

REVENUE MEMORANDUM ORDER NO. 81-99 issued November 5, 1999 prescribes the guidelines on the issuance of VAT Exemption Certificate (VEC) to all qualified embassies and their personnel on their purchases of goods and services in the Philippines. The International Tax Affairs Division (ITAD) will issue a VEC based on an issued BIR Ruling and under the principle of reciprocity, as confirmed by the Office of Protocol of the DFA. In the absence of a previous ruling exempting an embassy, a request for certification will be treated as a request for a ruling. The ruling exempting a particular embassy and its personnel from VAT on their purchases of goods and services in the Philippines will be valid and effective for as long as the embassy concerned is included in the updated listing of Diplomatic missions entitled to VAT exemptions. The VEC issued will be valid and effective within the year of its issuance, and renewable upon the application of the embassy concerned, on a yearly basis.