



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

TAX ADVISORY

In view of the recent amendment of the provisions of Section 25(B), 25(C), 25(D) and 25 (E) of the National Internal Revenue Code (NIRC), as amended by Republic Act No. 10963 (TRAIN Act) that were subject of the President's Veto Message, the following pronouncement shall take effect:

ALL EMPLOYEES OF REGIONAL HEADQUARTERS AND REGIONAL OPERATING HEADQUARTERS OF MULTINATIONAL COMPANIES; OFFSHORE BANKING UNITS; AND PETROLEUM SERVICE CONTRACTORS AND SUBCONTRACTORS, ENJOYING PREFERENTIAL TAX TREATMENT PRIOR TO 2018 ARE NOW SUBJECT TO REGULAR INCOME TAX RATES. THUS, WITHHOLDING TAXES ON COMPENSATION OF THESE EMPLOYEES SHALL BE ENFORCED BASED ON WITHHOLDING TAX TABLE PER REVENUE MEMORANDUM CIRCULAR NO. 1-2018.

Strict compliance is enjoined.

Issued this 31st day of January 2018.

Quezon City, Metro Manila


CAESAR R. DULAY
Commissioner of Internal Revenue

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