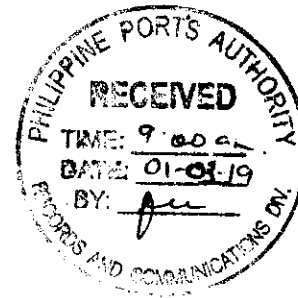




December 6, 2018

PPA Finance Memorandum Order
Number 01 - 2018



To : All Port Managers
The Manager, Treasury Department
The Manager, Controllership Department
All Others Concerned

Subject : **Compliance to Section 73 of Republic Act No. 10963**

1. Authority

This memo order is issued to implement Section 73 of Republic Act No. 10963, otherwise known as Tax Reform for Acceleration and Inclusion (TRAIN) Act, which reads as follows:

“Sec. 237. Issuance of Receipts or Sales or Commercial Invoices. -

“(A) Issuance – All persons subject to an internal revenue tax shall, at the point of each sale and transfer of merchandise or for services rendered valued at One hundred pesos (P100) or more, issue duly registered receipts or sale or commercial invoices, showing the date of transaction, quantity, unit cost and description of merchandise or nature of service: Provided, however, That where the receipt is issued to cover payment made as rentals, commissions, compensation or fees, receipts or invoices shall be issued which shall show the name, business style, if any, and address of the purchaser, customer or client: Provided, further, That where the purchaser is a VAT-registered person, in addition to the information herein required, the invoice or receipt shall further show the Taxpayer Identification Number (TIN) of the purchaser.

“Within five (5) years from the effectivity of this Act and upon the establishment of a system capable of storing and processing the required data, the Bureau shall require taxpayers engaged in the export of goods and services, taxpayers engaged in e-commerce, and taxpayers under the jurisdiction of the Large Taxpayers Service to issue electronic receipts or sales or commercial invoices, in lieu of manual receipts, sales or commercial invoices, subject to rules and regulation to be issued by the Secretary of Finance upon recommendation of the Commissioner and after a public hearing shall have been held for this purpose: Provided, That taxpayers not covered by the mandate of this provision may issue electronic receipts, or sales or commercial invoices, in lieu of manual receipts, and sales and commercial invoices.

“The original of each receipt or invoice shall be issued to the purchaser, customer or client at the time the transaction is effected, who, if engaged in business or in the exercise of profession, shall keep and preserve the same in his place of business for a period of three (3) years from the close of the taxable year in which such invoice or receipt was issued, while the duplicate shall be kept and preserved by the issuer, also in his place of business, for a like period. Provided, That in case of electronic receipts or sales or commercial invoices, the digital records of the same shall be kept by the purchaser, customer or client and the issuer for the same period above stated.

“The Commissioner may, in meritorious cases, exempt any person subject to internal revenue tax from compliance with the provisions of this Section.”

2. Mechanics

2.1. In compliance with the mandate of the above-cited law which requires the purchaser (Philippine Ports Authority) to keep and preserve the duly registered receipts issued by the seller of goods and services, involving a sales amount of P100.00 or more, an Official Receipt shall be required from the following:

2.1.1. Supplier of goods, such as furniture, fixtures and equipment, supplies, newspaper and magazines, food and other goods and merchandise.

2.1.2. Supplier of services, such as:

2.1.2.1. Construction services

2.1.2.2. Security services

2.1.2.3. Janitorial services

2.1.2.4. Consultancy services

2.1.2.5. Professional services

2.1.2.6. Agent services

2.1.2.7. Leasing/rental services

2.1.2.8. Catering services

2.1.2.9. All other services

2.2. The Official Receipt shall indicate the name Philippine Ports Authority, business style, address and TIN, date, nature of transaction, quantity, unit cost, amount, VAT, EWT (as applicable), and description of merchandise or nature of service.

2.3. To avoid disallowance of purchase transactions, the Official Receipt in hardcopy shall be preserved for a period of five (5) years, and thereafter, in softcopy for another period of five (5) years, to be presented to BIR during its tax audit.

3. Repealing Clause

PPA Finance Memorandum Order No. 01-2013 and all PPA orders, guidelines or circulars inconsistent herewith are hereby repealed or amended accordingly.

4. Effectivity

This Memorandum Order shall take effect immediately.


JAY DANIEL R. SANTIAGO
General Manager 