REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

Revenue Bulletin No. 1-2003
#339-2016

6-29-2016

YARA FERTILIZERS PHILIPPINES, INC.
Unit 1605 16th Floor, One Global Place
5th Avenue cor. 25th Street, Bonifacio Global City, Taguig

Attention: **Marilyn C. Barallas**
Finance Manager

Gentlemen:

This refers to your letter dated July 11, 2013 requesting on behalf of Yara Fertilizers Philippines, Inc. (the "Company"), for legal opinion on whether or not the sale of four (4) parcels of land executed by the Company in favor of Ferex Agrochem Development Corporation is subject to the value-added tax (VAT).

It is represented that the Company is a non-VAT registered entity organized and existing under the laws of the Philippines with address at 16th Floor One Global Place Building, 5th Avenue, Global City, Taguig; that the primary purpose for which the Company was organized is to conduct importing, selling and distributing fertilizers on a wholesale basis; that the Company had four (4) parcels of land used by the Company as warehouses for the storage of its fertilizer products; that on December 10, 2012, the Company sold the aforesaid parcels of land to Ferex Agrochem Development Corporation for a total consideration of Php [illegible] and that the Revenue District Office (RDO) No. 3, San Fernando City, La Union is subjecting the sale of the aforesaid parcels of land to VAT pursuant to Revenue Regulations (RR) No. 16-2011 amending RR No. 16-2005.

In reply, please be informed that the issue is subject of a pending investigation and/or protest. Thus, pursuant to Section 2(r) of Revenue Bulletin No. 1-2003 on "No Ruling Areas", to quote:

> "*SECTION 2.* ***List of No-Ruling Areas.*** — *The following shall hereby be construed and identified as "No-Ruling Areas".*
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> *xxx xxx xxx*
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> *(r) Issue/s or transactions involving directly or indirectly the same taxpayer/s which is/are the subject of an investigation, on-going audit, administrative protest, claims for refund or issuance of tax credit certificate . . .*
>
> *xxx xxx xxx*"

this Office cannot grant your request for legal opinion.

Very truly yours,

KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

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