

REVENUE MEMORANDUM CIRCULAR NO. 6-2024 issued on January 10, 2024 publishes the full text of the Joint Administrative Order (JAO) No. 001-2023 of the Department of Finance (DOF) and Department of Trade and Industry (DTI) regarding the guidelines to implement Sections 305, 306, 307, and 308 of the National Internal Revenue Code (NIRC) of 1997, as amended by the Republic Act (RA) No. 11534 (CREATE Act) for Cooperatives; and full text of Fiscal Incentives Review Board (FIRB) - Advisory No. 017-2023 regarding the availability of the updated templates for the Annual Tax Incentives Report and Annual Benefits Report of Cooperatives (FIRB Form No. 3003AS v2.1 dated 6 October 2023).

Under JAO No. 001-2023, all registered cooperatives, whether taxable or not, shall file their tax returns and pay their tax liabilities, if any, on or before the deadline as provided under the NIRC of 1997, as amended, using the electronic system for filing and payment of taxes with the BIR. Provided, That, for purposes of complying with their tax obligations, cooperatives that do not have access to the electronic facilities shall file with their respective revenue district offices.

All registered Cooperatives availing of tax incentives shall submit to the Cooperative Development Authority (CDA) a complete Annual Tax Incentives Report (ATIR) and Annual Benefits Report (ABR) on or before the deadline prescribed below:

Accounting Period	Year Ending On	Deadline of submission
Calendar Year	December 31	May 15 of the immediately following year
Fiscal Year	January 1 - December 30	May 15 of the immediately following year

The report shall be duly signed by the Chairperson, General Manager, or any authorized officer of the concerned registered cooperative.

Registered cooperatives that utilize special or preferential treatment by virtue of free trade agreements, tax treaties, international agreements, or other similar agreements entered into by the Philippines shall likewise be required to submit an ATIR and ABR. For this purpose, said registered cooperative shall indicate such fact in the submitted ATIR and ABR.

The ATIR and ABR shall contain per-cooperative-level tax expenditure and benefits data for a given year. The reports shall be in a matrix format as presented in "Annex A" of JAO No. 001-2023 for ATIR and "Annexes B and B.1" of the JAO for ABR. The reports shall, as far as applicable, also contain the following data, among others:

- a. General description and characteristics of cooperatives
 - Tax Identification Number (TIN);
 - Branch Code;
 - Name of Cooperative based on BIR registration;
 - Registered address/Branch Registered Address;
 - Asset size of cooperative (excluding land);
 - Certification of Registration;
 - Certificate of Tax Exemption;
 - Type of cooperative;

- Category of cooperative;
 - Business activities;
 - Type of transactions;
 - Total asset and liabilities;
 - Gross sales/receipts;
 - Net sales/services/interest income;
 - Cost of sales/services;
 - Gross income;
 - Expenses;
 - Net surplus for allocation; and
 - Allocation for statutory distribution.
- b. Cost data
- Income-based Tax Incentives;
 - VAT exemption;
 - Percentage Tax Exemption;
 - Donor's Tax Exemption;
 - Excise Tax Exemption;
 - Documentary Stamp Tax (DST) Exemption;
 - Tax and customs duties exemption;
 - Other Tax Exemptions applicable;
 - Annual registration fee exemption; and
 - Amount of actual donations made to charitable, research and educational institutions and reinvestment to socioeconomic projects within the area of operation of the cooperative.
- c. Benefits data
- Actual Income Tax paid;
 - Actual VAT paid;
 - Percentage Tax paid;
 - Donor's Tax paid;
 - Excise Tax paid;
 - DST paid;
 - Tax and customs duties paid;
 - Withholding Tax on compensation paid;
 - Real property Tax paid;
 - Local business Tax paid;
 - Other Taxes paid on unrelated activities;
 - Annual registration fee paid;
 - Amount utilized for cooperative's social activities;
 - Total amount of cooperative social activities fund;
 - Number of beneficiaries for cooperative social activities;
 - Amount utilized for Social Development Program for community;
 - Employees' data (such as count and compensation, among others); and
 - Member's data (such as member's share capital and total count of members).

The above list is not exhaustive and subject to adjustments or modifications, as necessary. The Head of the FIRB Secretariat may, upon prior consultation with the CDA and upon due notice to the stakeholders, change the templates herein prescribed.

The BIR and the Bureau of Customs (BOC) shall submit, on or before August 15 of every year, to the Department of Finance (DOF): (i) all tax and duty incentives of registered cooperatives, as reflected in filed tax returns and import entries; and (ii) actual tax and duty incentives as evaluated and determined by the BIR and the BOC. To monitor the availment of incentives by cooperatives, the roles of the CDA, FIRB, DOF and Department of Budget and Management are likewise specified in the JAO.

Any registered cooperative which fails to comply with filing and reportorial requirements with the CDA, and/or which fails to show proof of filing of Tax Returns using the electronic system for filing and payment of taxes of the BIR, shall be imposed the following penalties by the CDA:

- a. First (1st) Offense - Payment of a fine amounting to One hundred thousand pesos (₱ 100,000.00);
- b. Second (2nd) Offense - Payment of a fine amounting to Five hundred thousand pesos (₱ 500,000.00); and
- c. Third (3rd) Offense - Revocation of the BIR-issued Certificate of Tax Exemption (CTE) of the Cooperative.

Registered cooperatives shall submit the required data and reports mentioned in these Guidelines. If the failure to submit is not due to the fault of the registered cooperative, such as, but not limited to, acts of God or force majeure, the same shall not be a ground for the revocation of the BIR-issued CTE. The registered cooperative has the burden of proving that said failure is not due to its fault.

Further, registered cooperatives shall be liable for the payment of taxes immediately upon the revocation of the CTE, inclusive of surcharge, interest, and compromise penalty. Upon payment of taxes, registered cooperatives can reapply for the issuance of a CTE, which shall be effective only upon the lapse of the period of prohibition to avail of the tax exemption.

The FIRB or the CDA may, after due process, cancel the registration, suspend the enjoyment of incentive benefits of any registered Cooperatives, and require the refund of incentives enjoyed by such enterprise, including interests and monetary penalties, for any material misrepresentation of information for the purpose of availing more incentives that what it is entitled to under the Code.

Any government official or employee who fails, without justifiable reason, to provide or furnish the required tax incentives report or other data or information within the prescribed period as required under these Rules shall be penalized, after due process, by a fine equivalent to the official's or employee's basic salary for a period of one (1) month to six (6) months or by suspension from government service for not more than one (1) year, or both, in addition to any criminal and administrative penalties imposable under existing laws.

Any and all penalties imposed and collected by the CDA under this Rule shall accrue to the general fund.

Under FIRB Advisory No. 017-2023, the updated templates for the ATIR and ABR of cooperatives (FIRB Form No. 3003AS v2.1 dated 6 October 2023) may now be downloaded from the FIRB website through the following link: <https://firb.gov.ph/download/firb-form-no-3003as-atir-and-abr-of-cooperatives/>

The template was updated to reflect the following changes:

- a. Inclusion of additional drop-down options;
- b. Adjustments to selected column headers; and
- c. Inclusion of additional instructions under the "Guidelines" tab, as aligned with the CDA, to promote ease of use and compliance.

The updated templates shall be used by registered Cooperatives availing of tax incentives in submitting the complete ATIR and ABR to the CDA, and by the CDA in submitting the consolidated ATIR and ABR and master list of Cooperatives beginning Taxable Year 2023 as prescribed under the DOF and DTI Joint Administrative Order (JAO) No. 001-2023 and under FIRB Advisory No. 007-2023.

The deadlines for the submission of said reports, as mandated in the aforementioned issuances, shall be maintained.

This Advisory supersedes FIRB Advisory No. 16-23. Hence, the template circulated under FIRB Advisory No. 16-23 (i.e., "FIRB Form No. 3003AS v2.0 dated 14 September 2023") is withdrawn.