



BANGKO SENTRAL NG PILIPINAS

**OFFICE OF THE DEPUTY GOVERNOR
FINANCIAL SUPERVISION SECTOR**

MEMORANDUM NO. M-2018- 031

**To : ALL BANKS AND NON-BANKS WITH QUASI-BANKING FUNCTIONS
(NBQBs)**

Subject : Creditable Withholding Tax (CWT) on Licensing and Processing Fees

Pursuant to Section 2.58.B of the Bureau of Internal Revenue (BIR) Revenue Regulation (RR) No. 11-2018, following the implementation of the Tax Reform for Acceleration and Inclusion (TRAIN) Law (Republic Act No. 10963), the ensuing guidelines shall apply to Banks/NBQBs covered by Sections M and N of RR No. 2-98, as amended by RR Nos. 17-2003 and 2-2006:

1. Three (3) original signed copies of BIR Form No. 2307 - Certificate of Creditable Tax Withheld at Source shall be submitted not later than the 20th calendar day of the month immediately after the date of the transaction:

The Deputy Director and Head
Central Administrative Services Group
Financial Supervision Sector
Bangko Sentral ng Pilipinas
4th Floor, Multi-Storey Building, BSP Complex
A. Mabini St. corner P. Ocampo Sr. St., Malate
1004 Manila

2. The BIR Form No. 2307 shall accurately indicate the following pertinent details:

- a. Payee: Bangko Sentral ng Pilipinas
- b. Tax Identification Number (TIN): 000-354-790-000
- c. Address: A. Mabini St. corner P. Ocampo Sr. St., Malate, Manila
- d. Zip Code: 1004
- e. The BIR-registered name of the Bank/NBQB, as exactly indicated in its corresponding BIR Certificate of Registration (BIR Form No. 2303)
- f. The amount of licensing and/or processing fee/s paid
- g. The amount of tax withheld
- h. The period of tax return which should indicate either the actual date of the transaction or the month covering the transaction; and
- i. The name, TIN and position of the payor's agent or representative

This memorandum shall cover only those transactions relating to payment of Licensing and Processing Fees to the Sector. Several income payments that are lumped and consolidated in one form/certificate must be supported by a breakdown of the transactions using the attached format (Annex "A").

3. In case of failure of the Bank/NBQB concerned to submit the duly accomplished forms within the deadline stated above or if such forms contain errors and/or discrepancies rendering the BIR Form No. 2307 invalid for claiming tax credits, the BSP shall be constrained to debit an amount equivalent to the 2% creditable withholding tax from the Demand Deposit Account (DDA) of BSFI concerned, with no obligation on the part of the BSP to reimburse said amount. In case of DDA deficiency, the provisions in Subsections X901.1 (2008-X608.1) and 4901Q.1 (2008-4562Q) of the MORB and MORBNFI, respectively, as amended, shall apply.

This Memorandum shall take effect immediately.


CHUCHI G. FONACIER
Deputy Governor

5 October 2018

Annex A

NAME OF THE BANK/NBQB

**LIST OF COVERED TRANSACTIONS
CREDITABLE WITHHOLDING TAX**

Date of Billing Letter	Name of FSS Billing Department/ Group	Name of Transaction	Gross Amount	Amount Debited to Demand Deposit Account	2% Creditable Withholding Tax