



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
FISCAL INCENTIVES REVIEW BOARD
MANILA

FIRB Advisory 011-2023

FOR : All Investment Promotion Agencies, Registered Business Enterprises, Bureau of Customs, and Others Concerned

SUBJECT : **Circulating the Department of Finance and Department of Trade and Industry (DOF-DTI) Joint Memorandum Circular (JMC) No. 001-2023, dated 10 May 2023, entitled, “Guidelines on the Determination of Non-Local Availability of Capital Equipment, Raw Materials, Spare Parts, or Accessories under Part II, Rule 2, Section 4(B)(3) of the Implementing Rules and Regulations (IRR) of Title XIII of Republic Act (RA) No. 8424, otherwise known as the “National Internal Revenue Code of 1997”, as amended by RA No. 11534 or the “Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act”**

DATE : 06 July 2023

This Advisory is issued to circularize the Guidelines on the determination of non-local availability of capital equipment, raw materials, spare parts, or accessories under the Corporate Recovery Act and Tax Incentives for Enterprises (CREATE) Act and its implementing rules and regulations (IRR).

Section 294(D) and 295(C) of the Tax Code, as amended by the CREATE Act, provides that customs duty exemption on the importation of capital equipment, raw materials, spare parts, or accessories directly and exclusively used in the registered project or activity by registered business enterprises (RBEs) may be granted to registered projects or activities subject to the condition that the items to be imported are not produced or manufactured domestically in sufficient quantity or of comparable quality and at reasonable prices.

In relation thereto, Part II, Rule 2, Section 4(B)(3) of the CREATE Act IRR requires that RBEs shall secure a Certificate of Non-Local Availability (CNLA) from the Department of Trade and Industry (DTI) to comply with the above-mentioned condition.

To facilitate the determination of non-local availability of capital equipment, raw materials, spare parts, or accessories for importation, the DOF and DTI issued the attached JMC pursuant to Section 21 of the CREATE Act. The JMC also aims to supplement the CREATE Act IRR by authorizing the Investment Promotion Agencies (IPAs) to issue the CNLA, subject to the power of the DTI to revoke the same if found to have been issued in violation of the Guidelines.

For information and guidance.



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