



MALACAÑAN PALACE
MANILA

EXECUTIVE ORDER NO. 68-A

**AMENDING EXECUTIVE ORDER NO. 68 (s. 2012) WHICH ESTABLISHED THE
MONETIZATION PROGRAM OF OUTSTANDING VALUE-ADDED TAX TAX
CREDIT CERTIFICATES**

WHEREAS, Executive Order (EO) No. 68 (s. 2012) was issued establishing the Value-Added Tax (VAT) Tax Credit Certificates (TCCs) Monetization Program (hereinafter referred to as the "Program") to provide a mechanism for qualified VAT-registered persons to receive the cash equivalent of their outstanding VAT TCCs; and

WHEREAS, in order to facilitate the implementation of the Program, promote a conducive business environment, and raise the business credibility of the government both locally and globally, there is a need to simplify the terms of EO No. 68.

NOW, THEREFORE, I, BENIGNO S. AQUINO III, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

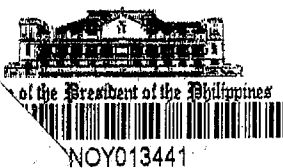
SECTION 1. Section 1 of EO No. 68 is hereby amended to read as follows:

"SECTION 1. VAT TCC Monetization Program. A monetization program is hereby adopted in order to give all qualified VAT-registered taxpayers the full cash value of their outstanding VAT TCCs issued as of 31 December 2012, to be verified by the Bureau of Internal Revenue (BIR) or the Bureau of Customs (BOC), as the case may be."

SECTION 2. Section 2 of EO No. 68 is hereby amended to read as follows:

"SECTION 2. Coverage. The Program shall cover all outstanding VAT TCCs as of 31 December 2012 issued pursuant to Section 112 (A) of Republic Act (RA) No. 8424 or the National Internal Revenue Code, as amended, and all the VAT component of drawback TCCs outstanding as of 31 December 2012 issued pursuant to Section 106 (e) of the Tariff and Customs Code of the Philippines (TCCP), as amended. Thus, VAT TCCs may be issued in the following manner:

- a. Solely issued by the BIR;
- b. Solely issued by the BOC; or
- c. Jointly issued with the One-Stop-Shop Inter-Agency Tax Credit and Duty Drawback Center (DOF-OSS Center)."



THE PRESIDENT OF THE PHILIPPINES



SECTION 3. Section 3 of EO No. 68 is hereby amended to read as follows:

"SECTION 3. Period of Implementation. The monetization of outstanding VAT TCCs shall be fully implemented not later than 30 June 2016.

All holders of VAT TCCs valid and outstanding as of 31 December 2012 who did not avail of the monetization program shall be paid through the cash conversion mechanism presently implemented by the BIR and which shall be implemented subsequently by the BOC."

SECTION 4. Section 4 of EO No. 68 is hereby amended to read, as follows:

"SECTION 4. Duties and Responsibilities. The following departments and offices shall have the following duties and responsibilities:

- a. The Department of Budget and Management (DBM) shall ensure that the funding requirement for the monetization program of outstanding VAT TCCs is included in the over-all expenditure program of the Government and reflected in the respective special provisions under the BIR and BOC based on a request made by the Department of Finance (DOF) as to the outstanding amount required to pay the cash value of the TCCs.

Thereafter, the DBM shall release the said amounts upon request of the BIR or BOC with supporting documents, subject to pertinent budgeting, accounting and auditing laws, rules and regulations.

- b. The BIR or the BOC shall verify the outstanding VAT TCCs.
- c. The Commission on Audit shall have the power and duty to examine the recording of all transactions relative to the monetization of outstanding VAT TCCs."

SECTION 5. Section 6 of EO No. 68 is hereby amended to read, as follows:

"SECTION 6. Non-issuance of VAT TCCs by BIR and BOC. The BIR and the BOC shall no longer issue TCCs for VAT refund, unless applied for by the VAT taxpayer, pursuant to Section 112 (A) of RA. No. 8424, as amended, and Section 106 (e) of the TCCP, as amended. In which case, taxpayers who apply for TCCs shall not be covered by the VAT TCC monetization program but may be paid through the cash conversion mechanism."

SECTION 6. All Sections of EO No. 68 not covered by these amendments shall remain in full force and effect.

SECTION 7. Implementing Guidelines. The DBM, DOF, BIR and BOC shall jointly issue one set of guidelines to implement the provisions of this Order and to provide for a streamlined cash conversion mechanism for both BIR and BOC. The

guidelines to be issued shall include the treatment for VAT TCCs that have been enrolled in the Monetization Program pursuant to EO No. 68.

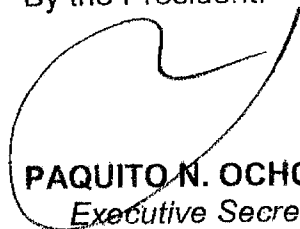
SECTION 8. Separability. Should any provision of this Order be declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

SECTION 9. Effectivity. This Order shall take effect immediately upon publication in a newspaper of general circulation.

DONE in the City of Manila, this 13th day of January, in the Year of our Lord, Two Thousand and Fourteen.

A handwritten signature in black ink is written over a circular embossed stamp. The stamp contains the text "OFFICE OF THE PRESIDENT OF THE PHILIPPINES" around the perimeter and "013443" in the center.

By the President:

A large, stylized handwritten signature in black ink, which appears to be "Paquito N. Ochoa, Jr.", is written over the text.

PAQUITO N. OCHOA, JR.
Executive Secretary

