, character-building and youth and sports development, **health**, social welfare, cultural or charitable **purposes**, or a combination thereof, no part of the net income of which inures to the benefit of any private individual.

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documents:

Donee-Recipient	Supporting Document
National government or any entity created by any of its agencies which is not conducted for profit (including public hospitals), or to any political subdivision of the said Government, including fully-owned government corporations.	Deed of Donation
Accredited non-stock, non-profit educational and/or charitable, religious, cultural or social welfare corporation, institution, foundation, non-government organization, trust or philanthropic organization and/or research institution or organization.	Certificate of Donation (BIR Form 2322)

Section 4. OTHER DONATIONS/GIFTS EXEMPTED DURING THE PERIOD OF THE STATE OF NATIONAL EMERGENCY. – Furthermore, donations of (a), (b), (c) and/or (d) under the immediately preceding section, when made during the period of the state of national emergency, for the sole and exclusive purpose of combatting COVID 19, shall also be considered as exempt donations/gifts, when given to the following donees:

1. Private hospitals and/or non-stock non-profit educational and/or charitable, religious, cultural or social welfare corporation, institution, foundation, non-government organization (even if non-accredited), trust or philanthropic organization and/or research institution or organization; and

2. Local private corporations, civic organizations, and/or international organizations/institutions provided that they shall (1.) actually, directly and exclusively distribute and/or transfer said donations/gifts to, and/or (2.) partner as conduit/logistical machinery with, the accredited NGOs and/or national government or any entity created by any of its agencies which is not conducted for profit, or to any political subdivision of the said Government

The exemption from donor's tax of the donations/gifts referred to in herein Section shall be subject to the timely submission of the documentary requirements enumerated under Section 6 hereof.

Section 5. DEDUCTIBILITY OF OTHER DONATIONS/GIFTS MADE DURING THE PERIOD OF THE STATE OF NATIONAL EMERGENCY FOR THE SOLE AND EXCLUSIVE PURPOSE OF FIGHTING COVID-19 – All donations/gifts under Section 4 hereof when made during the period of the state of national emergency, for the sole and exclusive purpose of fighting COVID 19 shall also be deductible in full against the gross income of the donor-Corporation and/or donor-individual and subject to the timely submission of documentary requirements as enumerated under Section 6 hereof.

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However, donations/gifts under Section 4(2) hereof which qualify for full deductibility pursuant to Section 34(H)(2)(b) of the National Internal Revenue Code (NIRC), as amended, referring to donations/gifts to foreign institutions or international organizations, shall not be subject to the documentary requirements referred to under Section 6, but shall be subject to verification rules under Section 34(H)(4) of the NIRC.

Section 6. DOCUMENTARY REQUIREMENTS. – Donations made under Section 4 hereof, shall only be considered exempt from donor's tax and fully deductible when the requirements for documentation below are complied with:

Donee-Recipient	Documentary Requirements for Donee-Recipient	Documentary Requirements for Donor
Accredited non-stock, non-profit educational and/or charitable, religious, cultural or social welfare corporation, institution, foundation, non-government organization, trust or philanthropic organization and/or research institution or organization Non-stock non-profit educational and/or charitable, religious, cultural or social welfare corporation, institution, foundation, non-government organization (even if non-accredited), to include those organized and operated exclusively for	1) Liquidation report (Annex A)	1) Sworn Certification (Annex B) executed by the President of the donor-Corporation or any of its authorized officers or by the donor-individual himself, stating the name of the donee, the date of donation, the value of the donation and stating that the donation was made solely for the purpose of supporting efforts to fight COVID 19 during the period of the state of national emergency together with proof of purchase (if donation is in kind) 2) BIR-registered Acknowledgement Receipt or the template for an acknowledgement receipt under Annex C hereof

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health purposes such as private hospitals, trust or philanthropic organization and/or research institution or organization		
Local private corporations or international organizations/ institutions who partner to serve as conduit with accredited NGOs and/or national government or any entity created by any of its agencies which is not conducted for profit, or to any political subdivision of the said Government	1) Liquidation report (Annex A) 2) Certificate of Donation (BIR Form 2322) or Deed of Donation.	1) Certificate of Donation (BIR Form 2322) or Deed of Donation duly issued by the accredited NGO or government institution, respectively in the name of the donor-corporation/individual. 2) Proof of purchase (if donation is in kind) 3) BIR-registered Acknowledgement Receipt or the template for an acknowledgement receipt under Annex C hereof to be issued by the ultimate beneficiary

These documentary requirements shall be submitted to the respective Revenue District Office (RDO) where the donor and the donee-recipient are registered in accordance with the form attached within sixty (60) days from the lifting of the Enhanced Community Quarantine (ECQ).

Section 7. VALUE ADDED TAX (VAT) TREATMENT OF DONATIONS IN KIND. - Donations of (b) and (c) under Section 3 hereof shall not be treated as a transaction deemed sale subject to VAT under Section 106 (B) of the NIRC, as amended. Furthermore, any input VAT attributable to such purchase of goods shall be creditable against any other output tax.

Section 8. POWER OF THE BIR TO VERIFY EXEMPTION AND DEDUCTIBILITY OF SAID DONATIONS THROUGH INVESTIGATION OR AUDIT. - The benefits granted under this Revenue Regulation shall be subject to power of the BIR under Sec. 235 of the NIRC, as amended, to examine any books of accounts and other pertinent records of tax-exempt organizations or grantees of tax incentives for purposes of ascertaining compliance with the conditions under which they have been granted exemptions or tax incentives and their tax liability if any.

Section 9. APPLICABILITY. – The rules on donation and deductibility of the same as provided in the NIRC, as amended, and other Revenue Regulations, shall apply suppletorily.

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Section 10. REPEALING CLAUSE. – Any laws, rules and regulations, issuances or parts thereof inconsistent with the provisions of these regulations are hereby repealed, amended or modified accordingly during the effectivity of R.A. No. 11469, otherwise known as the "Bayanihan to Heal as One Act".

Section 11. EFFECTIVITY. – These regulations shall take effect starting March 16, 2020 upon issuance of Presidential Proclamation No. 929 and shall be in full force only during the three (3) month effectivity of R.A. No. 11469, otherwise known as the "Bayanihan to Heal as One Act", unless extended or withdrawn by Congress or ended by Presidential Proclamation.

The Office of National Administrative Register (ONAR) of the UP Law Center shall be provided three (3) certified copies of this Revenue Regulations.

CARLOS G. DOMINGUEZ III
Secretary of Finance

APR 06 2020

Recommending Approval:

CAESAR R. DULAY
Commissioner of Internal Revenue

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ANNEX "A"

LIQUIDATION REPORT

CASH								
	Donor (Corporation/ Individual)	Date Received by Donee	Amount	Acknowledgement Receipt No.	Balance Beginning	Amount of Utilization	Donee-Recipient/ Beneficiary	Balance End
1								
2								
3								
4								
5								

GOODS/ EQUIPMENT						
	Donor (Corporation/ Individual)	Date Received by Donee	Particulars/ Description	Value	Acknowledgement Receipt No.	Donee-Recipient/ Beneficiary
1						
2						
3						
4						
5						

Prepared By:

Certified Correct By:

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ANNEX "B"

FOR CORPORATION

REPUBLIC OF THE PHILIPPINES)
) S.S.

SWORN CERTIFICATION

I, *(name)*, *(citizenship)*, of legal age, and with office address at *(full address)*, being duly sworn, hereby depose and state that:

1. I am the *(position)* of *(name of the Company)* (the "Company"), with principal address at *(address of the Company)*;

2. On *(date)* we made a donation *(in cash/in kind)* to *(name of donee)*, *(which comprises of [particulars, if in kind])*;

3. The *(amount/value)* of said donation is Php*(amount/value)*;

4. Our donation was made for the sole and exclusive purpose of assisting *(donee)* in the fight against COVID 19.

IN WITNESS WHEREOF, I have here unto set my hand on this _____ day of _____ in _____, Philippines.

_____

President/Authorized Representative

SUBSCRIBED AND SWORN TO before me on this _____ day of _____, in _____, Philippines, affiant exhibiting to me his _____ issued on _____ at _____.

Notary Public

Doc No. _____;
Page No. _____;
Book No. _____;
Series of 2020.

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FOR INDIVIDUAL

REPUBLIC OF THE PHILIPPINES)
) S.S.

SWORN CERTIFICATION

I, *(name)*, *(citizenship)*, of legal age, and with residential address at *(full address)*, being duly sworn, hereby depose and state that:

1. On *(date)*, I made a donation *(in cash/in kind)* to *(name of donee)*, *(which comprises of [particulars, if in kind])*;

2. The *(amount/value)* of said donation is Php*(amount/value)*;

3. (If pooled donation only) Out of the total donation, Php*(amount/value)* was my personal contribution;

4. My donation was made for the sole and exclusive purpose of assisting *(donee)* in the fight against COVID 19.

IN WITNESS WHEREOF, I have here unto set my hand on this _____ day of _____ in _____, Philippines.

_____

Name of Individual

SUBSCRIBED AND SWORN TO before me on this _____ day of _____, in _____, Philippines, affiant exhibiting to me his _____ issued on _____ at _____.

Notary Public

Doc No. _____;
Page No. _____;
Book No. _____;
Series of 2020.

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ANNEX "C"

FOR CASH

ACKNOWLEDGEMENT RECEIPT

This is to acknowledge receipt on _____ of cash in the total amount of Php(amount)_____ from (Corporation/Individual)_____.

Authorized Representative

FOR GOODS

ACKNOWLEDGEMENT RECEIPT

This is to acknowledge receipt on _____ of (quantity and description of goods) _____ in the total amount of Php(amount)_____ from (Corporation/Individual)_____.

Authorized Representative

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