



Republic of the Philippines
Department of Science and Technology
Technology Application and Promotion Institute

015

ADMINISTRATIVE ORDER NO. _____

Series of 2020

SUBJECT: ISSUANCE OF CERTIFICATION FOR TAX AND DUTY EXEMPTION APPLICATION UNDER RA 7459

I. Program Description:

The program facilitates the evaluation of a request for the issuance of a certification on tax and duty exemption application of men and women inventor/utility maker/industrial designer for submission to the Bureau of Internal Revenue (BIR) or Department of Finance (DOF).

Pursuant to Article III, Section 5 and 6 of Republic Act No. 7459, Applicants are given the privilege to apply for tax exemption and customs duties exemption for inventions that are new and original and produced on a commercial scale. The exemptions are principally governed by orders, revenue regulations and/or administrative issuances from the Department of Finance (DOF) through the Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC). The tax exemption privilege may be extended to the legal heir or assignee upon the death of the inventor.

TAPI recognizes the principles that fairness and equity demands that everyone in society whether male or female has the right to achieve their full potential, realizes the need to provide varying support to men and women inventors to promote their winning inventions in recognized international events

Gender Equality Goals and Outcomes:

1. Enhanced gender responsiveness in the entire operation of the Institute to ensure that the services are participatory, fair, empowering and sustainable; and
2. Enhanced equal opportunity principles of men and women inventor beneficiaries of the Program for attaining their full potential and enable them to become effective contributors to development.

II. Assistance Coverage.

The service provided under this program shall be limited to the issuance of a Certification in support of one's application for Tax Exemption and/or Duty Exemption pursuant to BIR Regulation No. 19-93 and DOF No. 121-93, respectively.

III. Checklist of Requirements:

- a. Tax Exemption – refer to list provided in the Tax Request Form (ANNEX "A").
- b. Duty Exemption – refer to list provided in the Tax Request Form (ANNEX "B").

IV. Eligibility

No applicant shall be granted a request for the issuance of Certification under this program unless the same complies with all the following eligibility requirements:

- a. Must be a Filipino citizen;
- b. Must have valid IPOPhl letters patent and utility model/industrial design registration; and
- c. Must own legitimate company currently manufacturing the invention/utility model/industrial design.

V. Operating Procedures for the Issuance of Certification:

- a. The Applicant submits a written request for Certification to TAPI Records Section addressed to the TAPI Director or to the Screening Committee for RA 7459 (SC) Chairperson thru the SC Secretariat (TAPI). The Records Section forwards the request/proposal to the Office of the Director (OD) within one (1) working day from receipt. OD forwards the request to Division Manager (DM) concern within two (2) working days from receipt. DM forwards the request to SC Secretariat Officer (SSO) within one (1) working day from receipt of the request.
- b. SSO, acting on behalf of the SC Secretariat, checks the completeness of the documents submitted and communicates to the proponent the assessment result in accordance with the provisions below:
 - i. If the documentary requirements are incomplete, SSO sends an acknowledgment letter to the Applicant within one (1) working day from the receipt of the request by SSO with an instruction to submit lacking requirements within forty-five (45) calendar days together with the complete list of requirements as indicated under ANNEX "A" or Annex "B" hereof. If no response/formal letter is received within the said period, the proposal shall be deemed withdrawn/dropped without prejudice to its re-filing. TAPI notifies the Applicant of its decision to deny the request in writing within five (5) working days after the expiration of the 45-day period.

- ii. If the documentary requirements are complete, SSO sends an acknowledgment letter to the Applicant within one (1) working day from the receipt of the request, informing the Applicant that the documentary requirements are complete and the request is being evaluated.
- c. Within nineteen (19) working days from receipt by the SSO of the complete documentary requirements, SSO shall coordinate with SC, and conduct the validation visit together with SC member/s, with prior notice to the Applicant. The Validation Committee (VC) shall be composed of at least one (1) member of the SC Secretariat and one (1) member of the SC, provided that VC shall not involve an Applicant member of the SC.
- d. Within three (3) working days from the conduct of validation activities, the SSO shall submit a report to the SC for their evaluation.
- e. Within twelve (12) working days from the receipt of the report, the SC shall deliberate, issue a resolution approving or disapproving the request, and send to SC Secretariat original copy of the resolution and the duly signed Certification, in case of approval.
- f. Within two (2) working days from the receipt of the SC resolution, SSO sends a written notice of the decision of the SC to the Applicant with attached duly signed Certification in case of approval.
- g. The inventor-applicant shall submit the original copy of SC/TAPI Certification for his/her application for tax/duty exemption and other supporting documents to the Bureau of Internal Revenue (BIR) per appropriate BIR Revenue Regulations/Rulings and to the Department of Finance (DOF) per DOF No. 121-93.

VI. SCREENING COMMITTEE (SC) FOR RA 7459 MEETINGS

The TAPI Secretariat facilitates the SC meeting in reference to DOST Special order and SC's functions (Sec. 3.2, IRR, RA 7459). The SC for RA 7459 consists of technical representatives (Art. II Sec. 4, RA 7459) from:

1. Department of Science and Technology (DOST);
2. Department of Trade and Industry (DTI);
3. Department of Agriculture (DA);
4. Department of Environment & Natural Resources (DENR); and
5. Filipino Inventors Society (FIS)

Meetings:

1. Simple majority constitute a quorum.
2. Shall meet on a regular basis. (indicated in the signed DOST SO)
3. In the absence of a Chairman, the Vice Chair shall preside the meeting;
4. A majority of the members of the SC may call for special meetings.
5. The SC may decide on the venue of the meeting.

The Screening Committee will have the following functions pursuant to the 2005 Implementing Rules and Regulations (IRR) under R.A. No. 7459:

1. Prescribe rules and criteria for the presidential awards for inventions;
2. Choose patented inventions in the Philippines to be granted Presidential Awards;
3. Recommend sending of winners to other countries where their winning inventions or areas of interest are advanced;
4. Adjust cash awards for invention contest and the additional expenses subject to the approval of the Institute;
5. To confirm the certification of the Filipino Inventors Society issued to Applicants for tax incentives request;
6. To certify with Filipino Inventors Society that the invention meets the criteria that would enhance the economy of the country such as profitability and viability, dollar-earning capacity and generation of employment opportunities for Filipinos, for purposes of applying for loan assistance from government banks requiring guarantee under Invention Guarantee Fund (IGF).

VII. EFFECTIVITY

This Order shall take effect immediately after its posting in TAPI Official Website and shall supersede all contrary provisions of any previously issued guidelines for the Program.

Taguig City, Philippines, FEB 27 2020.


EDGAR I. GARCIA
Director