

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

February 9, 2008

**REVENUE MEMORANDUM CIRCULAR No. 20-2008**

**SUBJECT :** Publishing the Full Text of Executive Order No. 660 dated September 13, 2007 issued by President Gloria Macapagal-Arroyo Rationalizing the Tax Privilege Covering Importations by Registered Enterprises within the Subic Special Economic Zone, and for Other Purposes

**TO :** All Internal Revenue Officials, Employees and Others Concerned

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For the information and guidance of all internal revenue officers, employees and others concerned, quoted hereunder is the full text of Executive Order No. 660 issued by the President of the Philippines, rationalizing the tax privilege covering importations by registered enterprises within the Subic Special Economic Zone, and for other purposes, details of which as follows:

**“EXECUTIVE ORDER NO. 660**

**RATIONALIZING THE TAX PRIVILEGE COVERING  
IMPORTATIONS BY REGISTERED ENTERPRISES WITHIN  
THE SUBIC SPECIAL ECONOMIC ZONE, AND FOR OTHER  
PURPOSES**

**WHEREAS**, under existing law, registered businesses and enterprises within the Subic Special Economic Zone are exempt from national internal revenue taxes and customs duties on their importations of raw materials, capital goods and equipment for their business operations;

**WHEREAS**, there is a need to ensure that raw materials, capital goods and equipment, which will be imported by registered enterprises within the Subic Special Economic Zone, are only those required for their business activities and operations;

**WHEREAS**, the Government needs additional revenue to finance the country's economic and development programs and projects.

**NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO**, President of the Philippines, by virtue of the powers vested in me by law, do hereby order and direct as follows:

**SECTION 1.** Importations of registered businesses and enterprises or locators within the Subic Special Economic Zone in excess of the requirements of their registered business or authorized business activity consisting of raw materials, capital goods and equipment shall be deemed brought into or sold within the customs territory and, therefore, subject to the payment of taxes and customs duties in accordance with existing customs and tax laws.

**SECTION 2.** The Bureau of Customs and the Bureau of Internal Revenue, in coordination with the Subic Bay Metropolitan Authority, shall issue appropriate issuances or circulars to clarify and/or simplify the documentation, procedures, tax treatment and payment of taxes and duties of the excess importations with the end view of effectively implementing this Order

**SECTION 3.** All executive issuances, rules and regulations or parts thereof, which are inconsistent with this Executive Order, are hereby repealed or modified accordingly.

**SECTION 4.** This Executive Order shall take effect immediately.

DONE in the City of Manila, this 13<sup>th</sup> day of September in the year of Our Lord, two thousand and seven.

(Original Signed)  
**GLORIA MACAPAGAL - ARROYO**

By the President:

(Original Signed)  
**EDUARDO R. ERMITA**  
Executive Secretary"

All revenue officials and employees are enjoined to give this Circular a wide publicity as possible.

(Original Signed)  
**LILIAN B. HEFTI**  
Commissioner of Internal Revenue