

2026-MMT-CN002

MMT ADVISORY

January 08, 2026

Availment of VAT ZERO RATED TRANSACTIONS

INTERNATIONAL SHIPPING LINES

- Sales to entities engaged in International Shipping operations.
- Other qualified transactions under relevant tax laws and regulations

Documentary Requirements:

1. Yearly submission of Updated/Latest BIR Form No. 2303 Certificate of Registration of the Domestic Shipping Agent
2. Agency Agreement between the Principal (ISL) and its Domestic Shipping Agent;
3. Fund Transfer Credit Advice and/or Certificate of Inward Remittance issued by facilitating bank;
4. Apostilled Articles of Incorporation, Business Registration, Certificate of Incorporation of the ISL, and any legal documents to prove that the ISL is duly organized under the laws outside the Philippines
5. Proof of membership as International Shipping Lines in Association of International Shipping Lines, Inc. (AISL) or Other proof of engagement in international shipping (e.g., BIR Ruling, MARINA registration, notarized certification confirming that the ISL is a shipping line engaged exclusively in international shipping operations)

DOMESTIC CLIENTS QUALIFIED FOR VAT ZERO RATED

- Registered Export Enterprise (REEs) under the CREATE Act, including PEZA, BOI, and other IPA-registered entities;
- Sales to entities with VAT zero-rating incentives;
- Clients engaged in export sales;
- Sales to entities operating in Special Economic Zones

Documentary Requirements:

1. Updated/Latest BIR Form No. 2303 Certificate of Registration;
2. Certificate of Registration issued by the concerned Investment Promotion Agency ("IPA") e.g. Philippine Economic Zone Authority ("PEZA"), Board of Investments ("BOI"), Subic Bay Metropolitan Authority ("SBMA"), among others;
3. VAT Zero-rating Certification with Annex A, if applicable, issued by the concerned IPA – refer to Annexes A and B for the new BIR-prescribed formats of VAT Zero-rating Certificates under BIR RMC No. 71-2025. (Ensure that the period of entitlement covers the year of the transaction.)
4. Original Sworn Affidavit, duly executed and notarized, confirming that the goods and/or services purchased from MHCPSI are directly attributable to and exclusively used for the registered IPA-approved project or activity, in compliance with the requirements of BIR Revenue Memorandum Circular (RMC) No. 84-2022, with effective coverage starting January 1, 2026. **Note:** Send an electronic copy in advance together with other documentary requirements (see email address for submission of soft copies). Deliver the original hard copy to Billing and Collection Assistants (Arvin Navidad, John Paul Christian Barlan, and Mark Neilwin Teodosio) at Manila Multipurpose Terminal Admin Bldg., MHC Mel Lopez Blvd. Vitas St. Tondo, Manila.

Important Notes:

- Please ensure that all required documents are submitted at least one day before the departure of the shipment. Late submissions may result in delays or denial of VAT zero-rating applications.
- These documentary requirements may change depending on future revenue regulations issued by the BIR.
- Additional documents may also be requested from customers as necessary.
- This policy takes effect immediately and shall apply to all 2026 transactions and onwards.

Submission of Documentary Requirements:

Submission of Soft Copies:

Email Recipient: billing@mmt.ictsi.com
Email Subject: Submission of Documentary Requirements for Qualified VAT Zero-rated Transactions

For general finance and tax-related questions or clarifications, please contact:

Email Recipient: MMT_Accounting@mmt.ictsi.com
Email Subject: Inquiry Regarding VAT Zero-Rated Transactions

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FAQs on VAT Zero-Rated Transactions

FREQUENTLY ASKED QUESTIONS (FAQ)

1. Who may qualify for VAT zero-rated transactions?

VAT zero-rating applies to:

- International Shipping Lines (ISLs) engaged exclusively in international shipping operations; and
- Domestic clients registered as Export Enterprises or entities granted VAT zero-rate incentives by the appropriate Investment Promotion Agencies (IPAs), in accordance with applicable tax laws and regulations.

2. What transactions are covered by VAT zero-rating?

- VAT zero-rating applies only to qualified services directly attributable to international shipping operations or registered export activities, subject to compliance with BIR rules and submission of complete documentary requirements.

3. What documents are required to avail of VAT zero-rating?

- Clients must submit complete, valid, and updated documentary requirements as listed in this advisory. Additional documents may be requested by MMT as necessary for verification and compliance with BIR regulations.

4. When should documents be submitted?

- All required documents must be submitted at least one (1) day before shipment departure or prior to final issuance of billing invoice. Late or incomplete submissions may result in VAT-inclusive billing.

5. Can VAT zero rate be applied if documents are submitted late?

- No. Transactions with late, incomplete, or invalid documents shall be billed inclusive of VAT, subject to reprocessing only upon full compliance and management approval, if applicable.

6. How long are VAT zero-rating documents valid?

- Most documents are valid for one (1) year, unless otherwise stated. Clients are responsible for ensuring that submitted documents remain valid for the applicable transaction period.

7. Is resubmission of documents required?

- Yes. Clients are required to resubmit updated documents annually or whenever there are changes in registration, accreditation, or entitlement to VAT zero-rating.

8. Are all MMT services VAT zero-rated?

- No. Only services that are directly related and attributable to qualified zero-rated transactions are eligible. Other services may be subject to regular VAT.

9. What happens if documents are found to be incorrect or invalid after billing?

MMT reserves the right to:

- Reclassify the transaction as Vatable; and
- Issue a VAT-inclusive invoice, with any resulting tax liabilities charged to the client.

10. Who is responsible for the accuracy of submitted documents?

- Clients are fully responsible for the accuracy, completeness, and validity of all submitted documents. MMT's acceptance does not waive compliance with BIR requirements.

11. Can MMT request additional documents?

- Yes. MMT may require additional supporting documents as deemed necessary to ensure compliance with existing or future BIR regulations.

12. Who can we contact for clarifications?

For finance and tax-related inquiries, please contact:

- MMT_Accounting@mmt.ictsi.com
- Subject: Inquiry Regarding VAT Zero-Rated Transactions