Republic of the Philippines
Philippine Economic Zone Authority

MEMORANDUM ORDER NO. 2023-014

TO : **ALL PEZA-REGISTERED BUSINESS ENTERPRISES**
ALL PEZA ZONE ADMINISTRATORS/ZONE MANAGERS/OICs

FROM : **TERESO O. PANGA**
Director General

Digitally signed by
Panga Tereso
Ordas

DATE : **03 November 2023**

SUBJECT : **REVISED GUIDELINES ON THE APPLICATION FOR THE ISSUANCE OF THE CERTIFICATE OF VAT ZERO-RATING AND CERTIFICATE OF ENTITLEMENT TO TAX INCENTIVES (CETI)**

Pursuant to Memorandum Circular (MC) No. 2023-038 on Payment of Applicable Fees as a Pre-Requisite for any Application Filed with PEZA and in compliance with the mandatory implementation of Electronic Payment and Collection System (EPCS), the filing of applications for the Certificate of VAT Zero-Rating and Certificate of Tax Incentives (CETI) to qualified Registered Business Enterprises (RBEs) shall be accomplished through the following revised guidelines:

A. Applications for Certificate of VAT Zero-Rating of qualified Registered Export Enterprises (REEs)[1]

1. Checklist of requirements:

a. Duly accomplished application form **("Annex A")**;

b. Copy of Payment Confirmation for the filing fee;

c. Valid clearance from the PEZA-Enterprise Services Division (ESD) that the REE is compliant with the submission of PEZA reportorial requirements and has no outstanding penalties;

d. Sworn Affidavit executed by the authorized official of the REE stating that the goods and/or services, other than those identified under the negative list, are directly and exclusively used for the production of goods and/or completing of services to be exported or for utilities and other similar costs, the allocation method used for the determination of percentage of goods and services directly and exclusively used for the production of goods and/or services to be exported, following the prescribed format **("Annex B")**.

e. Notarized Undertaking stating that at least 70% of the leasable/saleable areas or demand for power/volume for water are dedicated to export enterprises **("Annex C")**, for the following REEs:

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[1] *REEs as defined under Section 293 (E) of CREATE Act, i.e., Export and IT Enterprise and those considered REEs for being engaged in an "activity in support to exporters" under the 2022 Strategic Investment Priorities Plan (SIPP) and BIR RMC No. 24-2023 (Ecozone Logistics Service Enterprise [ELSEs]) and BIR RMC No. 53-2023 (Ecozone Facilities Enterprises, Ecozone Utilities Enterprises and Economic Zone Developer/Operators).*

i. **For Developers/Operators and Ecozone Facilities Enterprises** – that 70% of the leasable/saleable areas are dedicated to export enterprises; and

ii. **For Ecozone Utilities Enterprises** – that 70% of demand for power or 70% of volume for water were supplied to export enterprises.

2. Procedure:

a. The REE shall secure an Order of Payment for the filing fee through e-mail at imdapps@peza.gov.ph using the format provided in **"Annex D"**.

b. The REE shall pay the filing fee through the PEZA Electronic Payment and Collection System (EPCS) (https://epay.peza.gov.ph/PEZA/) using the Online Order of Payment Number issued through the EPCS system. A Payment Confirmation will be sent to the REE for successful payment transaction.

c. The REE shall send through e-mail the duly accomplished application form to the Incentives Management Division (IMD) at imdapps@peza.gov.ph, and the Office of the Director General at odg@peza.gov.ph, together with the documentary requirements.

d. The IMD shall evaluate the application for Certificate of VAT Zero-Rating and check for the following:

i. Export Performance Ratio for the preceding calendar year;

ii. Outstanding penalties and other financial obligations with other PEZA units, *e.g.*, Support Services Department (SUSD) and Office of the Building Officials (OBO; and

iii. Compliance with the terms and conditions provided in the REEs Registration/Supplemental Agreements with PEZA, specifically on the entitlement to incentives.

e. The IMD shall endorse the following applications together with the notarized undertaking to verify their compliance with the required threshold to the following units:

i. Ecozone Development Department (EDD), for Ecozone Developers/Operators.

ii. Enterprise Registration Division (ERDiv) for Ecozone Facilities Enterprise and Ecozone Utilities Enterprise.

f. For applications that have pending requirements, the IMD shall issue a letter notifying the REEs with non-compliance with the terms and conditions under its Registration/Supplemental Agreements with PEZA, *i.e.*, SCO, ITH validation, Base Figure, and Increase in Paid-Up Capital.

g. The IMD shall inform the REE that the application for the Certificate of VAT zero-rating shall not be processed in case the REE fails to meet the required export performance ratio and/or it has outstanding penalties and other financial obligations with other PEZA units, *e.g.*, SUSD and/or OBO.

h. For compliant REEs, the IMD shall send through email the system generated and electronically/digitally signed Certificate of VAT zero-rating (PDF copy) to the respective Zone Administrator/Manager/OIC. Each Certificate of VAT zero-rating issued by PEZA shall bear a Quick Response Code (QRC) which upon scanning will be directed to the PEZA VAT certificate verification portal where the issued VAT zero-rating certification will be displayed.

i. The IMD shall inform the REEs to coordinate with their respective Zone Office for the release of Certificate of VAT zero-rating (PDF copy).

B. Applications for Certificate of Entitlement to Tax Incentives (CETI) [for Registered Business Enterprises (RBEs) whose projects are currently enjoying Income Tax Holiday (ITH) and/or 5% Gross Income Tax (5% GIT), now known as 5% Special Corporate Income Tax (5% SCIT)]

1. Checklist of requirements:

   a. Duly accomplished request for certification form in prescribed template ("Annex **E**")

   b. Copy of Payment Confirmation for the filing fee

   c. Valid clearance from PEZA-Enterprise Services Division (ESD) that the company is compliant with the submission of PEZA reportorial requirements and has no outstanding penalties

2. Procedure:

   a. The RBE shall secure the Order of Payment for the filing fee through e-mail at imdapps@peza.gov.ph using the format in **"Annex D"**.

   b. The RBE shall pay the filing fee through PEZA Electronic Payment and Collection System (EPCS) (https://epay.peza.gov.ph/PEZA/) using the Online Order of Payment Number issued through EPCS system. A Payment Confirmation will be sent to the RBE for successful payment transaction.

   c. The RBE shall send through e-mail the duly accomplished application form to the Incentives Management Division (IMD) at imdapps@peza.gov.ph, and the Office of the Director General at odg@peza.gov.ph, together with the documentary requirements.

   d. IMD shall evaluate the application for CETI and check for the following:

      i. Outstanding penalties and other financial obligations with other PEZA units, *e.g.*, Support Services Department (SUSD) and Office of the Building Officials (OBO);

      ii. Compliance with the terms and conditions under the RBE's Registration/Supplemental Agreements with PEZA; and

   e. For applications that have pending requirements, the IMD shall issue a letter of notifying the RBEs with non-compliance with the terms and conditions under its Registration/Supplemental Agreements with PEZA, *i.e.*, SCO, ITH validation, Base Figure, and Increase in Paid-Up Capital.

   f. The IMD shall inform the RBE that the application for CETI shall not be processed in case it has outstanding penalties and other financial obligations with other PEZA units, *e.g.*, SUSD and/or OBO.

g. For compliant RBEs, the IMD shall send through e-mail the electronically/digitally signed CETI (PDF copy) to the respective Zone Administrator/Manager/OIC.

h. The IMD shall inform the RBE to coordinate with the Zone Office for the release of the CETI (PDF copy).

All issuances inconsistent with these revised guidelines/procedures shall be deemed superseded.

This Memorandum Order shall take effect on **13 November 2023**.

Please be guided accordingly.

VSS/RVSS/CVC/gdt/sbc-mct

2023-014

Annex "A"

ERD.2.F.006
Rev.05, 13 November 2023

APPLICATION FOR VAT ZERO RATING CERTIFICATION

THE DIRECTOR GENERAL
PEZA

On behalf of _____, located at
[Name of Registered Export Enterprise (REE)]
the _____ with PEZA Certificate
(Ecozone/ITPark/Building including city or municipality[1])
of Registration No. _____ dated _____ as amended on _____, may I respectfully request for the issuance of a VAT Zero Rating certification for the year/s _____.

Please check (√) type of certification requested	Particulars
	New (if-newly registered or never requested/been issued a certification
	Renewal (with Certification issued for previous year/s)
	Updated (amendment of previously issued certification to reflect changes in the Certificate of Registration, *e.g.*, name, location, and to include new/additional activity/project, location)

I understand that the requested certification will be issued only if REE: (1) is compliant with the standard reportorial requirements, including TIMTA Reports, approved start of commercial operations, validation/confirmation of entitlement to Income Tax Holiday (ITH) and other conditions stipulated in the Registration and/or Supplemental Agreements which are due at the time of filing of this request; and, (2) has no outstanding penalties and other financial obligations with PEZA

Thank you.

Very truly yours,

_____ _____ _____
Signature of Responsible Official* over Printed Name Position/Designation Date

Tel. No./s: _____ E-mail address_____

Reminders:
1. Please completely fill out the form. Please indicate all PEZA-registered locations (please use extra sheet if necessary)
2. ***Request should be signed by responsible official of the enterprise** (CEO, President, Vice President or General Manager or equivalent, as appearing in the Ecozone Monthly Performance Report).
3. Request should be e-mailed to Incentives Management Division at imdapps@peza.gov.ph, copy furnish the Office of the Director General at odg@peza.gov.ph, together with the required documentary requirements mentioned in PEZA MC No. _____ dated_____ for the revised guidelines/procedures for the issuance of Certificate of VAT zero-rating.
4. **Certification/s shall be e-mailed to the responsible official of the enterprise by the Zone Administrator/Zone Manager/Officer-in-Charge of the ecozone location of the enterprise.**

Please see PEZA Memorandum Circular No. _____ dated _____ for the revised guidelines/procedures on the issuance of VAT zero-rating Certification

Annex "B"

REPUBLIC OF THE PHILIPPINES)
_____) S.S.

SWORN AFFIDAVIT

I, ***(Full Name)***, ***(Civil Status)***, ***(Citizenship),*** of legal age and with registered business address at _____ after being sworn in accordance with law, do hereby depose and state the following:

1. ***(Name of the Registered Export Enterprise)*** or the "Company" is a corporation/partnership/sole proprietorship organized and existing under the laws of the Philippines, and duly registered with ***(Name of Investment Promotion Agency)*** with Certificate of Registration Number: _____ issued on _____ as amended on _____;

2. I am the **Position** of the said company per SEC/DTI Certification No. _____ /I am the ***(position)*** and the authorized representative of said company per Board Resolution/Partnership Resolution dated _____;

3. The Company is engaged in ***(Primary Registered Activity)*** with Taxpayer Identification Number (TIN): _____ issued on _____, and with the following description:

   (Description of the registered business project or activity)

4. The Company will procure the following goods or services which are indispensable to the registered project or activity and without which the project or activity cannot be carried out:

   (Specify goods or services to be procured with a brief description)

5. The goods or services shall be procured by the Company from ***VARIOUS SUPPLIERS***, a legitimate provider of the above-mentioned goods or services;

6. Of the procured goods or service: ***(mark the applicable box)***

   [ ] the entire goods or services specified shall be directly and exclusively used in the Company's registered business project or activity.

   [ ] only a portion of the goods or services specified shall be directly and exclusively used in the registered business project or activity. In this regard, the Company shall adopt ***(allocation method used)*** to properly determine which goods or services are utilized or to be utilized in the registered business project or activity;

7. The expected date of utilization of the goods procured or the date of performance of services shall be on _____ (date of utilization of goods or performance of service);

8. I hereby declare under the penalty of perjury that the foregoing attestations are true and correct to the best of my knowledge and belief;

9. This *Sworn Affidavit* is executed in compliance with the requirements under Bureau of Internal Revenue (BIR) Revenue Memorandum Circular (RMC) No. 24-2022.

IN WITNESS WHEREOF, I have hereunto affixed my signature this _____ at _____, Philippines.

_____
Affiant

SUBSCRIBED AND SWORN to before me, in _____ on the _____ day of _____, 20_____ affiant exhibiting to me his/her _____ with number _____ issued _____ as competent proof of identity.

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of 20____.

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Annex "C"

REPUBLIC OF THE PHILIPPINES
(_____) ss.

AFFIDAVIT

I, _____, of legal age, with address at_____ after having been sworn to in accordance with law. depose and state that:

1. I am (state the position) of (state the name of the company) located at (state registered address).

2. (state the name of company) is a PEZA-registered (developer-operator/facilities enterprise/utilities enterprise);

3. The Board of Investments (BOI) has issued Memorandum Circular (MC) 2022-003 dated June 2022, amending the Specific Guidelines of Activities in Support of Exports under the 2020 Investment Priorities Plan, and specifically included the **"Development and Operation of Economic Zones; and Industrial Parks and Buildings for Exporters"** as one of the "*Activities in Support of Exporters*";

4. Said MC affirms the entitlement of qualified developers/operators of industrial parks and buildings, facilities and utilities enterprises to VAT zero-rating incentives on their local purchases which are directly and exclusively used for the registered project;

5. As a (state nature of registration whether developer-operator/facilities enterprise/utilities enterprise), 70% of the (indicate if: leasable/saleable areas; demand for power; volume of water) are (dedicated or supplied) to export enterprises;

6. This is executed to attest to the truth of the foregoing and in compliance with PEZA Memorandum Circular No. 2023-_____.

IN WITNESS WHEREOF, I have hereunto affixed my signature this_____ at_____.

Affiant

SUBCRIBED AND SWORN TO before me this _____ at_____, affiant exhibiting to me her Community Tax Certificate No._____ issued in _____ on _____.

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of 20____.

Annex "D"

To : imdapps@peza.gov.ph

From (RBE)] : [Official e-mail address of the Registered Business Enterprise

Subject (VAT/CETI)] : [Name of PEZA RBE - Request for Order of Payment

E-mail message :

FOR CERTIFICATE OF VAT ZERO-RATING

Dear PEZA-IMD,

May we request for the issuance of an Order of Payment relative to our application for Certificate of VAT Zero-Rating. Details are as follows:

Name of PEZA REE:_____
Zone Location:_____

CERTIFICATE OF VAT ZERO-RATING FOR THE YEAR_____

PEZA COR No. (Pre-CREATE):_____
PEZA COR No. (CREATE)*:_____

*(*as applicable, indicate N/A if not applicable)*

FOR CERTIFICATE OF ENTITLEMENT TO TAX INCENTIVES (CETI)

Dear PEZA-IMD,

May we request for the issuance of an Order of Payment relative to our application for Certificate of Entitlement to Tax Incentives (CETI). Details are as follows:

Name of PEZA RBE:_____
Zone Location:_____

CERTIFICATE OF ENTITLEMENT TO TAX INCENTIVES (CETI)
For the Taxable Year ending (MM/DD/YYYY)

Projects for issuance of CETI: (Please enumerate below)

1. R.A./S.A. dated_____ - (project description)
2. R.A./S.A. dated_____ - (project description)

TOTAL NO. OF PROJECTS:_____

REMINDERS:

1. For Certificate of VAT Zero-Rating, amount to be reflected in the Order of Payment (O.P.) depends on the number of PEZA COR indicated above.

2. For CETI, amount to be reflected in the O.P. depends on the number of projects for issuance of CETI, as enumerated above.

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Annex "E"

ERD.2.F.007
Rev.00, 13 November 2023

APPLICATION FOR CERTIFICATE OF ENTITLEMENT TO TAX INCENTIVES (CETI)

THE DIRECTOR GENERAL
PEZA

On behalf of **[Name of the Registered Business Enterprise (RBE)]**, with business/office address at **(Complete Office/Business Address)**, may I respectfully request for the issuance of a Certificate of Entitlement to Tax Incentives (CETI) with the following details:

PEZA COR No. & Date	:	
Tax Identification No. (TIN)	:	
Taxable Year Ending (MM/DD/YYYY)	:	
Telephone/Mobile No.	:	
Official e-mail address	:	
Alternate e-mail address	:	

PROJECT/S SUBJECT TO ISSUANCE OF CETI:

No.	Registered Projects*	Zone Location	Registration date R.A. / S.A. (MM/DD/YY)	Approved SCO (MM/DD/YY)	Income tax-based incentive (ITH or 5% SCIT)	Payment Confirmation No./Date (Filing fee)
1						
2						
3						

**[Amendment project (co-terminus) should be presented under one-line item together with the project to where it is attached to. Each project/ item no. corresponds to one (1) CETI].*

I understand that the requested certification will be issued only if REE: (1) is compliant with the standard reportorial requirements, including TIMTA Reports, approved start of commercial operations, validation/confirmation of entitlement to Income Tax Holiday (ITH) and other conditions stipulated in the Registration and/or Supplemental Agreements which are due at the time of filing of this request; and, (2) has no outstanding penalties and other financial obligations with PEZA

Thank you.

Very truly yours,

Signature of Responsible Official* over Printed Name	Position/Designation	Date

Reminders:

1. Please completely fill out the form. Please indicate all PEZA-registered projects, please use extra sheet if necessary using the table format above.
2. ***Request should be signed by the responsible official of the enterprise (CEO, President. Vice-President or General Manager or equivalent as appearing in the Ecozone Monthly Performance Report).**
3. Request should be e-mailed to Incentives Management Division at imdapps@peza.gov.ph, copy furnish the Office of the Director General at odg@peza.gov.ph, together with the required documentary requirements mentioned in PEZA MC No. ____ dated_____ for the revised guidelines/procedures for the issuance of CETI.
4. The PDF copy of the approved CETI shall be e-mailed to the provided e-mail addresses.
5. The registered projects enumerated in this form should be consistent with the projects with confirmed payment for the filing fee.