



Unit 2506 Raffles Corporate Center,
F. Ortigas Jr. Avenue, Ortigas Center,
Pasig City, Philippines 1605

CIRCULAR NO. 02-2005

April 28, 2005

TO: Heads of Departments, Bureaus, Offices and Agencies of the National Government; Government-Owned or Controlled Corporations (GOCCs), Government Financial Institutions (GFIs), including State Universities and Colleges (SUCs); and Local Government Units (LGUs)

SUBJECT: Submission of Tax Returns and “Tax Clearance for purposes of E.O. 398” as Eligibility Requirements for the Procurement of Goods, Infrastructure Projects and Consulting Services, in compliance with Executive Order No. 398, Revenue Regulation No. 03-2005, and Revenue Memorandum Circular No. 16-2005

1.0 Purpose

This circular is issued to enforce compliance with the provisions of Executive Order No. 398 (E.O. 398), attached hereto as Annex “A”, and Revenue Regulation No. 03-2005 (RR 03-2005), attached as hereto Annex “B”, including Revenue Memorandum Circular No. 16-2005 (RMC 16-2005), attached hereto as Annex “C”, requiring the submission of tax returns and tax clearance as a pre-condition in entering or participating in any contract with the government.

2.0 Coverage

All Departments, Bureaus, Offices and Agencies of the National Government; Government-Owned or Controlled Corporations (GOCCs), including State Universities and Colleges (SUCs); and Local Government Units (LGUs).

3.0 Rules and Regulations

3.1 In addition to Class “A” Legal Documents required under the Eligibility Requirements for the Procurement of Goods and Infrastructure Projects, and Consulting Services, under Sections 23.6 and 24.7 of the Implementing Rules and Regulations Part A (IRR-A) of Republic Act No. 9184 (R.A. 9184) respectively, procuring entities are mandated to require prospective bidders the submission of tax returns and the Tax

Clearance (for purposes of E.O. 398) in compliance with the provisions of E.O. 398, RR 03-2005, and RMC 16-2005.

3.2 For details and clarifications, please be guided by RR No. 03-2005 dated February 16, 2005 and RMC 16-2005 dated April 19, 2005 issued by the BIR.

4.0 For compliance.

EMILIA T. BONCODIN

Chairperson, Government Procurement Policy Board

Secretary, Department of Budget and Management