REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

Sec. 109 (1)(A) of the Tax Code of 1997;
BIR Ruling No. 107-2019
VAT-352-2021
OCT 04 2021

FISH2GO METRO CORP.
Blk 7 Lot 6 Mangoville, Jose Abad Santos Ave.
Salitran 4, Dasmariñas City
Cavite 4114

Attention : **Mr. Harry B. Binos**
President/CEO

Gentlemen:

This refers to your letter dated March 9, 2020, requesting on behalf of FISH2GO METRO CORP. for exemption from value-added tax (VAT) on its sale of grilled/roasted milkfish (bangus), pursuant to Section 109 (1)(A) of the National Internal Revenue Code of 1997 (Tax Code), as amended.

Documents submitted show that FISH2GO METRO CORP., with Taxpayer's Identification Number (TIN) , 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. dated July 24, 2019; and that its primary purpose is *to operate and manage kiosks, food counters, stores and restaurants.*

In reply, please be informed tnat Section 109 (1)(A) of the Tax Code, as amended, provides for the exemption from VAT on the sale of grilled/roasted milkfish (bangus) to customers. 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:*
>
> A) *Sale or importation of agricultural and marine food products in their original state, livestock and poultry of kind generally used as, or yielding or producing foods for human consumption; and breeding stock and genetic materials therefore.*
>
> *Products classified under this paragraph and paragraph (a) shall be considered in their original state even if they have undergone the simple processes of preparation or preservation for the market, such as freezing, drying, salting, broiling, roasting, smoking or stripping. Polished and/or husked rice, corn grits, raw cane sugar and molasses, and ordinary salt shall be considered in their original state.*"

Y/
(

Based on the above-cited provision, the sale of marine food products in its original state for human consumption, is considered exempt from 12% VAT pursuant to Section 109 (1)(A) of the Tax Code, as amended. Marine food products are considered in its original state even if these have undergone the simple process of preparation or preservation for the market, such as freezing, drying, salting, broiling, roasting, or stripping. The type of processing is limited to the aforementioned simple processes. Otherwise, the same may no longer be considered marine food product in its original state. Moreover, the VAT exemption is limited in application – it refers only to food products which are intended for human consumption.

It is to be emphasized however, that the exemption applies only if the grilled/roasted milkfish (bangus) is purchased on a take-out basis. Accordingly, should FISH2GO METRO CORP. maintain a facility by which the grilled/roasted milkfish (bangus) will be offered as a menu to customers who would dine-in, then it will be subject to VAT on sale of service which is similarly imposed on restaurants and other eateries.

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

045849

K-1-JAC