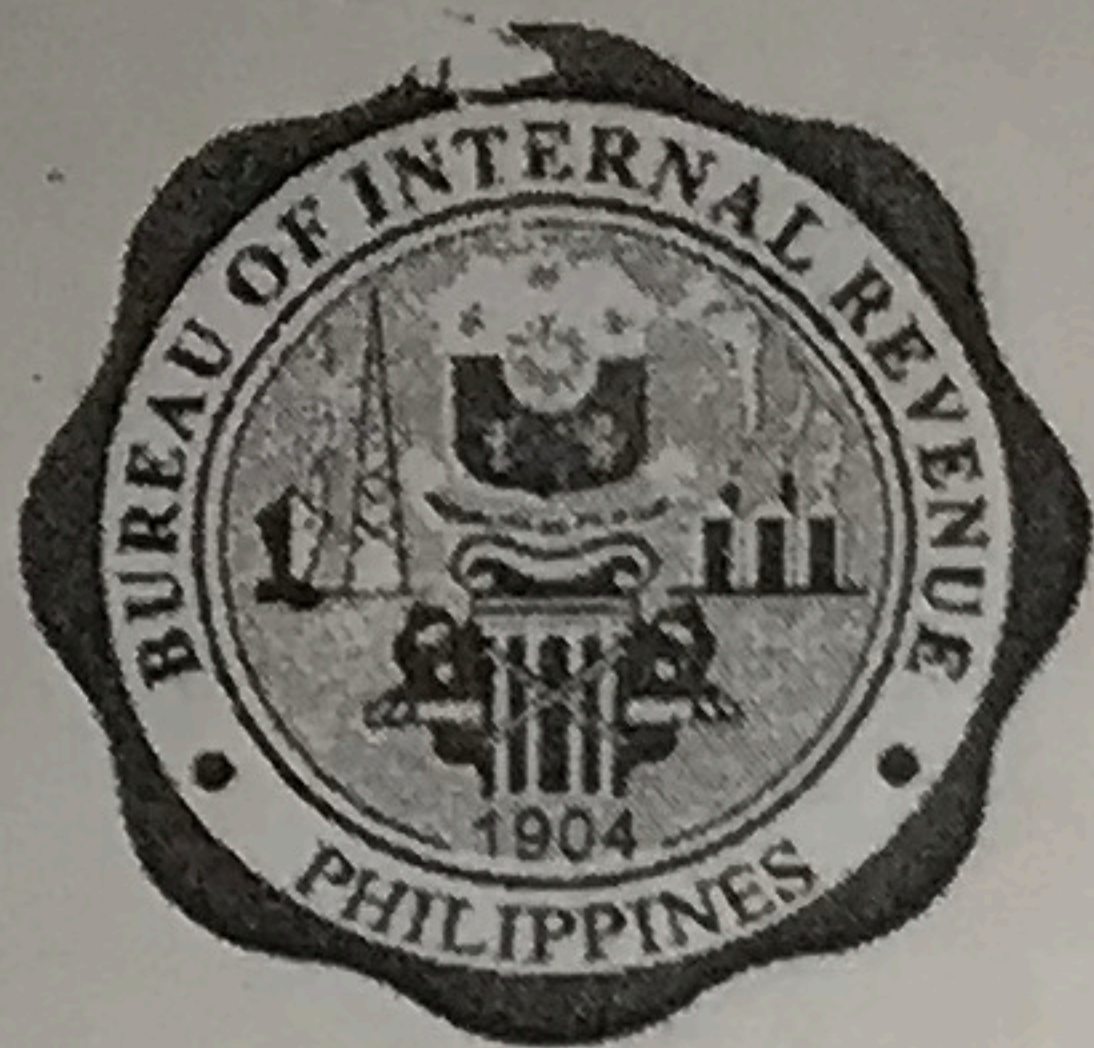




REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

Sec. 109 (1)(B) of the Tax
Code of 1997;

BIR Ruling No. 371-13

#027-2018

1-18-2018

ALL AROUND ORGANIC FERTILIZER, INC.

17TH Floor, 6750 Ayala Office Tower, Ayala Ave.,
Makati City 1223

Attention : **Mr. Leonel Piczon**
President

Gentlemen:

This refers to your letter dated April 3, 2017, requesting on behalf of ALL AROUND ORGANIC FERTILIZER, INC. certificate of exemption from value-added tax (VAT) on its importation and distribution of natural farm organic plant supplement pursuant to Section 109 (1)(B) of the 1997 Tax Code, as amended.

Documents submitted show that ALL AROUND ORGANIC FERTILIZER, INC., with Taxpayer's Identification Number (TIN) [REDACTED], is a corporation organized and existing under Philippine laws; that it is duly registered with the Securities and Exchange Commission (SEC) under SEC Reg. No. [REDACTED] dated July 1, 2015; and that as shown in its Articles of Incorporation, its primary purpose is to engage in the manufacturing, importation, selling and distribution of fertilizer on wholesale and all related activities.

It is represented that ALL AROUND ORGANIC FERTILIZER, INC. was issued a Certificate of Registration on October 2016 by the Bureau of Agriculture and Fisheries Standards (BAFS) under Registration Number [REDACTED], valid until October 2019 and was issued a Certification by BAFS dated February 17, 2017, certifying that ALL AROUND ORGANIC FERTILIZER, INC. is a duly licensed importer/distributor of Natural Farm Organic Plant Supplement and interposes no objection to the importation of 82 pallets (1,934 boxes) of the product with 26,643kg gross weight, via Winchester Strait 159S per Bill of Lading No. [REDACTED]

In reply, please be informed that Section 109 (1)(B) of the Tax Code of 1997, as amended by Republic Act No. 9337, provides for the exemption from VAT on the sale or importation of fertilizers for use in grain crops. The aforesaid provision reads, viz.:

"SEC. 109. Exempt Transactions. — (1) Subject to the provisions of subsection (2) hereof, the following transactions shall be exempt from the value-added tax:

XXX

XXX

XXX

B) Sale or importation of fertilizers; seeds, seedlings and fingerlings; fish, prawn, livestock and poultry feeds, including ingredients, whether locally produced or imported, used in the manufacture of finished feeds (except specialty feeds for race horses, fighting cocks, aquarium fish, zoo animals and other animals generally considered as pets);"

XXX

XXX

XXX

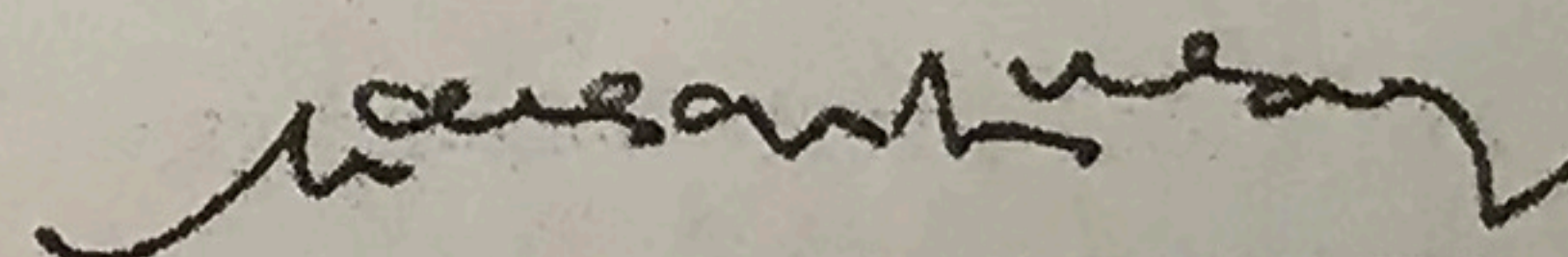
Based on the above-cited provision, the importation and distribution/sale of Natural Farm Organic Plant Supplement for use in Grain Crops, is considered exempt from VAT pursuant to Section 109 (1)(B) of the Tax Code of 1997, as amended. It is noted that the Organic Certification Center of the Philippines (OCCP) issued a Certification dated July 12, 2016, certifying that ALL AROUND ORGANIC FERTILIZER, INC. is in compliance with organic standards for the following product:

Product	Area	Units	Quantity	Status
Natural Farm Organic Liquid Fertilizer	NA			Organic

In view of the foregoing, since the BAFS has already certified that the Natural Farm Organic Plant Supplement is/are to be used for Grain Crops, the importation and distribution/sale thereof by ALL AROUND ORGANIC FERTILIZER, INC. is exempt from the twelve percent (12%) VAT imposed under Sections 106 (A) and 107 (A) of the 1997 Tax Code, as amended, on the sale and importation of goods. (BIR Ruling No. 371-13 dated October 10, 2013)

This ruling is being issued on the basis of the foregoing facts as represented. However, if upon investigation, it will be disclosed that the facts are different, then this ruling shall be considered null and void.

Very truly yours,



CAESAR R. DULAY

Commissioner of Internal Revenue

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