REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

Section 3 and Section 6 of Revenue Regulations No. 09-04
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JUN 2 9 2020

Bangko Sentral ng Pilipinas
A. Mabini St. cor. P. Ocampo St.,
Malate, Manila

Attention: **Eduardo Q. Bobier**
Managing Partner

Gentlemen:

This refers to your letter dated January 14, 2020 requesting for confirmation on whether or not the Bangko Sentral ng Pilipinas (BSP) is obligated to withhold percentage taxes on interest income payments to banks and non-bank financial institutions.

In reply, please be informed that Sections 3 and 6 of Revenue Regulations (RR) No. 09-04 entitled "*Implementing Certain Provisions of Republic Act No. 9238, Re-Imposing the Gross Receipts Tax on Banks and Non-Bank Financial Intermediaries Performing Quasi-Banking Functions and Other Non-Bank Financial Intermediaries Beginning January 1, 2004*" provides:

> "***SECTION 3. Imposition of Gross Receipts Tax (GRT) on Banks and Non-Bank Financial Intermediaries Performing Quasi-Banking Functions.*** *— There shall be collected on gross receipts from sources within the Philippines by all banks and non-bank financial intermediaries performing quasi-banking functions in accordance with the following schedule:*
>
> *(a) On interest, commissions and discounts from lending activities as well as income from financial leasing, on the basis of remaining maturities of instruments from which such receipts are derived:*
>
> *Maturity period of five (5) years or less — 5%*
>
> *Maturity period is more than five (5) years — 1%*
>
> *xxx xxx xxx*

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SECTION 6. Time and Venue for the Filing and Payment of GRT. — *The GRT due computed and determined in accordance with these Regulations shall be paid monthly within 20 days following the end of the taxable month using BIR Form 2551M to the concerned AAB of the RDO/LTDO/LTAID I where the taxpayer is registered or required to be registered. Provided, that, if the taxpayer is an EFPS taxpayer, the rules and regulations governing the filing of returns and payment of taxes under EFPS shall be observed."*

Based on the foregoing provisions, it is the direct liability banks and non-bank financial intermediaries to pay monthly the gross receipts tax imposed under Section 121 of the National Internal Revenue Code (NIRC), as amended, within 20 days following the end of the taxable month where it is registered.

Please be guided accordingly.

Very truly yours,

CAESAR R. DULAY
Commissioner of Internal Revenue

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