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- MONTHLY VAT RETURNS NO MORE
(RMC No. 5-2023)

The Bureau of Internal Revenue (BIR) issued the transitory guidelines on the removal of monthly VAT return starting January 1, 2023 as enshrined in the TRAIN Law which amended the National Internal Revenue Code (NIRC) of 1997.

MONTHLY VAT RETURNS NO MORE! *(RMC No. 5-2023)*

Another relief for VAT-registered taxpayers is the reduction of the number of VAT returns filed. Pursuant to Section 37 of the TRAIN Law as implemented by Section 4-114-1(A) of Revenue Regulations (RR) No. 13-2018, beginning January 1, 2023, the filing of BIR Form No. 2550M (Monthly Value-Added Tax) ***is no longer required***. Instead, the corresponding Quarterly VAT Return (BIR Form No. 2550Q) shall be filed and paid within 25 days following the close of each taxable quarter.

In line with this, the bureau issued a guideline under Revenue Memorandum Circular (RMC) No. 5-2023 for taxpayers with a fiscal year accounting period, see table and explanation below:

Ref.	Quarter Ending	Transaction Covering the Month of (Applicability of 2550M)			Filing of 2550Q for the Quarter Ending		
		December 2022	January 2023	February 2023	December 2022	January 2023	February 2023
1	January 31, 2023	Not Later than January 20, 2023	N/A	N/A	N/A	Yes	N/A
2	February 28, 2023	Not Later than January 20, 2023	N/A	N/A	N/A	N/A	Yes
3	March 31, 2023	N/A	N/A	N/A	Yes	N/A	N/A

**Deadline that falls on a weekend or holiday will move to the next working day.*

1. If the Company's quarter ending is January 31, 2023, it is still required to file the monthly VAT Return (BIR Form No. 2550M) for transaction covering the period of December 2022.
2. If the Company's quarter ending is February 28, 2023, it is still required to file BIR Form No. 2550M for transaction covering the period of December 2022. However, it is not anymore required to file BIR Form No. 2550M for the month of January 2023.
3. If the Company's quarter ending is March 31, 2023, it only needs to file BIR Form No. 2550Q covering the 1st quarter of taxable year (TY) 2023.

Just a reminder, if the taxpayer is under the calendar period, the transactions within December 2022 will still be filed using BIR Form No. 2550Q covering the 4th quarter of TY2022. In addition, it should be noted that Summary Lists of Sales, Purchases, and Importation, if any, (SLSPI) is still required.

Happy New Year!!!

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