
Pawnshops who shall duly execute the Settlement Agreement and fully comply with the terms and conditions of the said Settlement Agreement, shall be allowed to settle in full their VAT liabilities for taxable years 1996 to 2002 by paying the equivalent of 25% of its VAT due for taxable years 1996 to 2002, inclusive, where the basic VAT due shall be computed by multiplying its gross receipts for the period covered by 10%, provided that the payment and the requirement for taxable years 2000 to 2002, inclusive, shall be due on or before July 15, 2004. Provided, further, that the payment and the requirement for taxable years 1996 to 1999, inclusive, shall be due on or before December 15, 2004.

After the date referred to in the foregoing paragraph, pawnshops shall no longer be allowed to settle their VAT liability for the years referred to under the terms and condition of the Settlement Agreement. After the dates referred to, all revenue officers are hereby instructed to apply the full force of the law on such pawnshops who have not availed of the terms and conditions of the Settlement Agreement, and to collect the full amount of tax due and the increments thereto.