

REVENUE MEMORANDUM CIRCULAR NO. 56-2002 issued on December 18, 2002 circularizes pertinent portions of C.T.A. Case No. 6166, which reiterated the view of the VAT Review Committee (under VAT Ruling No. 18-98) that Health Maintenance Organizations are considered service contractors and, therefore, subject to the Value-Added Tax at the rate of ten percent (10%).