



Republic of the Philippines  
**GOVERNMENT PROCUREMENT POLICY BOARD**  
**TECHNICAL SUPPORT OFFICE**



**NPM No. 12-2015**

5 May 2015

**MR. DANIELLE VON R. VOCES**  
*Finance and Accounting Manager*  
**TOYOTA TACLOBAN, LEYTE, INC.**  
Brgy. 71, Naga-Naga, Tacloban City, Leyte

**Re: Tax Clearance Certificate**

Dear Mr. Voces:

This refers to your letter dated 20 January 2015 inquiring whether a “Certificate of No Outstanding Tax Liability” issued by the Bureau of Internal Revenue (BIR), Revenue Region No. 14, will suffice in lieu of the Tax Clearance Certificate issued by the BIR National Office for eligibility purposes.

It is represented that in compliance with the requirement of bidding, your Company has secured a “Certificate of No Outstanding Tax Liability” from BIR Revenue Region No. 14 where your Company is registered. This certifies that your company has complied with all the required tax dues and requirements from the said BIR regional office’s records. Hence, you ask if this will suffice in lieu of the Tax Clearance requirement considering that from the start of your company’s operation last March 2013, all tax returns and records of the company have solely been reported to this BIR regional office.

The requirement to submit the bidder’s Tax Clearance under Section 34.2 of the IRR of RA 9184 is based on Executive Order (EO) No. 398<sup>1</sup>. Section 1 of EO 398 requires the submission of Tax Clearance issued by the BIR to prove full and timely payment of taxes of all persons desiring to enter into or participate in any contract with government. Tax Clearance as defined under BIR Revenue Regulations (RR) No. 3-2005 refers to the clearance issued by the Accounts Receivable Monitoring Division (ARMD) attesting that the taxpayer has no outstanding Final Assessment Notice and/or delinquent account.

Since the Tax Clearance required under Section 34.2 of the IRR is that issued by the BIR-CED, which should be in the form defined in RR 3-2005, a Certification issued by a BIR Revenue Regional Office is not the clearance contemplated under Section 34.2 of the IRR of RA 9184.<sup>2</sup>

We hope this opinion issued by the GPPB-TSO provided sufficient guidance on the matter. Note that this is issued on the basis of particular facts and situations presented, and

<sup>1</sup> Entitled “Directing Timely and Complete Payment of Taxes as a Precondition for Entering Into, and as a Continuing Obligation in Contracts with the Government, its Departments, Agencies and Instrumentalities” issued 12 January 2005.

<sup>2</sup> NPM No. 21-2013 dated 27 March 2013.

may not be applicable given a different set of facts and circumstances. Should you have further questions, please do not hesitate to contact us.

Very truly yours,



**DENNIS S. SANTIAGO**  
*Executive Director V*

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