REVENUE MEMORANDUM CIRCULAR NO. 65-2018 issued on July 26, 2018 circularizes the full text of DOF-DBM-DTI-BOI Joint Administrative Order No. 01-2015 providing the “Guidelines for the Tax Payment Certificate Mechanism to Implement the Fiscal Support for the Comprehensive Automotive Resurgence Strategy (CARS) Program under Executive Order No. 182, Series of 2015”.

The total fiscal support for the CARS Program, as authorized under the General Appropriations Act (GAA), shall not exceed Twenty-Seven Billion Pesos (₱ 27 Billion), with each qualified and enrolled model allocated an amount not exceeding Nine Billion Pesos (₱ 9 Billion). This shall be divided into two (2) categories as follows:

- **Fixed Investment Support (FIS)** shall not exceed forty percent (40%) of the total fiscal support, provided that in case of Parts and Shared Testing Facility, the FIS shall not exceed 40% of the capital expenditure for tooling and equipment to manufacture the parts, including training costs for the start-up operation for the use thereof; and

- **Production Volume Incentive (PVI)** - shall not exceed sixty percent (60%) of the total fiscal support.

The total availment of fiscal support for the year should be limited to the amount appropriated for the year. All availments of fiscal support, whether for FIS or PVI, shall be evidenced by non-transferrable Tax Payment Certificates (TPCs), which will be in the name of the Participating Car Maker (PCM).

The TPCs to be issued by Department of Trade and Industry-Board of Investments (DTI-BOI) shall be used by the PCM to defray its taxes and duties payable to the National Government. The taxes and duties refer to Excise Tax, Income Tax, import duties, and Value-Added Tax (VAT) only and shall not include any type of Withholding Taxes.

Registered participants under the CARS Program shall not be allowed to register their activity under any other program granting incentives as a condition for TPC availment.

The DTI-BOI shall devise the TPC Forms with appropriate security features (in consultation with the BIR, and the Bureau of Customs [BOC]), and shall establish an online facility that will allow BIR, BOC and BTr to view and validate the TPCs issued by DTI-BOI. BTr shall recognize and record the TPC transactions as revenue collections from BIR or BOC. Similarly, the TPC transactions shall also be recorded by BTr as expense.

The TPCs shall have a validity period of only thirty (30) days counted from date of issue, and can only be used once; thus, it has to be presented immediately to either BIR or BOC, for payment. The date indicated on the face of the TPC shall be presumed to be the date of issuance.

In the event that a TPC is not presented or utilized for tax payment to BIR and/or BOC, the PCM should immediately surrender and return the original copy of the TPC to DTI-BOI for reinstatement in the PCMIA, provided that the surrender thereof was made within the validity period of the TPC; otherwise the same shall be forfeited in favor of the government.

The BIR and BOC shall issue the appropriate administrative issuances for the processing of the TPC transactions, as may be necessary; record the TPC transaction amount as part of their revenue collection; and submit monthly to the BTr a list of TPCs reported as part of the revenue collection.