REVENUE MEMORANDUM ORDER NO. 5-2004 issued on February 4, 2004 prescribes the guidelines and procedures in the implementation of Revenue Regulations No. 29-2003 relative to the advance payment of Value-Added Tax (VAT) on the sale of flour.

The advance VAT on the sale of flour milled from imported wheat shall be paid by the flour miller at the Accredited Agent Banks of the Large Taxpayers Service/Large Taxpayers District Office/Revenue District Office where the flour miller is registered.

For importation of wheat, the Bureau of Customs shall not allow the withdrawal of the wheat unless advance VAT due from such transaction is paid and the Authority To Release Imported Goods (ATRIG) is presented by the flour miller.

For local purchases, the wheat trader shall not allow the withdrawal of the wheat bought by the flour miller unless the Certificate of Advance Payment on VAT on Flour paid by such flour miller is presented.

Importation of wheat by any trader shall be exempt from the payment of advance VAT. However, in order to monitor all importation of wheat regardless of its intended use, the importer, whether miller or trader, shall be required to secure ATRIG from the BIR.