



FEB 27 2004 MABSMAN BUILDING 22 MUELLE DE SAN FRANCISCO SOUTH HARBOR PORT AREA MANILA 1018 PHILIPPINES
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PPA MEMORANDUM CIRCULAR

Number 08 -2004

T O All Port District Managers, Port Managers, Shipping Companies,
Cargo Handling Operators, Port Operators and Others Concerned

SUBJECT REVISED IMPLEMENTING GUIDELINES OF THE VALUE
ADDED TAX LAW, TITLE IV OF REPUBLIC ACT NO. 8424

1 Authority

- 1 1 Executive Order No. 273 which took effect on January 1, 1988
- 1 2 Republic Act No. 7716 which took effect on January 1, 1996
- 1 3 Republic Act No. 8241 which took effect on January 1, 1997
- 1 4 Republic Act No. 8424, the National Internal Revenue Code (Title IV)
- 1 5 Revenue Regulations No. 7-95
- 1 6 Revenue Memorandum Circular No. 3-96
- 1 7 Revenue Memorandum Circular No. 8-99
- 1 8 Revenue Regulations No. 8-2002
- 1 9 Revenue Memorandum Circular No. 2-2004

2 Guidelines

- 2 1 As provided in the above-stated laws, 10% VAT shall be levied, assessed and collected on every sale, barter or exchange of goods or properties, importation of goods and sale or exchange of services including the use or lease of properties
- 2 2 The VAT law likewise provided that VAT is an indirect tax which can be legally shifted or passed on to the buyer, transferee or lessee of the goods, properties or services
- 2 3 On the same principle, the shifting of VAT by the cargo handling operators/port operators to cargo owners/clients/port users is also proper
- 2 4 Pursuant to Revenue Memorandum Circular No. 2-2004 issued by the Bureau of Internal Revenue, all gross sales/receipts of the Authority are subject to 10% VAT
- 2 5 Charges against the vessels engaged exclusively in international shipping, however, shall be subject to 0% VAT or Zero-Rated VAT pursuant to Section 108B (4) of Republic Act No. 8424
- 2 6 The port tariff and all port charges, fees and dues presently imposed by the Authority are exclusive of VAT, hence, in the collection of charges, 10% VAT shall be added thereto and a VAT Official Receipt shall be issued

VISION

By 2010, PPA shall have met the international standards in port facilities and services in at least ten (10) ports in support of national development

MISSION

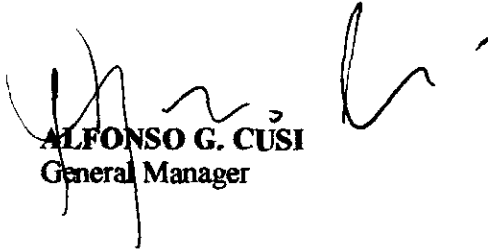
We commit to provide reliable and responsive services in our ports, sustain development of our port communities and the environment, and be a model corporate agency of the government

3 Repealing Clause

This Memorandum Circular supersedes PPA Administrative Order No 01-97, PPA Memorandum Circular No 13-88, PPA Memorandum Order No 15-88 and PPA Memorandum Circular No 22-95 All other PPA issuances inconsistent herewith are hereby amended/modified accordingly

4 Effectivity

This Memorandum Circular shall take effect immediately



ALFONSO G. CUSI
General Manager

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