



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
BUREAU OF INTERNAL REVENUE

JUN 23 2021

REVENUE REGULATIONS NO. 12-2021

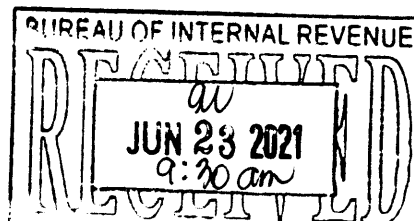
**SUBJECT :** Prescribing the Policies and Guidelines on the Utilization of the Tax Payment Certificate Issued by the Department of Trade and Industry-Board of Investment (DTI-BOI) Evidencing the Availment of the Fiscal Support for the Eligible and Registered Participants of the Comprehensive Automotive Resurgence Strategy (CARS) Program Under Executive Order No. 182, Series of 2015

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

**SECTION 1. Scope.** – Pursuant to the provisions of Section 244 of the National Internal Revenue Code (NIRC) of 1997, as amended, in relation to Section 13 of Executive Order (EO) No. 182, Series of 2015, these Regulations are hereby promulgated to prescribe the policies and guidelines on the Tax Payment Certificate (TPC) issued by the Department of Trade and Industry-Board of Investment (DTI-BOI) evidencing the availment of the fiscal support for the eligible and registered participants of the Comprehensive Automotive Resurgence Strategy (CARS) Program under the said EO.

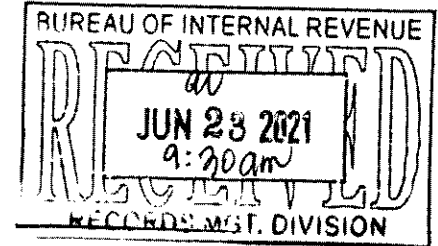
**SECTION 2. Definition of terms.** – For purposes of these Regulations, the following words and phrases shall have the meaning indicated below:

- a. **Participating Car Maker Incentive Account (PCMLA)** refers to an account created by the DTI-BOI to track the crediting and disbursements for each Participating Car Maker (PCM) and its Participating Part Makers (PPMs) against the approved fiscal support. All availments of fiscal support, whether for Fixed Investment Support (FIS) or Production Volume Incentive (PVI), will be in the name of the eligible and registered participant.
- b. **Eligible and Registered Participants** refer to PCMs, parts makers and shared testing service providers registered under the CARS Program and issued with a Certificate of Registration by the DTI-BOI.
- c. **Tax Payment Certificate** refers to a non-transferrable certificate issued by DTI-BOI, upon the recommendation of the CARS Inter-Agency Committee and based on the third party audit of the PCMs' and PPMs' applications to determine compliance with all the conditions for the availment of incentives, which shall be used to defray the tax and duty obligations of the eligible and registered participants to the National Government.
- d. **Tax obligations** refer to excise tax, income tax, and value-added tax (VAT) only, incurred by PCMs, parts makers and shared testing service providers in the course of their operations, and shall not include any type of withholding taxes.



**SECTION 3. Coverage.** These Regulations shall apply to the PCMs and PPMs registered under the CARS Program who applied and were issued TPCs by the DTI-BOI to pay exclusively the following tax obligations, excluding any type of withholding taxes, incurred in the course of their operations:

- (a) Excise Tax;
- (b) Income Tax; and,
- (c) Value-Added Tax.



**SECTION 4. General Policies and Guidelines.**

1. The total fiscal support for the CARS Program shall be divided into two (2) categories, namely:
  - a. **Fixed Investment Support (FIS)** – shall not exceed Forty Percent (40%) of the total fiscal support, provided that in case of Parts and Shared Testing Facility, the FIS shall not exceed 40% of the capital expenditure for tooling and equipment to manufacture the parts, including training costs for the start-up operation for the use thereof; and
  - b. **Production Volume Incentive (PVI)** – shall not exceed Sixty Percent (60%) of the total fiscal support.
2. The availment of the fiscal support by the eligible and registered participants shall be evidenced by a TPC, which is non-transferrable.
3. Eligible and registered participants shall request from DTI-BOI for issuance of TPC before the statutory deadline for the payment of the tax or taxes mentioned in Section 3 hereof sought to be settled. The request shall include details of their FIS and PVI entitlement, and the specific tax liabilities to which the TPC shall be applied.
4. The TPC to be issued by DTI-BOI shall be in the name of the eligible and registered participants and shall cover their specific tax obligations.
5. All TPCs shall have a validity period of only thirty (30) days counted from date of issue, and can only be used once. The date indicated on the face of the TPC shall be presumed to be the date of issuance.
6. The BIR shall recognize and accept valid TPCs issued by the DTI-BOI as tax payment only upon verification and validation against their records, as well as online validation thru the PCMIA set up by the DTI-BOI.

**SECTION 5. Procedure for Utilization of TPC.** – The amount of the TPC shall be indicated in the tax return as deduction from the tax due. The accomplished tax return shall be filed using the electronic Filing and Payment System (eFPS) or eBIRForms Package, as the case may be. In case the tax due is more than the amount of the TPC, the tax still due shall be paid using the available modes of payment of the BIR. The printed hard copies of the tax returns, together with the copy/ies of the TPC and the other prescribed attachments, shall be submitted to the Revenue District Office (RDO)/ Large Taxpayers District Office

(LTDO)/LT Documents and Quality Assurance Division (LTDQAD) where the registered participants are duly registered, pursuant to the existing revenue guidelines and procedures.

In case the amount of TPC exceeds the tax due, net of the creditable taxes, the excess shall not be considered or treated as a refundable amount.

The BIR shall issue a separate revenue issuance setting forth the specific guidelines and procedures on the utilization of TPC.

**SECTION 6. *No Double Availment of Incentives.*** - Eligible and registered participants under the CARS Program shall not be allowed to register their activity under any other program granting incentives as a condition for TPC availment.

**SECTION 7. *Limitation on Availment of Support.*** - The grant of support is conditioned on the compliance of the eligible and registered participants with the terms and conditions of its registration. Upon recommendation of the Inter-Agency Committee, the Board may limit the availment of support, as it may deem necessary.

**SECTION 8. *Monitoring and Compliance.*** - Audited Financial Statements and Income Tax Returns shall be submitted on or before May 15 of each year or one (1) month from the last day of filing of Income Tax Returns to the Bureau of Internal Revenue (BIR).

The BIR shall submit monthly to the Bureau of Treasury a list of TPCs reported and shall record the TPC transaction amount as part of its revenue collection.

**SECTION 9. *Repealing Clause.*** - All revenue rules and regulations and other revenue issuances or parts thereof, which are inconsistent with these Regulations are hereby repealed or modified accordingly.

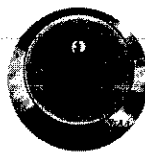
**SECTION 10. *Effectivity.*** - These Revenue Regulations shall take effect immediately following its publication in the Official Gazette or newspaper of general circulation.

Recommending Approval:

  
CAESAR R. DULAY

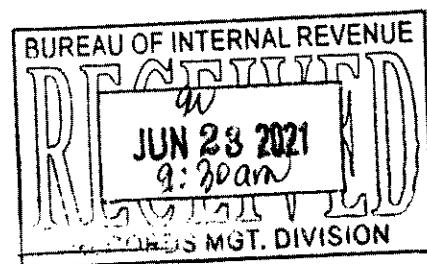
Commissioner of Internal Revenue

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CARLOS G. DOMINGUEZ  
Secretary of Finance

JUN 16 2021



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