



General Bid Bulletin No.4
27 November 2020

IFB No. PB20-023-4

THE MALOLOS-CLARK RAILWAY PROJECT
AND THE
NORTH-SOUTH COMMUTER RAILWAY EXTENSION (NSCR-EX) PROJECT
PACKAGE CP NS-02: ROLLING STOCK COMMUTER TRAINSETS

TO ALL PROSPECTIVE BIDDERS:

This General Bid Bulletin is issued to amend/clarify certain provisions in the Bidding Documents for the abovementioned project. Please refer to the attached Annexes of this General Bid Bulletin duly approved by the end-user and co-implementer for details:

1. Annex "A" – **Answers to Queries from Prospective Bidders including Clarifications to the Bidding Documents;**
2. Annex "B" – **Revisions to the Bidding Documents;**
3. Annex "B-1" – **Revised pages/amendments and Final Form as revised/amended;**
4. Annex "B-2" – **References: Revenue Circulars, Joint Circulars, Revenue Forms; and**
5. Annex "C" – **Requests for Visa Issuance and Entry Permits for Bidders participating in on-going procurements for DOTr Railways Sector Projects**

All other portions of the Bidding Documents affected by these revisions, amendments and/or clarifications shall be made to conform to the same.

Revisions/amendments/clarifications made herein shall be considered an integral part of the Bidding Documents for this project.

For your information and guidance.

For the Bids and Awards Committee IV:

SIGNATURE REDACTED

JOSEPH CONRAD D DUEÑAS
Chairperson

MEMORANDUM:

TO : THE CHAIRMAN AND MEMBERS
Bids and Awards Committee IV

THRU : THE BAC SECRETARIAT

FROM : THE JOINT TECHNICAL WORKING GROUP (TWG) FOR CONTRACT
PACKAGE NS-02

SUBJECT : GENERAL BID BULLETIN NO. 4

DATE : 26th November 2020

This Memorandum serves as an endorsement of the contents and attachments¹ of General Bid Bulletin No. 4, as prepared and recommended by the tender assistant, GCR Consortium, and endorsed by the Joint Technical Working Group (TWG) for Contract Package NS-02: Rolling Stock – Commuter Trainsets.

The TWG is respectfully submitting the contents of General Bid Bulletin No. 4, for the BAC's review and approval.

Respectfully Submitted By:

SIGNATURE REDACTED

ENGR. NARCISO PRECLARO JR.
Primary Member

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ATTY. CRESIELDA ECALNEA
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MR. WAN KHAIRUL ANUAR
Representative,
Greater Capital Railway,
Member

¹ Annex A and B, including its attachment, for GBB4 are attached to this Memorandum

Annex A

PACKAGE CP NS-02: ROLLING STOCK COMMUTER TRAINSETS

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Annex A

| Item No. | Volume Section No. Page No. Clause No. / Title Reference Text | Clarification Request | Proposed Revised Text (if any) | Response |
|----------|---|--|-----------------------------------|--|
| 1 | Volume I Part 1 Section III, IV EQC-16 6.Works Management Plan BF-2 A. TABLE OF FORMS BF-14 APPENDIX 7: TECHNICAL PROPOSAL BF-21 APPENDIX 7.6: WORKS MANAGEMENT PLAN BF-28 APPENDIX 9: BID SUBMISSION INDEX | "Outline System Safety Management Plan" is written in "A. TABLE OF FORMS, 1. Technical Proposal Forms Appendix 7.6 Works Management Plan" (BF-2) and "B. TECHNICAL BID FORMS APPENDIX 7.6 WORKS MANAGEMENT PLAN" (BF-21). Meanwhile, "Outline System Assurance Management Plan" is written in "3. Step 2.4.2 Detailed Evaluation Criteria, Evaluation Items/Sub-Items No.6.3" (EQC-16), "B. TECHNICAL BID FORMS APPENDIX 7: TECHNICAL PROPOSAL Table of Contents" (BF-14) and APPENDIX.9: BID SUBMISSION INDEX. Bid Contents Checking List 7.6 | | Bidder's understanding is correct. System Safety Management Plan will be changed to System Assurance Management Plan. Addendum is issued. Please refer to Annex B Attachment 1 |

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| | | <p>(BF-28). According to the context of related documents, those two management plans with different names shall be one plan with an identical name.</p> <p>Therefore, Bidder understands that "Outline System Safety Management Plan" can be read as "Outline System Assurance Management Plan".</p> <p>Please confirm if Bidder's understanding is correct.</p> | | |
| 2 | <p>Volume I Part I Section II BDS-4 ITEM 18.7</p> | <p>According to this clause, Bidder understands that Employer shall shoulder any fiscal and/or Taxes associated with this project.</p> <p>However, Bidder would like to confirm whether our</p> | | <p><u>1. VAT:</u> VAT registered suppliers and subcontractors of the Japanese companies, shall bill and pass on the twelve percent (12%) to the Japanese companies/contractors. In turn, the Japanese contractors shall include in their billing and pass on the 12% VAT to</p> |

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| | | <p>understanding below is correct regarding the following details.</p> <p>-VAT VAT for local (PHP) portion shall be paid by Employer to the Contractor, against the Contractor's billing 12% on top of local (PHP) portion.</p> <p>-Import VAT and Import duties Employer will be the Consignee of each shipment and pay the Import VAT and Import duties directly to the Bureau of Internal Revenue.</p> <p>-Corporate Income Tax, Personal Income Tax and Fringe Benefit Tax</p> | | <p>the Employer. Therefore, VAT, except VAT on imports, shall be incorporated into the Local Unit Prices (PhP) and Local Amounts (PhP) of the Bid Price. It will be the responsibility of the Japanese Contractor to file the prescribed VAT returns on gross receipts derived from the Project, claim their input taxes from their purchase of goods, properties and services from their suppliers or subcontractors and shall pay the output tax or VAT thereon, after offsetting the creditable or allowable input taxes, considering that the amount intended for payment of the VAT has already been collected and received by the Japanese contractors or nationals from the Employer as part of the total billing/invoice price. (RMC No. 8-2017).</p> <p><u>2. Import VAT and Import duties:</u> Import VAT and Import duties will be assumed by the Employer, following the</p> |

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| | | <p>Contractor`s Corporate Income Tax and Contractor`s employees` Personal Income Tax and Fringe Benefit Tax will be paid to the Bureau of Internal Revenue directly from the Employer, in accordance with contractors` income tax, personal income tax and fringe benefit tax return(filing).</p> <p>-Withholding Tax Employer shall not withhold Corporate Income Tax withheld at source for the service and goods.</p> <p>-Local Business Tax Local Business Taxes related to the project shall be directly settled by the</p> | | <p>tax assumption scheme and ITB 18.7. The procedures and guidelines will be discussed after the award of the contract.</p> <p><u>3. Corporate Income Tax, Personal Income Tax and Fringe Benefit Tax:</u> For income tax, RMC No. 42-99 provides that the Japanese contractor shall file its income tax return and the BIR shall collect the income tax due from the government executing agency i.e. Department of Transportation (DOTr) (RMC 42-99).</p> <p><u>4. Withholding Tax</u> Correct. However, the responsibility of filing with the BIR for the Corporate Tax Requirements in the Philippines rests on the Contractor.</p> <p><u>5. Local Business Tax:</u> Local Business Tax will be assumed by the Employer, following the tax</p> |

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| | | <p>Employer in coordination with Local Government Units.</p> <p>Please confirm if Bidder`s understanding is correct and provide the procedure in this regard (documentation etc.) more in detail.</p> <p>-Branch Profit Remittance Tax (BPRT) Bidder understands by virtue of the Exchange of Notes, Contractor does not need to pay BPRT for each transaction with its HQ. Rather, Employer shall assume BPRT instead of Contractor.</p> | | <p>assumption scheme and ITB 18.7. The procedures and guidelines will be discussed after the award of the contract.</p> <p><u>6. Branch Profit Remittance Tax (BPRT):</u> The Employer shall assume the BPRT for branch profits remitted by the Japanese Contractor to its head office in Japan out of its income derived from the supply of products and/or services required for the implementation of the project.</p> <p>Please refer to Annex B Attachment 2 for the guidelines.</p> |

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|-----------------|---|---|---|---|
| 3 | Volume II, Part II Section VI ERG-5 1.7.3.2 Quality Management Plan (QMP) | Although Sub-clause 1.7.3.2 of ERG states "The Contractor's QMS shall be in compliance with JIS Q9000 for its scope ...", "Table 1.2 JIS Standards" in Sub-clause 1.15 of ERT describes "JIS Q9001". Bidder understands that "JIS Q9000" in Sub-clause 1.7.3.2 of ERG can be read as "JIS Q9001". Please confirm if Bidder's understanding is correct." | | Bidder's understanding is correct. |
| 4 | Volume II Part II Section VI ERG-44 7.10 Software Framework | Sub-clauses in ERG 7.10 are numbered from 7.9.1.1 to 7.9.12.1 instead of 7.10.1.1 to 7.10.12.1. It is Bidder's understanding that these numbers shall read as 7.10.1.1 to 7.10.12.1. Please confirm if Bidder's understanding is correct. | | Bidder's understanding is correct. Addendum is issued. Please refer to Annex B Attachment 1 |

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|-----------------|--|---|---|---|
| 5 | Volume II Part II Section VI ERT-4 1.2.8 Driver`s Cab and Saloon Mock-up | Bidder would like Employer to clarify whether the following understandings are correct. It is Bidder`s understanding that the term "full size" in Sub-clause 1.2.8.1 of ERT and Sub-clause 1.4 of SOW means full scale, not full length of a car. Thus, it is required to provide two mock-ups of leading cars in total, which are 10m long. | | Bidder's understanding is correct. |
| 6 | Volume II Part II Section VI ERT-4 1.2.8 Driver`s Cab and Saloon Mock-up | Bidder would like Employer to clarify whether the following understandings are correct. Sub-clause 1.2.8.1 of ERT states the purpose to develop mock-up is "In order to evaluate the effectiveness of the driver's cab and saloon layout and function", while Sub-clause | | Bidder's understanding is correct. The total number of mock ups to be delivered by the bidder is 2 units in total. |

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| | | <p>1.2.8.2 describes different purpose, saying "These Mock-up shall be shown to Philippine people in several spaces." Sub-clause 5.15 of ERT also states "the Contractor shall manufacture a full sized, fully equipped cab mock-up for the purpose of evaluation the design." Sub-clause 1.4 of SOW states "The Contractor shall provide a full size fully equipped driver's and saloon cab mock-up for evaluation of the cab design"</p> <p>It is Bidder's understanding that these refer to two identical mock-ups and therefore the requirement to Contractor is to supply two mock-ups in total."</p> | | |

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| 7 | Volume II Part II Section VI ERT-4 1.2.8 Driver's Cab and Saloon Mock-up | Bidder would like Employer to clarify whether the following understandings are correct. It is Bidder's understanding that mock-up should be prepared to evaluate the portion of cab design which are changed from actual design of rolling stock delivered for CP03, concerning Sub-clause 1.2.8.1 and 5.15 of ERT, and Sub-clause 1.4 of SOW. At the standpoint of efficiency, design review would better be focused on such points because rolling stock for NS02 will run together on the same line where rolling stock for CP03 runs and the two cab designs shall be as close as possible. | | Bidder's understanding is correct. |

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| 8 | Volume II Part II Section VI ERT-4 1.2.8 Driver's Cab and Saloon Mock-up | Bidder would like Employer to clarify whether the following understandings are correct. It is Bidder's understanding that not only interior but also exterior condition shall also be shown as built condition because the mock-ups will be shown to people in public spaces. | | Bidder's understanding is correct. Exterior wording has been added to the section. Addendum is issued. Please refer to Annex B Attachment 1 |
| 9 | Volume II Part II Section VI ERT-4 1.2.8 Driver's Cab and Saloon Mock-up | Bidder would like Employer to clarify whether the following understandings are correct. 1. ERT Sub-clause 1.2.8.3 states "The contractor shall responsible for the arrangement and the cost of moving the mock up around the designated areas nominated by the Client for 12 times over 18 months period of times." It | | 1. Bidder's understanding is correct. 2. Bidder's understanding is correct however the mock-up must be able to withstand external conditions for a short period of time. |

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| | | <p>is Bidder's understanding that number to move the mock-up will be 12 times in total for two mock-ups, not 12 times for each mock-up respectively.</p> <p>2. It is Bidder's understanding that the mock-ups will be located only at an indoor place, not at an outdoor place, any time.</p> | | |
| 10 | Volume I, Part I Section IV BF-39 Milestone No. 205 | <p>Bidder understands that "Driver's Cab Mock-up" described in this milestone should mean "driver's cab and saloon mock-up" including a saloon part in accordance with Bidder's scope of work specified in Sub-clause 1.4 of SOW and Sub-clause 1.2.8.1 of ERT. Please confirm if Bidder's understanding is correct.</p> | | Bidder's understanding is correct. |

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| 11 | Volume II Part II Section VI ERT-4 1.2.8.3 | It is difficult to estimate the cost of mock-up moving with the current information. Bidder understands that all movement will be completed within Metro Manila area. Please confirm if Bidder's understanding is correct. | | Bidder's understanding is not correct. The mock-up will move along the alignment area. |
| 12 | Volume II Part II Section VI ERT-12 1.11 | It is Bidder's understanding that "the existing maintenance facilities" which are stated in c) of Sub-clause 1.11.1 of ERT mean the facilities built by CP04 Contractor of NSCR project. It is also Bidder's understanding that "the new maintenance facilities" stated there mean those built by CP-NS01 Contractor this time. Please confirm if Bidder's understanding is correct. | | Bidder's understanding is correct. |

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| 13 | Volume II Part II Section VI ERT-15 1.12.7 Overhead Line Supply System | Sub-clause 1.12.7 of ERT states that "Within 28 days of contract award the contractor shall provide pantograph and train characteristics to the NS-01 contractor". It is Bidder's understanding that not the pantograph itself but only the pantograph characteristics shall be provided to the NS-01 contractor at this stage and just such information shall be required. Please confirm if Bidder's understanding is correct. | | Bidder's understanding is correct. |
| 14 | Volume II Part II Section VI ERT-21 3.1 Bogies (General) | It is Bidder's understanding that Sub-clause 3.1.10 of ERT "Slewing rings" are not necessary, when the Bidder does not adopt these items in the proposed rolling stock. If the Bidder proposes | | Bidder's understanding is correct. |

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| | | a bolster-less bogie, slewing ring is not needed due to its structure. Please confirm if Bidder's understanding is correct. | | |
| 15 | Volume II Part II Section VI ERT-41 5.7 Passenger Seats and Baggage Rack | Sub-clause 5.7 of ERT does not state the detailed requirement of passenger seat material. It is Bidder's understanding that FRP can be used as the material for passenger seats. Please confirm if Bidder's understanding is correct. | | Bidder's understanding is correct. |
| 16 | Volume II Part II Section VI ERT-42 5.11.1 Windows and Glazing | Sub-clause 5.11.1 of ERT states "The color and degree of tinting shall be reviewed by the Engineer during the design process." It is Bidder's understanding that glass with other specification than those stated in Sub-clause | | Bidder's understanding is basically correct. In this case, bidder shall submit actual proven record for the Engineer's review. |

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| | | 5.11.10 of ERT can be accepted based on Engineer's judgement during the design process if there are benefits for Employer. Please confirm if Bidder's understanding is correct. | | |
| 17 | Volume II Part II Section VI ERT-59 8.3 Cooling System | 1. Bidder kindly asks to explain in detail "" demand forecasts"", and ""prescribed limits"", which are stated in Sub-clause 8.3.1 of ERT. 2. Also, it is Bidder's understanding that capacity of VAC, which is stated in Sub-clause 8.3.1 of ERT, can be calculated considering basically that under W3 condition. Please confirm if Bidder's understanding is correct. | | 1.Demand Forecast and Prescribed Limit basically refer to W3 conditions. 2.Bidder shall use W3 conditions instead of the demand forecast. |

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| 18 | Volume II Part II Section VI ERT-100 19.1.2 General Documentation Requirements (General) | Sub-clause 19.1.2, 19.2.1, 19.9.1, 19.9.2, 19.10.1, 19.11.1.3, 19.11.5.5, 19.11.6.2, 19.11.7.3, 19.11.8.2, and 19.11.9.2 of ERT state that documents and drawings shall be submitted by both electronic format and printed format. The Bidder would like the Employer to remove the requirement of submitting printed format, so that submission of only electronic format should be needed. | | Bidder's request is not accepted. |
| 19 | Volume II Part II Section VI ERT-123 22.7.2 Warranties/Guaranties | Sub-clause 22.7.2 of ERT states the following warranty/guarantee requirements: "The car body structure (including the underframe and support brackets) shall | | Bidder's request is not accepted. The DNP is the condition whereby the rolling stock as the whole system has to demonstrate the performance without any defect. If any small items failed, the contractor must replace the component/item. |

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| | | <p>be guaranteed for not less than ten (10) years; The following equipment shall be guaranteed for an extended period of five (5) years: a. Major components of the bogie (bogie frame, axles, suspensions, traction motors, gearboxes, etc.); b. Areas painted for corrosion protection; and c. Glass. The car batteries shall be guaranteed for not less than three (3) years; and All other car components and system shall be guaranteed for a period of two (2) years." However, Bidder opines warranty/guarantee required above is discrepant with the one</p> | | <p>While the warranty and guarantee in ERT are more focused on the major item's performance for a certain period of time. Typically, these items' warranty and period related to the major maintenance interval. Any small items/components will not be covered under this condition.</p> |

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| | | <p>required in Sub-clause 1.1.3.7 of GC, and Sub-clause 1.6 of ERG., which state Defect Notification Period is two years and not beyond 4 years from the date of issue of Taking over Certificate. Therefore, Bidder would like Employer to make warranty/guarantee requirement in Sub-clause 22.7.2 of ERT to be consistent with the other condition in the bidding document; GC and ERG. For clarity, Bidder understands two-year warranty is the industrial standard which applies in the world.</p> | | |
| 20 | Volume II Part II Section VI | Since Tutuban Station is not mentioned on "Appendix H Sample data | | Referring to bidder's query on "run-curve simulation via Tutuban Station is not needed", the bidder understanding is |

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| | ERT-145 Appendix H | <p>of run-curve simulation for considering the capacity of Propulsion system" in ERT, it is Bidder's understanding that run-curve simulation via Tutuban Station is not needed. Also, it is Bidder's understanding that there will be no operations that CP NS-02 car will run southbound from MCRP, then switch- back at Tutuban Station, and run continuously to NSCR South Line, and vice versa. Thus, each rolling stock will run directly from Solis Station to Blumentritt Station without going to Tutuban Station and vice versa.</p> <p>Please confirm if Bidder's understanding is correct.</p> | | <p>correct, and Appendix H is for reference only.</p> <p>At this stage, the information on the train running operation will not be discussed in detail. This discussion will be available during the design stage.</p> |

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| 21 | Volume II Part II Section VI ERT-146, 147 Appendix I | Some sections of data in "Appendix I" of ERT have value of speed limit of 160 km/h. However, it is Bidder's understanding that maximum operational speed limit in the main line is 120 km/h for CP NS-02 rolling stock, which is based on the requirement of Sub-clause 11.1 of ERT, and that Bidder will simulate capacity of propulsion system with this maximum speed, 120km/h, where the value, 160km/h, is shown on the table. Please confirm if Bidder's understanding is correct. | | Bidder's understanding is correct. Note that 160km/h means speed limit based on alignment and applies only to the Limited Express train. |
| 22 | Volume I Part I Section III EQC-3 | Bidder would like to request to accept using exchange rate from The STATE BANK OF VIETNAM for exchange rate of Vietnamese Dong | | Bidder's request is accepted. |

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| | 2.4.3 Exchange Rate for Clarification | that is not available from BSP, the Central Bank of the Philippines. | | |

Annex B

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| ITEM NO. | REFERENCE/CLAUSE/ SECTION | REVISIONS / AMENDMENTS |
|--|--------------------------------|---|
| Volume I. Part 1 – Bidding Procedures | | |
| 1. | Page EQC-16 Item 6.3.1 | <u>Revised table for Schedule 1.4 for the following:</u> 6.3.1 Appropriateness of plan, organization and methodology to manage System Safety Assurance Management |
| 2. | Page BF-2 A. TABLE OF FORMS | <u>Revised table of forms Appendix 7.6 for the following:</u> Appendix 7.6: Works Management Plan <ul style="list-style-type: none"> - Outline Quality Management Plan - Outline Site Safety Management Plan - Outline System Safety Assurance Management Plan - Outline Environmental Management Plan - Outline Project Management Plan - Outline Interface Management Plan - Outline Inspection, Testing and Commissioning Plan - Outline Detailed Works Program (Program Implementation Plan) - Outline Design Submission Program - Outline Requirements Management Plan - Outline Training Plan |

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Volume II. Part 2 – Employer Requirement
Section VI
1. Scope of Work
2A) General Requirements (ERG)
2B) Technical Requirements (ERT)

| ITEM NO. | REFERENCE/CLAUSE/SECTION | REVISIONS / AMENDMENTS |
|----------|--------------------------|---|
| 1. | Page ERG-44 Item 7.10 | <p><u>Revised item 7.10 and its sub-item with the following:</u></p> <p>Reformat numbering item 7.10.1 and its sub-items to 7.10.12 and its sub-items.</p> |
| 2 | Page ERT-4 Item 1.2.8 | <p><u>Revised item 1.2.8.1 and 1.2.8.2 with the following:</u></p> <p>1.2.8.1 In order to evaluate the effectiveness of the driver’s cab and saloon layout and function as specified in Sub-Clause 5.3 and 5.15 of the ERT, the Contractor shall develop the interior and exterior design of a full size, fully equipped driver’s cab and saloon mock-up. The driver’s cab, saloon and exterior mock-up shall be fully equipped to show completely built interior and exterior condition. The entire design of the driver’s cab, saloon and exterior shall be reviewed by the Engineer. The mock-up shall be strong enough to accommodate persons inside without the damage or deformation. It shall be constructed on a substantial platform, to facilitate transportation and to prevent damage (cracking) and distortion of the hardware.</p> <p>1.2.8.2 The Contractor shall make two leading car Mock-up whose length is 10m. These Mock-up shall be shown to Philippine people in several</p> |

| | | |
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| | | <p>public spaces. The Contractor shall pay the transfer fee of these Mock-up from Japan to the above public space and some public space to another public space.</p> |
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Annex B – Attachment 1

A. TABLE OF FORMS

1. Technical Proposal Forms

The requirements for the documentation to be submitted by the Bidder for the Technical Bid are as set out in ITB 11.2 and, additionally, in ITB 11.2(1) under the BDS.

The documents as listed immediately below are provided under the sub-division 'B. TECHNICAL BID FORMS' hereinafter. Those documents are intended to guide and assist the Bidder in the compilation of its Technical Bid. In some of those documents reference is made to specific forms that are provided under the sub-division 'E. ANNEXES FOR TECHNICAL BID FORMS' hereinafter.

Letter of Technical Bid

Appendices

- Appendix 1: Bid Security
- Appendix 2: Acknowledgement of Compliance with the Guidelines for Procurement under Japanese ODA Loans
- Appendix 3: *Not used*
- Appendix 4: Written Confirmation Authorizing the Signatory of the Bid to Commit the Bidder
- Appendix 5: A Copy of the JV Agreement or Letter of Intent, in the case of a Bid Submitted by a JV
- Appendix 6: Documentary Evidence Establishing the Bidder's Eligibility and Qualifications to Perform the Contract
- Appendix 7: Technical Proposal
- Appendix 7.1: Proposed Bid Program
 - Proposed Design Submission Program
 - Proposed Works Program
- Appendix 7.2: Proposed Project Management Plan
 - Proposed Project Management Organization
 - Proposed Key Personnel
 - Personnel Mobilization Schedule
 - Major Plant and Equipment Mobilization Schedule
- Appendix 7.3: Proposed Method of Implementation of the Works
- Appendix 7.4: Proposed Major Plant and Equipment
- Appendix 7.5: Proposed Subcontractors/Manufacturers for Major Items of Plant and Installation Services
- Appendix 7.6: Works Management Plan
 - Outline Quality Management Plan
 - Outline Site Safety Management Plan
 - Outline System Safety Assurance Management Plan
 - Outline Environmental Management Plan

A. TABLE OF FORMS

1. Technical Proposal Forms

The requirements for the documentation to be submitted by the Bidder for the Technical Bid are as set out in ITB 11.2 and, additionally, in ITB 11.2(1) under the BDS.

The documents as listed immediately below are provided under the sub-division 'B. TECHNICAL BID FORMS' hereinafter. Those documents are intended to guide and assist the Bidder in the compilation of its Technical Bid. In some of those documents reference is made to specific forms that are provided under the sub-division 'E. ANNEXES FOR TECHNICAL BID FORMS' hereinafter.

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 - Outline Environmental Management Plan

| | | | | |
|----------|---|--|--|--|
| | | 18 | Train Operation Simulator | |
| | | 19 | CCTV System | |
| | <p>Failure to comply with these requirements will result in the rejection of the proposed Subcontractors/Manufacturers.</p> <p>In the case of a Bidder who offers to supply and install major items of supply under the Contract that the Bidder did not manufacture or otherwise produce, the Bidder shall provide the manufacturer’s authorization, using Form MAN: Manufacturer’s Authorization provided in Section IV, Bidding Forms, showing that the Bidder has been duly authorized by the manufacturer or producer of the related plant and equipment or component to supply and install that item in the Employer’s country. The Bidder is responsible for ensuring that the manufacturer or producer complies with the requirements of ITB 4 and ITB 5 and meets the minimum criteria listed above for that item.</p> | | | |
| | | 5.1.1 | Appropriateness of the proposed subcontractors/manufacturers | |
| 6 | Works Management Plan | | | |
| | 6.1 | Outline Quality Management Plan | | |
| | | 6.1.1 | Appropriateness of plan, organization and methodology to manage Quality | |
| | 6.2 | Outline Site Safety Management Plan | | |
| | | 6.2.1 | Appropriateness of plan, organization and methodology to manage Site Safety Management | |
| | 6.3 | Outline System Assurance Management Plan | | |
| | | 6.3.1 | Appropriateness of plan, organization and methodology to manage System Safety Assurance <u>Management</u> | |
| | 6.4 | Outline Environmental Management Plan | | |
| | | 6.4.1 | Appropriateness of plan, organization and methodology to manage Environmental Control | |
| | 6.5 | Outline Project Management Plan | | |
| | | 6.5.1 | Appropriateness of plan, organization and methodology to manage the Project | |
| | 6.6 | Outline Interface Management Plan | | |
| | | 6.6.1 | Appropriateness of plan, organization and methodology to manage | |

| | | | | |
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- access to all documents to all team members;
- e. identify document development and approval processes that promote quality and consistency;
 - f. provide clarity regarding which version of a deliverable is the latest version;
 - g. provide a clear record of deliverables;
 - h. enable quick and direct propagation of changes; and
 - i. provide an accurate and complete archive of documents to the Employer.

7.9 Electronic Document Management

- 7.9.1 The Contractor shall submit an Electronic Document Management procedure as part of the Quality Management Plan for review by the Engineer, detailing how the Contractor shall implement and maintain a web-based EDMS.
- 7.9.2 The EDMS shall give an overview of the strategy and shall include a permissions matrix mapped to roles and responsibilities, workflow, systems architecture, resilience and disaster recovery.

7.10 Software Management and Control

7.10.1 Prescriptive Framework

~~7.8.1.1~~7.10.1.1 All software to be developed or modified shall follow the normative requirements of standards proposed by the Contractor. The Contractor shall define the Software Quality Assurance Management section within the Quality Management Plan what techniques and measures are to be applied for software development.

~~7.8.1.2~~7.10.1.2 The section shall require the Contractor to provide all changes, bug fixes, updates, modifications, amendments and new versions of the programs, as required by the Engineer.

~~7.8.1.3~~7.10.1.3 The Contractor shall provide all tools, laptop computers or any special device to upload / download the software, equipment, manuals and training necessary for the Engineer to maintain all software provided under this Contract.

~~7.8.1.4~~7.10.1.4 When a fault is discovered in delivered software, or an error in the associated documentation, the Contractor shall take the necessary steps to rectify such faults and errors at the earliest opportunity. The Contractor shall supply to the Engineer, full details, in writing, as to the nature of the corrective action proposed or taken. These changes shall be documented in the form of Software Engineering Change Proposal (SECP), which shall be reviewed by the Engineer; and

~~7.8.1.5~~7.10.1.5 It will be incumbent upon the Contractor to take responsibility for any changes required to the software.

7.10.2 Software Framework

~~7.8.2~~7.10.2.1 All the software produced or supplied for the Project shall be subject to a defined quality framework. The Contractor shall use a Quality Assurance System which is compliant with ISO 9000 series and meet the requirements as stipulated in the ERG and ERT. ISO 9000-3 is considered appropriate for any software framework.

7.10.3 Software Management Control

~~7.8.3.1~~7.10.3.1 The Contractor shall assign the Software Manager and Software Quality Manager for software development, if software development or modifications are required under the Contract.

7.10.4 Auditing

~~7.8.4.1~~7.10.4.1 The Engineer may carry out an audit of the software. Further external independent audits may also be arranged at the Engineer discretion.

7.10.5 Software Acceptance

~~7.8.5.1~~7.10.5.1 The Contractor shall also submit an Operational Safety Report (Software) for software acceptance by the Engineer.

~~7.8.5.2~~7.10.5.2 The Operational Safety Report (Software) shall include, as a minimum

- a. Introduction
- b. Shall describe the nature of software sufficiently to ensure that the Engineer is given a comprehensive overview of primary characteristics such as structure, functions, criticality, volume and language.;
- c. Evidence of Quality Management
- d. Shall provide evidence to demonstrate that the software development has been subject to acceptable quality assurance.;
- e. Evidence of Safety Management
- f. Shall provide evidence to demonstrate that the software development has been subject to acceptable safety management.;
- g. Technical Report
- h. Shall describe how software integrity has been achieved.;
- i. Operation and Maintenance Report
- j. Shall describe the software operation and maintenance characteristics; and
- k. Restrictions for Use
- l. Shall define what restrictions are applied to the use of the software.

7.10.6 Availability of Application Software and Development Tools

~~7.8.6.1~~7.10.6.1 With the exception of commercial, off-the-shelf software, the Engineer shall be provided with access to full software documentation listings and development tool details for the application and maintenance of that software. For such commercial software, the Contractor shall provide all available documentation for the application and maintenance of that software.;

~~7.8.6.2~~7.10.6.2 Complete documentation along with the software to be supplied by the Contractor, as above, shall comprise of signal flow diagram, detail of signals, interpretations so as to enable the Employer to debug and implement the parameter of the system, if considered necessary. The Employer’s engineers shall be fully trained and made conversant with the software and other related issues as found necessary during the Contract execution to enable the Employer to operate, maintain, repairing system efficiently; and

~~7.8.6.3~~7.10.6.3 After loading, and the satisfactory functioning of the software, the Contractor shall supply two back-up copies of the software, including any new versions adopted.

7.10.7 Re-Use of Existing Software

~~7.8.7.4~~7.10.7.1 Where existing software (defined to module level) is to be re-used without modification, the Contractor shall provide acceptable evidence to the Engineer as to why that software is suitable for use in the proposed application. This evidence may be historical (certified evidence of previous satisfactory use in a similar environment and application), or it may be sought as cross acceptance from another railway authority or statutory body. Software re-use shall not be acceptable, without detailed review, where the proposed application is of the same or lower safety than the current application.

7.10.8 Test Software

~~7.8.8.4~~7.10.8.1 All test software, with the exclusion of built-in test software, shall be produced in accordance with a quality system controlled under the requirements of accepted international standards. Test software shall be developed and documented using structured techniques and shall be designed to be maintainable throughout the duration of the Contract. All test software shall be documented to be supportive of maintenance. Any test software, which is to be delivered to the Engineer (for long term testing use), shall be fully documented including source code listings to allow the Engineer to maintain the software for the life of the supported system.

7.10.9 Software Rights

~~7.8.9.4~~7.10.9.1 The Contractor shall ensure that the Employer/the Engineer or its licensee is granted all necessary rights to use software embodied in the equipment and there are no restrictions attached to the use of any information supplied by the Contractor which might later prevent or hinder the Employer/the Engineer or its licensee from modifying or adopting or extending the system. The Contractor shall indemnify the Employer/the Engineer, its heir or licensees against the claim of any party, subcontractor for the unauthorized possession or use of the software supplied.

7.10.10 Security

~~7.8.10.4~~7.10.10.1 The Contractor shall define the procedures to maintain the security of the software. Aspects to be considered include:

a) Sabotage

The Contractor shall describe what measures are to be taken to protect the software against sabotage during the development phase. This description shall define the physical restrictions as well as procedural measures and specific tests to be carried out on the software.

b) Unauthorized Access

The Contractor shall describe what measures are to be taken to protect the software against unauthorized access and subsequent modification. The description shall define both physical and procedural methods.

c) Virus

The Contractor shall ensure software, which is susceptible to viruses, is developed in environment certified free from computer viruses. To achieve this, the Contractor shall use propriety virus detection software and suppression tools.

~~7.8.10.2~~—All software delivered to site shall be accompanied by evidence that demonstrates the media is free of viruses.

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7.10.11 Security Obligations

- a. Within 14 days of the installation of any safety critical software or software which may impact the train operation, into the Works, the Contractor shall deposit the software in the escrow account, which shall include, without limitation:
 - i. All design documentation relating to the software; and
 - ii. Any specified development tools required for maintenance of the software, including, but not limited to, editors, compilers and linkers.
- b. The access to the above-mentioned escrow account shall be given to the Employer for him to translate or modify the software in case of:
 - i. The owner of the software becomes insolvent or has a receiving order made against them or makes an arrangement or assignment or composition with or in favour of its creditors (including the appointment of a committee of inspection) or goes into liquidation or commences to be wound up or has a receiver, liquidator, trustee or similar officer appointed over all or any part of its undertaking or assets or if distress, execution or attachment is levied on, or if another party takes possession of, any of its assets or any proceeding or step is taken which has an effect comparable to the foregoing in any relevant jurisdiction; or
 - ii. The owner of the software ceases to trade; or
 - iii. The owner of the software assigns copyright in the software and the Contractor fails within 60 days of such assignment to procure in favour of the Employer, a license from the new owner in the same terms as that required by the Contract; or
 - iv. The Contractor is in breach of any of his obligations under the Contract.
- c. The cost of opening and maintaining the escrow account until end of the DNP shall be borne by the Contractor.

7.10.12 Software Documentation

~~7.8.12.17.10.12.1~~ The documentation of software shall be supplied to the Engineer/Employer before the completion of the DNP.

7.11 Quality Organization

- 7.11.1 The Contractor shall submit a detailed organization chart. It shall identify the responsibilities, authority and interrelation of all personnel who manage, perform and verify items affecting quality system and the Works. The organization chart shall be specific only to this Contract.
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The Contractor shall ensure software, which is susceptible to viruses, is developed in environment certified free from computer viruses. To achieve this, the Contractor shall use propriety virus detection software and suppression tools.

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- a. Within 14 days of the installation of any safety critical software or software which may impact the train operation, into the Works, the Contractor shall deposit the software in the escrow account, which shall include, without limitation:
 - i. All design documentation relating to the software; and
 - ii. Any specified development tools required for maintenance of the software, including, but not limited to, editors, compilers and linkers.
- b. The access to the above-mentioned escrow account shall be given to the Employer for him to translate or modify the software in case of:
 - i. The owner of the software becomes insolvent or has a receiving order made against them or makes an arrangement or assignment or composition with or in favour of its creditors (including the appointment of a committee of inspection) or goes into liquidation or commences to be wound up or has a receiver, liquidator, trustee or similar officer appointed over all or any part of its undertaking or assets or if distress, execution or attachment is levied on, or if another party takes possession of, any of its assets or any proceeding or step is taken which has an effect comparable to the foregoing in any relevant jurisdiction; or
 - ii. The owner of the software ceases to trade; or
 - iii. The owner of the software assigns copyright in the software and the Contractor fails within 60 days of such assignment to procure in favour of the Employer, a license from the new owner in the same terms as that required by the Contract; or
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- 7.11.1 The Contractor shall submit a detailed organization chart. It shall identify the responsibilities, authority and interrelation of all personnel who manage, perform and verify items affecting quality system and the Works. The organization chart shall be specific only to this Contract.
- 7.11.2 The chart shall identify the quality management representative who shall act as the quality coordinator(s) for the Contractor in all dealings with the Engineer.

7.12 Identification and Traceability

- 7.12.1 The Contractor shall produce and maintain procedures for identifying the product from applicable drawings, specifications and other documents during all stages of production, delivery and installation. Traceability of materials and equipment shall be documented in accordance with the Contract and the QMP.
- 7.12.2 Notwithstanding the requirements of the Contractor's quality system, the Contractor shall

1.2.8 Driver’s Cab and Saloon Mock-up

- 1.2.8.1 In order to evaluate the effectiveness of the driver’s cab and saloon layout and function as specified in Sub-Clause 5.3 and 5.15 of the ERT, the Contractor shall develop the interior and exterior design of a full size, fully equipped driver’s cab and saloon mock-up. The driver’s ~~cab~~ cab, and saloon and exterior mock-up shall be fully equipped to show completely built interior and exterior condition. The entire design of the driver’s ~~cab and saloon~~ cab, saloon and exterior shall be reviewed by the Engineer. The mock-up shall be strong enough to accommodate persons inside without the damage or deformation. It shall be constructed on a substantial platform, to facilitate transportation and to prevent damage (cracking) and distortion of the hardware.
- 1.2.8.2 The Contractor shall make two leading car Mock-up whose length is 10m. These Mock-up shall be shown to Philippine people in several public spaces. The Contractor shall pay the transfer fee of these Mock-up from Japan to the above public space and some public space to another public space.
- 1.2.8.3 The contractor ~~shall~~ shall be responsible for the arrangement and the cost of moving the mock-up around the designated areas nominated by the Client for 12 times over 18 months period of times.

1.3 Basic Train Formation

1.3.1 Basic Car Configuration

- 1.3.1.1 The Rolling Stock shall consist of 8 cars. The schematic diagram of train configuration is shown in Appendix A.
- 1.3.1.2 Under emergency conditions and/or train recovery, one train must be capable of operating with another train coupled to it for hauling (pushing or pulling).
- 1.3.1.3 The mass (tare weight) of the 8-cars ~~train set~~ trainset shall be 270 tons or less. Weight balance, lower center of gravity, etc., shall be taken into consideration.

1.3.2 Power and Auxiliary Electric System Configuration

- 1.3.2.1 The motor car shall be powered with one (1) power conversion equipment driving four AC motors each for the propulsion and the trailer car shall be supplied with a primary inverter to serve the auxiliary loads.
- 1.3.2.2 The simplified block diagram explaining this is shown in Appendix A for reference.

1.3.3 Rolling Stock Gauge

- 1.3.3.1 The car body and installed equipment in static mode shall not exceed the Rolling Stock Gauge in the following conditions:
- On a level, tangent track, the Rolling Stock is in a stopped state with the car body and bogies center lines aligned with the track center line;
 - The load condition is between the empty condition and the crush load condition; and
 - The car body and bogies are not tilting due to passengers or loaded material.
- 1.3.3.2 The Rolling Stock Gauge is shown in Appendix B.

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- 1.2.8.1 In order to evaluate the effectiveness of the driver’s cab and saloon layout and function as specified in Sub-Clause 5.3 and 5.15 of the ERT, the Contractor shall develop the interior and exterior design of a full size, fully equipped driver’s cab and saloon mock-up. The driver’s cab, saloon and exterior mock-up shall be fully equipped to show completely built interior and exterior condition. The entire design of the driver’s cab, saloon and exterior shall be reviewed by the Engineer. The mock-up shall be strong enough to accommodate persons inside without the damage or deformation. It shall be constructed on a substantial platform, to facilitate transportation and to prevent damage (cracking) and distortion of the hardware.
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Annex B – Attachment 2



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

General Bid Bulletin No. 1
Annex "C"

January 9, 2017

REVENUE MEMORANDUM CIRCULAR NO. 8-2017

Subject: Clarifying the Tax Treatment of Value-Added Tax on Government Money Payments for OECF Funded Projects under Exchange of Notes Between Republic of the Philippines and the Government of Japan

To : All Internal Revenue Officials, Employees and Others Concerned.

Under the Exchange of Notes between the Republic of the Philippines and the Government of Japan for OECF- Funded Projects ("Exchange of Notes") undertaken in the Philippines, the standard clauses pertaining to the tax treatment of participating Japanese suppliers, contractors and nationals clearly state that the Japanese suppliers, contractors or nationals engaged in OECF-Funded projects in the Philippines shall not be required to shoulder any fiscal levies and/or taxes associated with the project.

Stated otherwise, all taxes associated with the project shall be assumed by the executing government agencies. Thus, this Circular is about clearly acknowledging - and accordingly implementing - this obligation of the Philippine government under the Exchange of Notes.

Applied to Value-Added Tax (VAT), the 12% VAT under Section 106 and Section 108 of the Tax Code, as amended, imposed on all sales of goods and services, including sales of goods and services to the Government, shall be assumed by the Philippine Government or its executing agencies pursuant to the Exchange of Notes.

In this context, and in order to effectively implement the Exchange of Notes, the following rules, for VAT purposes, shall govern:

1. The VAT-registered suppliers and sub-contractors of the Japanese companies shall bill and pass on the twelve percent (12%) VAT to the Japanese companies/contractors. In turn, the Japanese contractors shall include in their billing and pass on the 12% VAT to the concerned executing agencies of the Republic of the Philippines. Since under the Exchange of Notes, the OECF Fund shall not be used to pay for the tax, then the VAT is for the account of the Philippine government.
2. The Japanese contractors shall file the prescribed VAT returns on gross receipts derived from OECF-funded projects , claim their input taxes from their purchases of goods, properties and services from their suppliers or subcontractors and shall pay the output tax or VAT thereon , after offsetting the creditable or allowable input taxes , considering that the amount intended for payment of the VAT has already been collected and received by the

BUREAU OF INTERNAL REVENUE
RECORDS MGT. DIVISION

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Japanese contractors or nationals from the executing government agencies as part of the total billing/invoice price.

3. In no case shall input taxes arising from transactions attributable to activities unrelated to the OECF-funded project be allowed or be credited against the output tax on gross receipts from the project.

Any ruling or revenue issuance which is inconsistent herewith is hereby amended, repealed or modified accordingly.

All internal revenue officers and others concerned are hereby enjoined to strictly implement the provisions of this Circular.



CAESAR R. DULAY

Commissioner

002889

BUREAU OF INTERNAL REVENUE
RECORDS MGT. DIVISION

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Quezon City



June 2, 1999

REVENUE MEMORANDUM CIRCULAR NO. 47-99

SUBJECT : Amending Revenue Memorandum Circular No. 32-99.

TO : All Internal Revenue Officers and Others Concerned.

Under the Exchange of Notes between the Japanese Government and the Republic of the Philippines for OECF Funded Projects undertaken in the Philippines, the following are the standard clauses pertaining to the tax treatment of participating Japanese contractors and nationals:

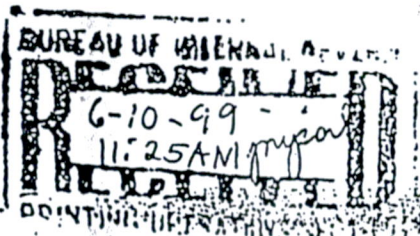
"The government of the Republic of the Philippines will exempt the Fund from all fiscal levies or taxes imposed in the Republic of the Philippines on and/or in connection with the Project Loan, the Engineering Service Package Loan and the Commodity Loan as well as interest accruing therefrom."

"The Government of the Republic of the Philippines will, itself or through its executing agencies or instrumentalities, assume all fiscal levies or taxes imposed in the Republic of the Philippines on Japanese firms and nationals operating as suppliers, contractors or consultants on and/or in connection with any income that may accrue from the supply of products and/or services to be provided under the Project Loan."

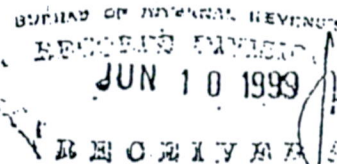
The foregoing provisions of the Exchange of Notes mean that the Japanese contractors or nationals engaged in OECF-funded projects in the Philippines shall not be required to shoulder all fiscal levies or taxes associated with the project. Instead, the taxes shall be shouldered and borne by the executing government agencies. Hence, for the comprehensive treatment of the tax implications arising therefrom, the following rulings are hereby promulgated:

A) VALUE-ADDED TAX:

1. The invoice billings of the Japanese contractors with the executing government agencies are exempt from the 8.5% creditable VAT withholding



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Handwritten number 2

prescribed under Section 114(C) of the National Internal Revenue Code of 1997 (then Section 110(c), old NIRC) as provided for in Revenue Memorandum Circular No. 32-99. Accordingly, the executing agencies of the Philippine government shall not withhold the 8.5% creditable VAT from the said billings of the Japanese contractors.

= no 8.5%
EVT

2. The suppliers and sub-contractors of the Japanese contractors shall bill and pass on the 10% VAT to the said Japanese contractors. The Japanese contractors, in turn, shall bill and pass on the 10% VAT to the concerned executing agencies of the Philippine government. Thus, billings to the executing government agencies shall be deemed inclusive of VAT. Since, under the Exchange of Notes, the OECF Fund shall not be used to pay for the tax, then the VAT is to be paid out of the Philippine counterpart fund. — EOP?

110% billing

3. The Japanese contractors shall file the prescribed VAT returns on gross receipts derived from OECF-funded projects, claim their input taxes from their purchases of goods, properties and services from their suppliers or sub-contractors, and shall pay the VAT thereon, after offsetting the allowable input taxes, considering that the amount intended for payment of the VAT has already been collected and received by the Japanese contractors or nationals from the executing government agencies as part of the total invoice price.

Jap - 7% VAT
use input

= VAT due

4. In cases where the executing government agencies previously withheld any 8.5% creditable VAT from the total billings of the Japanese contractors, said creditable VAT withholding shall be deducted against the VAT due from the Japanese contractors. Furthermore, if the VAT returns of the Japanese contractors show that there are still excess VAT payments, after applying the 8.5% creditable VAT previously withheld from the VAT due, then such excess VAT payment constitutes taxes erroneously paid and received. Pursuant to Section 204 (C) of the Tax Code of 1997, such excess tax payment shall be refunded or credited to the Japanese contractors, either in cash or Tax Credit Certificate, as the case may be, at the option of the Japanese contractors, subject to the filing of the corresponding claim with the Commissioner or with the Court of Tax Appeals within the two-year prescriptive period.

= VAT due

we. credit
EVT

B) INCOME TAX

1. Japanese firms or nationals operating as suppliers, contractors or consultants on and/or in connection with any income that may accrue from the supply of products and/or services to be provided under the Project Loan, shall file the prescribed income tax returns. Since the executing government agencies are mandated to assume the payment thereof under the Exchange of Notes, the said Japanese firms or nationals need not pay the taxes due thereunder.

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2. The concerned Revenue District Officer shall, in turn, collect the said income taxes from the concerned executing government agencies.
3. In cases where income taxes were previously paid directly by the Japanese contractors or nationals, the corresponding cash refund shall be recovered from the government executing agencies upon the presentation of proof of payment thereof by the Japanese contractors or nationals.

C) CREDITABLE EXPANDED WITHHOLDING TAX

1. The executing government agencies shall remit to the BIR the prescribed 1% creditable expanded withholding tax pursuant to the expanded withholding tax regulations, as amended by Revenue Regulations No. 2-98. However, since the executing government agencies assume payment of the income taxes due from the Japanese contractors or nationals by virtue of the agreement, the same shall not be deducted from the income payments to the Japanese contractors or nationals. Instead, the executing government agencies shall assume the payment thereof out of their own funds.
2. The executing government agencies shall furnish the Japanese contractors or nationals with the prescribed withholding tax statement showing the amount of the 1% creditable expanded withholding tax remitted to the BIR.
3. The 1% creditable expanded withholding tax remitted by the executing government agencies shall be credited or deducted by the Japanese contractors or nationals in computing the net income tax due as referred to in paragraph B hereof.
4. In case the executing government agencies withheld the 1% creditable expanded withholding tax from the Japanese contractors or nationals, instead of having assumed and paid the same out of their own funds as provided for under the Exchange of Notes, the corresponding cash refund shall be recovered by the Japanese contractors or nationals from the said executing government agencies.

Any ruling or revenue issuance which is inconsistent herewith is hereby amended, repealed or modified accordingly.

All internal revenue officers and others concerned are hereby enjoined to strictly implement the provisions of this Circular.



BEETHOVEN L. RUALO
Commissioner of Internal Revenue

LEG/AIO/ovy

JUN 10 1999



DEPARTMENT OF FINANCE



DEPARTMENT OF BUDGET AND MANAGEMENT

**DEPARTMENT OF FINANCE
DEPARTMENT OF BUDGET AND MANAGEMENT**

JOINT CIRCULAR NO. 1

April 30, 2014

FOR: THE CHIEF JUSTICE AND THE JUDICIARY; THE SENATE PRESIDENT; THE SPEAKER OF THE HOUSE; THE CHAIRMAN OF CONSTITUTIONAL COMMISSIONS; ALL HEADS OF DEPARTMENTS, BUREAUS, OFFICES AND OTHER COMMISSIONS; HEADS OF ALL OTHER NATIONAL GOVERNMENT AGENCIES, INCLUDING THEIR REGIONAL OFFICES; HEADS OF STATE UNIVERSITIES AND COLLEGES, SCHOOLS, HOSPITALS AND SANITARIA; HEADS OF GOVERNMENT OWNED AND/OR CONTROLLED CORPORATIONS INCLUDING GOVERNMENT FINANCIAL INSTITUTIONS; AND ALL OTHERS CONCERNED

SUBJECT: RULES, GUIDELINES AND PROCEDURES IN IMPLEMENTING THE TAX EXPENDITURE SUBSIDY SECTION UNDER THE GENERAL PROVISIONS OF THE ANNUAL GENERAL APPROPRIATIONS ACT

1. PURPOSE

This Circular is issued to prescribe the rules, guidelines and procedures relative to the implementation of the tax expenditure subsidy Section under the General Provisions of the annual General Appropriations Act (GAA), specifically Section 15 of Republic Act No. 10633 or the 2014 GAA, quoted as follows:

“SEC. 15. National Internal Revenue Taxes and Import Duties. The amounts pertaining to the following taxes and duties shall be considered as both revenue and expenditure of the government, and are deemed automatically appropriated:

(a) National internal revenue taxes and import duties payable or assumed by departments, bureaus and offices of the National Government, including Constitutional Offices enjoying fiscal autonomy and State Universities and Colleges to the Government arising from foreign donations, grants and loans;

(b) Non-cash tax transactions of the following national government agencies: (i) the BTr for documentary stamp taxes on foreign and domestic securities issued; (ii) the DND and PNP on importations of military hardwares, software, munitions, arms and equipment; (iii) the Bureau of Fire Protection on importations of fire fighting equipment, rescue equipment, and personal protective gears; (iv) the DOTC for the Metro Rail Transit Line 3 System incurred starting FY 1997 in accordance with the provisions of the Build-Lease-Transfer Agreement executed thereon; and (v) other tax obligations assumed by the National Government pursuant to a valid build-operate and transfer agreement and any of its variants; and

(c) Tax expenditure subsidies granted by the Fiscal Incentives Review Board to GOCCs, the AFP Commissary and Exchange Service, the PNP Service Store System, and the Procurement Service Exchange Marts, in accordance with E.O. No. 93, s. 1986, as amended, including those for tax obligations assumed by GOCCs pursuant to a valid agreement.

Implementation of this section shall be subject to the guidelines to be jointly issued by the DOF and DBM.

2. DEFINITION OF TERMS

For purposes of this Circular, the following terms used herein shall be construed to mean as follows:

- 2.1 NATIONAL GOVERNMENT AGENCIES (NGAs) - shall refer to the Judiciary, the Senate and the House of Representatives, Constitutional Commissions, departments, bureaus, offices, other commissions and all other agencies of the national government, including state universities and colleges, schools, hospitals (except specialty hospitals as defined in Section 2.2) and sanitararia.
- 2.2 GOVERNMENT -OWNED AND/OR -CONTROLLED CORPORATIONS (GOCCs) - shall refer to any government agency organized as a stock or non-stock corporation, vested with functions relating to public needs whether governmental or proprietary in nature, and owned by the government directly or through its instrumentalities either wholly, or, where applicable as in the case of stock corporations, to the extent of at least fifty-one (51) per cent of its capital stock: Provided, That GOCCs may be further categorized by the Department of Budget and Management (DBM), the Civil Service Commission, and the Commission on Audit (COA) for purposes of the exercise and discharge of their respective powers, functions and responsibilities with respect to such corporations. For purposes of this Circular, the term GOCCs shall also refer to any of the following specialty hospitals: the Philippine Heart Center; the National Kidney and Transplant

Institute; the Philippine Children's Medical Center; and the Lung Center of the Philippines.

- 2.3 NATIONAL INTERNAL REVENUE TAXES - any form of imposition under the National Internal Revenue Code (NIRC) excluding interests, surcharges and penalties.
- 2.4 CUSTOMS DUTIES – any levy on imported goods under the Tariff and Customs Code of the Philippines (TCCP) excluding interests, surcharges and penalties.
- 2.5 IMPORTATIONS – the bringing into the Philippine territory of goods or commodities in any form acquired from any foreign country by a government entity out of its appropriation or financed by a grant, donation and/or loan. It is understood that the term does not include services performed relative to the grant, donation and/or loan.
- 2.6 GRANTS/DONATIONS – assistance, in cash or in kind, received from foreign governments, international and local agencies or organizations, private entities or individuals, covered by grant agreements, Memorandum of Understanding, Exchange of Notes/Deed of Donation between the donor-entity and the donee-government unit to finance specific projects or procurement of goods without any obligation on the part of the recipient to pay.
- 2.7 GRANTEE – refers to the concerned GOCC/AFPCCS/PNPSSS/PX MARTS that has been granted tax subsidy by the Fiscal Incentives Review Board (FIRB) pursuant to Executive Order (E.O.) No. 93, s. 1986, as amended, in accordance with the annual GAA.
- 2.8 LOAN – funds whether in cash or in kind received from foreign governments, international and local agencies, private entities or individuals covered by a loan agreement to finance specific projects or procurement of goods and which must be repaid with interest over a prescribed period of time.
- 2.9 OTHER FEES AND CHARGES – all other forms of fees and charges other than those covered by the NIRC and the TCCP.
- 2.10 REVENUE COLLECTING AGENCY (RCA) – shall refer to either the Bureau of Internal Revenue (BIR) or the Bureau of Customs (BOC).
- 2.11 CERTIFICATE OF ENTITLEMENT TO SUBSIDY (CES) – refers to a document issued by the FIRB certifying to the amount of subsidy that is granted in favor of qualified GOCCs/AFPCCS/PNPSSS/PX MARTS.
- 2.12 TAX COMPLIANCE CERTIFICATE (TCC)/TAX SUBSIDY AVAILMENT CERTIFICATE (TSAC) – refers to the document certifying to

the amount of taxes and duties paid by the concerned grantees to the BIR and/or BOC.

- 2.13 STATEMENT OF ACCOUNT – refers to the document issued by the BIR and/or BOC certifying to the amount of customs duties and taxes due the concerned grantees.
- 2.14 TAX OBLIGATIONS ASSUMED BY GOCCs PURSUANT TO A VALID AGREEMENT – refer only to national internal revenue taxes and/or duties payable to the BIR and/or BOC.

3. COVERAGE

- 3.1 This Circular covers the application for approval and processing of tax expenditure subsidies on: (a) national internal revenue taxes and import duties payable or assumed by departments, bureaus and offices of the National Government, including Constitutional Offices enjoying fiscal autonomy and State Universities and Colleges to the Government arising from foreign donations, grants and loans; (b) documentary stamp taxes incurred on foreign and domestic securities issued by the Bureau of the Treasury (BTr); (c) national internal revenue taxes and import duties payable by Department of National Defense (DND) and Philippine National Police (PNP) on importations of military hardware, software, munitions, arms and equipment; (d) national internal revenue taxes and import duties payable by the Bureau of Fire Protection (BFP) on the importation of fire fighting equipment, rescue equipment and personal protective gears; (e) national internal revenue taxes and import duties payable by the Department of Transportation and Communication (DOTC) for the Metro Rail Transit Line 3 System, incurred starting FY 1997 in accordance with the provisions of the Build-Lease-Transfer Agreement executed thereon; and (f) other tax obligations assumed by the National Government pursuant to a valid build-operate and transfer agreement and any of its variants.

This Circular also covers tax expenditure subsidies granted by the Fiscal Incentives Review Board to GOCCs, the AFP Commissary and Exchange Service, the PNP Service Store System, and the Procurement Service Exchange Marts, in accordance with E.O. No. 93, s. 1986, as amended, including those for tax obligations assumed by GOCCs pursuant to a valid agreement.

- 3.2 For importations explicitly enumerated in Sections 3.1, only those which are made in pursuance of functions and programs of concerned government entities, and in the case of regulated importations, only those which are duly authorized by the Bangko Sentral ng Pilipinas, the Department of Trade and Industry and/or other government entities empowered to regulate said importations are covered by this Circular.

4. GENERAL GUIDELINES

- 4.1 All NGAs shall be liable for all forms of national internal revenue taxes and customs duties arising out of transactions subject to assessment by the BIR and/or BOC, pursuant to the provisions of Department of Budget and Management - Department of Finance Joint Circular No. 7-2012.
- 4.2 NGAs, including GOCCs that are entitled to tax expenditure subsidy, shall not be required to pay in cash or in kind their obligations for internal revenue taxes and customs duties covered by this Circular. All other National Government Agencies, including GOCCs that are not entitled to tax expenditure subsidy shall pay the amount due in cash to the RCA chargeable against their own funds. The imported goods subject to tax shall not be released unless the taxes and customs duties due thereon have been paid.
- 4.3 The BIR and the BOC shall include in their monthly reports of actual income, the internal revenue taxes and customs duties paid out of tax subsidy based on the Special Allotment Release Orders (SARO) issued by the DBM, pursuant to the pertinent provisions of the annual GAA. The Cash Operations Report (COR) of the BTr shall henceforth reflect the taxes and duties paid out of the SARO of the DBM under revenues with an equivalent amount recorded under disbursements.
- 4.4 All importations done through grants or donations shall be supported by a Deed of Donation from the donor entity to be coursed through and authenticated by the Philippine Embassy/Consulate at the donor's country, and a Deed of Acceptance from the recipient agency.
- 4.5 The deadline of submission of agency requests for tax subsidies shall be in accordance with the deadline set in the fund release system guidelines for a calendar year.

5. SPECIFIC PROCEDURAL GUIDELINES

- 5.1 Application for, Approval, and Processing of Tax Expenditure Subsidy for National Government Agencies
 - 5.1.1 For importations of NGAs arising from foreign donations, grants and loans
 - 5.1.1.1 At least ten (10) working days prior to the arrival of the non-commercially imported goods, the importing agency (IA) shall submit to the BOC – Collection Service the original copy of the Certification of Official Importation (**Form 1**). This shall be supported by the authenticated copy of the Bill of Lading (B/L) or Airway Bill (AWB), Parcel Notice, Other Shipping Documents; Packing List, Commercial Invoice, Inventory List; Memorandum of Undertaking; Statement of Account; Notarized

Deed of Donation and Acceptance (in case of donations); Memorandum of Agreement (in case of loans or grants); Indorsement from the DOF, if applicable; Clearance from the Presidential Management Staff (PMS) under the Office of the President (OP) pursuant to PMO 36 [in case of donations to the Department of Social Welfare and Development (DSWD)]; Certification of the Department of Trade and Industry (DTI) that the imported articles are not locally available; Clearance from other Government Agencies that may be applicable; and other documentations that may be required by the BOC establishing the authority for and the authenticity of the importation.

5.1.1.2 Upon arrival of shipment, the IA shall secure an Authority to Release Imported Goods (ATRIG) for VAT and excise tax purposes from the BIR, if applicable, and upon completion of other documentary requirements by the IA [e.g., Commercial Invoice; Consular Invoice; Bill of Lading or Airway Bill; Packing List; Import Entry & Internal Revenue Declaration; Copies of Certificates for Registration in the appropriate RDO, if the importer/broker is applying for ATRIG for the first time; Duly notarized Certificate of Undertaking (for automobiles, feed ingredients, petroleum additives, etc.); and other documents that may be required to substantiate the application for ATRIG, (e.g. Certification from Bureau of Animal Industry, Fertilizer and Pesticides Authority, Food and Drug Authority, etc.)], the BOC – Collection Service shall cause the release of the imported goods.

5.1.1.3 The RCA shall issue the Statement of Account/Assessment Notice to the IA, upon release of the goods in four (4) copies to be distributed as follows:

| | |
|----------------------------|-----------------------------|
| Original and Quadruplicate | - IA |
| Duplicate | - RCA (Collection Service) |
| Triplicate | - RCA, file copy with entry |

5.1.1.4 Within ten (10) working days after the end of each quarter, the IA shall prepare a Quarterly Report of Taxes and Duties Availments (QRTDA) (**Form 2**), based on the Statements of Accounts/Assessment Notices issued by RCAs, in three (3) copies to be distributed as follows:

| | |
|-------------------------|--------------------------------|
| Original and Triplicate | - DBM Budget Operations Bureau |
| Duplicate | - RCA |

5.1.1.5 Upon completion of the QRTDA, the IA shall submit to the DBM within fifteen (15) days the request for the issuance of SARO supported by the original and triplicate copies of the QRTDA and the compilation of original copies of TSAC/

Statement of Accounts (SOA)/Assessment Notices issued by the BOC/BIR (**Forms 3-4**).

5.1.1.6 The SARO which the DBM will issue shall serve as the basis for recording both the obligation and liquidation of the tax expenditure. The amount of the SARO shall correspond to the verified amount indicated in the QRTDA. The DBM shall accomplish the appropriate portion of the QRTDA indicating the SARO number and date thereof. The IA, upon receipt of the SARO, shall forward a copy of the same to the BOC or BIR.

5.1.1.7 The IA, based on the DBM SARO, shall prepare the Journal Voucher (JV) to liquidate the obligation within ten (10) working days, copy furnished the BTr-National Cash Accounting Division (NCAD).

5.1.1.8 Within ten (10) working days upon receipt of a copy of the agency JV, the BTr-NCAD shall issue a JV debiting the account of the IA and crediting the account of the RCA.

5.1.1.9 Upon receipt of the NCAD JV, the RCA Chief Accountant shall record the income in the RCA's books.

5.1.2 For certain importations by the DND, PNP and the BFP

5.1.2.1 In case of importations of military hardwares, softwares, munitions, arms and equipment by the DND and PNP, and in case of importations of fire fighting equipment, rescue equipment and personal protective gears by the BFP, the procedures set forth in Section 5.1.1 of this Circular shall apply.

5.1.3 For issuance of foreign and domestic securities by the BTr

5.1.3.1 On the liability of the BTr for documentary stamp taxes on foreign and domestic securities issued by it, the following procedures shall be observed, subject to the submission by the BTr of pertinent documents relative thereto as may be required:

5.1.3.1.1 At the end of every month, the BTr shall submit to the DBM its request for the issuance of SARO pertaining to its documentary stamp taxes on foreign and domestic securities issued by it and supported by the monthly summary of government securities issued.

5.1.3.1.2 The SARO which the DBM will issue shall serve as the basis for recording both the obligation and liquidation of the expenditure. The amount of the SARO shall correspond to the verified amount of documentary stamp taxes indicated in the government securities issuance

report. The BTr, upon receipt of the SARO, shall forward a copy of the same to the BIR.

5.1.3.1.3 The BTr, based on the DBM SARO, shall prepare the JV to liquidate the obligation within ten (10) working days, copy furnished its National Government Debt Accounting Division (NGDAD).

5.1.3.1.4 The NGDAD in turn, shall issue a JV debiting the account of the BTr and crediting the account of the RCA.

5.1.3.1.5 Upon receipt of the NGDAD JV, the RCA Chief Accountant shall record the income in the RCA's books.

5.1.4 For certain transactions of the DOTC

5.1.4.1 On customs duties and taxes payable by the DOTC for the Metro Rail Transit Line 3 System, incurred starting FY 1997 in accordance with the provisions of the Build-Lease-Transfer Agreement executed thereon, the procedures set forth in Section 5.1.1 of this Circular as may be deemed applicable shall be observed.

5.1.5 For Certain Transactions of the National Government

5.1.5.1 On customs duties and taxes assumed by the National Government pursuant to a valid Build-Operate and Transfer Agreement and any of its variants, the procedures set forth in Section 5.1.1 of this Circular as may be deemed applicable shall be observed.

5.2 Processing of Tax Subsidies for GOCCs, AFPCES, PNPSSS AND PX MARTS

5.2.1 Application for tax subsidies by GOCCs, AFPCES, PNPSSS and PX MARTS shall be filed with the FIRB together with the following documents: (a) letter-request signed by the head of office or any authorized official; (b) endorsement from the department/office to which the applicant is attached; (c) details of tax subsidy requirements, including billings from the concerned revenue agency; (d) certification that items for which tax subsidy is sought shall be used exclusively in the pursuit of mandated functions or a specified project; (e) financial evaluation from the Corporate Affairs Group of the DOF with regard to GOCCs only; and (f) such other documents as may be warranted. (Refer to **Annex A** for the flow chart). The evaluation of the application for tax subsidy shall be made within ten (10) working days from receipt of the complete documentation requirements.

5.2.2 In case of an importation, at least ten (10) working days prior to its arrival, the applicant shall submit to the BOC-Collection Service the

original copy of the Certification of Importation (**Form 1**). This shall be supported by the authenticated copy of the Bill of Lading (B/L) or Airway Bill (AWB), Parcel Notice, Other Shipping Documents; Packing List, Commercial Invoice, Inventory List; Memorandum of Undertaking; Statement of Account; Notarized Deed of Donation and Acceptance (in case of donations); Memorandum of Agreement (in case of loans or grants); Indorsement from the DOF, if applicable; Certification of the Department of Trade and Industry (DTI) that the imported articles are not locally available; Clearance from other Government Agencies and other documentations that may be required by the BOC establishing the authority for and the authenticity of the importation, including an undertaking that the applicant has a pending tax subsidy application with the FIRB and in case of non-approval of its application, that it will be the one to assume payment of taxes and duties due on the importation. Upon arrival of shipment, the GOCC/AFPCCS/PNPSSS/PX MARTS shall secure an Authority to Release Imported Goods (ATRIG) for VAT and excise tax purposes from the BIR, if applicable, and upon completion of other documentary requirements by the GOCC/AFPCCS/PNPSSS/PX MARTS, the BOC-Collection Service shall cause the release of the imported goods.

5.2.3 If the application is approved, the applicant receives a FIRB resolution and CES (**Form 5**) within ten (10) working days. The CES issued by the FIRB shall be valid and effective until December 15 of the current year and in some special cases as warranted, the validity may be extended to December 31 of the current year. If the application is not approved, the applicant will be correspondingly notified in writing by the FIRB.

5.2.4 After a CES is issued by the FIRB, and copies thereof have been distributed, the RCA Collection Unit, on the basis of the CES, shall prepare within five working (5) days the TSAC/Statement of Accounts for customs duties and taxes payable in four (4) copies to be distributed as follows:

- Original and Quadruplicate - Grantee
- Duplicate - RCA (Collection Service)
- Triplicate - RCA, for transmittal to
DOF when completely utilized

5.2.5 Within ten (10) working days after the end of each quarter, the Grantee shall prepare the QRTDA to be distributed as follows:

- Original and Triplicate - DBM Budget Operations Bureau
- Duplicate - Grantee

5.2.6 Upon completion of the QRTDA, the Grantee shall submit to the DBM within fifteen (15) days prior to the lapse of the effectivity date of the CES, the request for the issuance of SARO, supported by the original

and triplicate copy of the QRTDA, original copy of CES and the compilation of original copies of Payment Compliance Certificates, Tax Subsidy Availment Certificate, Statement of Accounts, Assessment Notices issued by the BOC and/or BIR.

5.2.7 From the issuance of SARO, the procedures in Sections 5.1.1.6 to 5.1.1.9 of this Circular shall be observed.

6. ACCOUNTING REQUIREMENTS

Pertinent accounting entries for transactions relating to the above procedures shall be recorded in accordance with the Circular/Guidelines which may be issued by the Commission on Audit for the purpose.

7. SANCTIONS


The head of a National Government Agency, GOCC, AFPCES, PNPSSS or PX MARTS who, by fault or negligence, fraudulently misrepresents any transaction or importations as official, shall suffer the appropriate penalties provided by law, either administratively or criminally or both. The concerned tax subsidy applicant shall be responsible for ensuring that all procedural guidelines prescribed in this Circular insofar as these affect their application are strictly adhered to. In case of a transaction or importation made in the name of another National Government Agency or GOCC, the sanctions referred herein shall apply to the head of the agency or GOCC primarily responsible for the transaction or importation. Whenever applicable, the sanctions referred herein shall likewise apply to any private entity involved in the transaction or importation.


8. REPEALING PROVISION

All pertinent issuances and other existing rules and regulations inconsistent with this Circular are hereby repealed or modified accordingly.

9. EFFECTIVITY

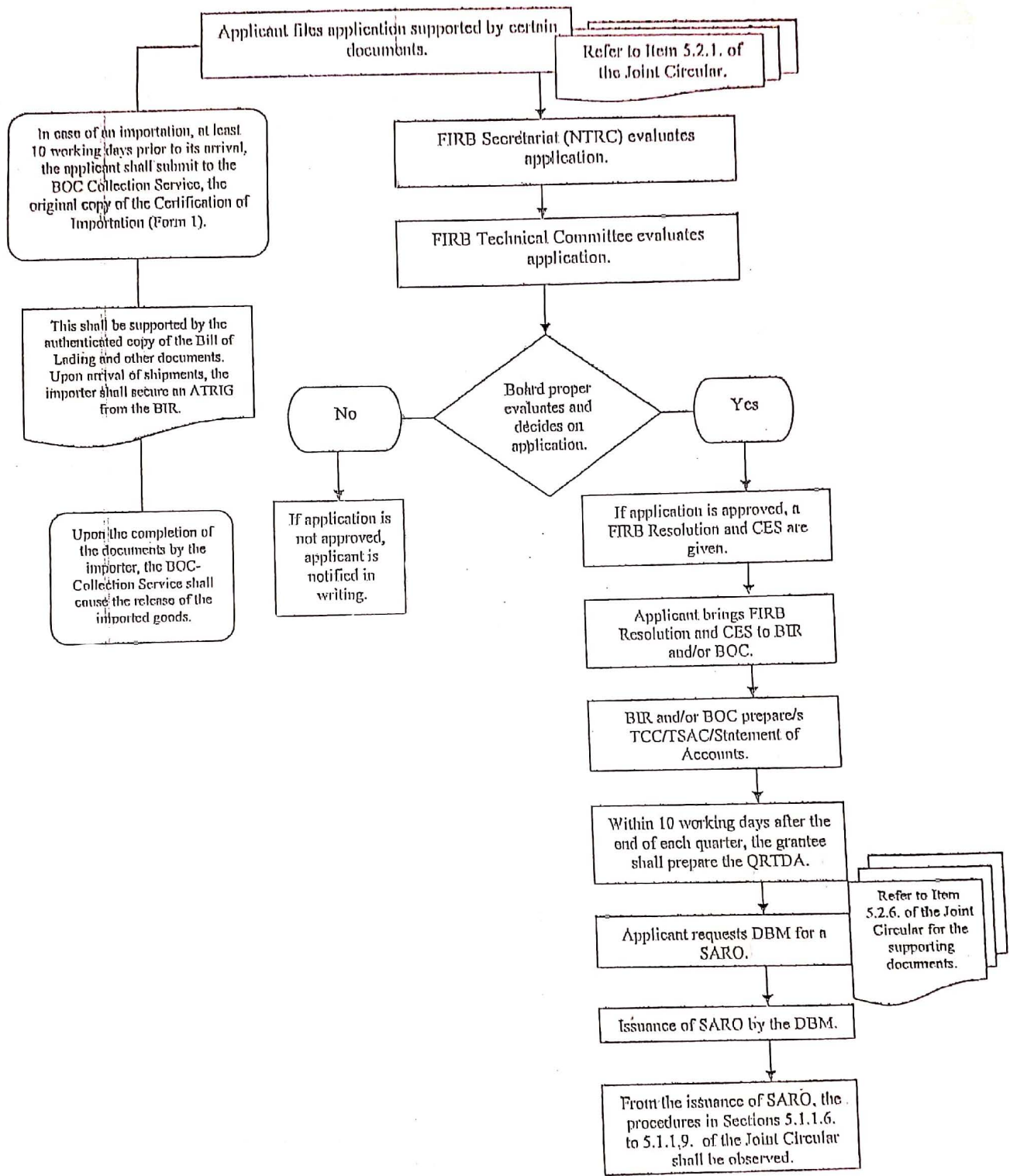
This Circular shall take effect CY 2014.


CESAR V. PURISIMA
Secretary
Department of Finance
020726


FLORENCIO B. ABAD
Secretary
Department of Budget and Management



Annex A
TAX SUBSIDY FLOWCHART FOR GOCCs, AFPCEs, PNPSSS and PX MARTS



CERTIFICATE OF OFFICIAL IMPORTATION

Name of Government Entity

Address

Purpose of Importation or Name of Project

Manner of Importation (Check Appropriate Space)

_____ Loan _____ Grant _____ Donation

Contents of Official Importation

Quantity Description/Brand/Model

Attached are the following documents (Check appropriate space)

- _____ Bill of Lading (B/L) or Airway Bill (AWB), Parcel Notice, other shipping documents
specify no. of B/L or AWB
- _____ Packing List, Commercial Invoice, Inventory List
- _____ Memorandum of Undertaking
- _____ Statement of Account (tentative)
- _____ Notarized Deed of Donation and Acceptance, in case of Donation
- _____ Memorandum of Agreement, in case of loan or grant
- _____ Indorsement from the Department of Finance (DOF), if applicable
- _____ Clearance from the Presidential Management Staff (PMS) under the Office of the President
pursuant to PMO 36 in cases of donation to DSWD
- _____ Certification of DTI that the imported articles are not locally available
- _____ Clearance from other government agencies, if applicable

I hereby certify under oath that the information stated on this Certification as well as those in all documents attached hereto are true and genuine to the best of my knowledge and belief.

Name and Signature of Head of Government Entity

Position/Designation

SUBSCRIBED AND SWORN TO before me this _____ day of _____ 20_____

affiant exhibiting his Residence Certificate.

Certificate No. _____

Issued at _____

Date Issued _____

MR. FORM NO. 2302
 DETERMINED DATE

REPUBLIKA NG PILIPINAS
 KAGAWARAN NG PANANALAPI
 KAWANIHAN NG RENTAS INTERNAS
 Lungsod ng Quezon

| | | |
|----------------------|--------------------------------------|---------------|
| APPLICATION NO. | TAX SUBSIDY AVAILMENT CERTIFICATE | SERIAL NUMBER |
| DATE OF APPLICATION: | | TSC2006 |

TO WHOM IT MAY CONCERN:

This Tax Subsidy Availment Certificate is issued to _____

with address at _____

in lieu of actual cash payment of the

1 Income Tax 2 Value-Added Tax 3 Excise Tax 4 Others
 in the amount of:

| | |
|--------|--------|
| ISWAPS | ISWAPS |
|--------|--------|

due on the purchase/sale of goods and/or services from:

| | |
|--|-----|
| NAME OF SUPPLIER/CONTRACTOR/CONSULTANT | TAX |
| TO CUSTOMER ADDRESS | |

This certificate is issued pursuant to Revenue Regulations No. _____

For Excise Tax purposes, this certificate shall serve as authority to withdraw from tax factory or bonded warehouse the excisable goods as shown in the attached application.

For Value-Added Tax purposes, this certificate may be used by manufacturer, producer, supplier or importer on payment of his/its tax liability.

Issued this _____ day of _____, 2006 at _____

Commissioner of Internal Revenue
 By:

 Revenue District Officer

Note: For BCTA primary contractors, consultants, sub-contractors, suppliers, sub-subcontractors and sub-suppliers a corresponding Subsidy Debt Memo (TSDM) shall be secured in order to utilize this certificate.



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA 1099

Collection District _____
Port of _____

STATEMENT OF ACCOUNT

Gentlemen:

Please be advised that the shipment consigned to you, the particulars of which are specified hereunder, which had been authorized for release from Customs custody by the Bureau under Section 13 RA _____, had been examined and assessed customs duties and Internal revenue taxes indicated below:

CONSIGNEE: _____
CARRYING VESSEL/AIRCRAFT: _____
DATE OF ARRIVAL: _____ INVOICE NO.: _____
REGISTRY & VOYAGE NO.: _____ B/L br AWB NO.: _____
IMPORT ENTRY NO.: _____ CUSTOMS BROKER: _____
DESCRIPTION OF SHIPMENT: _____

AMOUNT IN WORDS: _____

Customs Duty _____
Internal Revenue Tax _____
Others _____

Total- _____

The assessment represents liability to this Bureau which you will include in your request for issuance of Advice of Allotment from the Department of Budget of Management.

It is understood that should this not be settled within the two quarters preceding your new importation, release of such importation from Customs custody will be held in abeyance.

Very truly yours,

For the Collector of Customs



FIRB Form No. 5

No.
Series of 2009

DEPARTMENT OF FINANCE
FISCAL INCENTIVES REVIEW BOARD
Department of Finance Building
Manila

CERTIFICATE OF ENTITLEMENT TO SUBSIDY

TO: *ALL CONCERNED GOVERNMENT AGENCIES*

*This is to certify that based on the application of _____
and on FIRB Resolution No. _____, copy of which is hereto attached, the above-mentioned Beneficiary has
qualified for the grant of subsidy in the manner and form described as followed:*

Type of Subsidy

Scope

Period of Effectivity

| <u>Type of Subsidy</u> | <u>Scope</u> | <u>Period of Effectivity</u> |
|------------------------|--------------|------------------------------|
| | | |

The Beneficiary shall submit to the FIRB the amount of tax subsidy availed of and the corresponding taxes and/or duties covered by it after each availment. Failure to do so shall constitute a valid ground for the revocation of this certificate of entitlement.

This certificate of entitlement is non-transferable. Any attempt to transfer or manipulate this certificate shall constitute a valid ground for its revocation and a basis for prosecution of the parties involved.

Not valid without seal.

Given this ___ day of _____ in the year of our Lord two thousand and _____

Signed:

For the Chairman, FIRB
Presiding Officer

Attested by:

Chairman, Technical Committee

OIC-Head, Secretariat (NTRC)

Annex C

Visa Issuance and Entry Permits for Bidders Participating in Ongoing Procurements for DOTr Railways Section Project

In relation to the ongoing procurement activities for various DOTr Railways Sector projects, this is to inform all bidders that DOTr shall provide assistance to those requesting visa issuance and entry permits into the Philippines, subject to the following conditions:

1. Only bidders who have purchased bidding documents can request such assistance;
2. Each bidder shall propose a maximum of fifteen (15) personnel for each Contact Package;
3. Each bidder shall fill the form attached herewith as Appendix A (request with unfilled or incomplete forms will not be processed);
4. Each bidder shall submit to the BAC Secretariat (not to the DOTr) a request letter, together with the filled Appendix A, after which such request shall be forwarded by the BACC Secretariat to DOTr focal persons for processing;
5. All updates, supplements, and follow-up shall be made through the BAC Secretariat only; and
6. All bidders shall strictly follow all health protocols for foreign nationals entering the Philippines.

