REVENUE MEMORANDUM CIRCULAR NO. 22-2006 issued on April 6, 2006 clarifies certain issues relating to the implementation of the increase in the Value-Added Tax (VAT) rate from 10% to 12% on the sale of goods pursuant to Republic Act No. 9337.

For the sale of goods, a VAT shall be imposed based on the gross sales for a given taxable period.

Consummated sale of goods prior to February 1, 2006 shall be subject to the 10% VAT while sale transactions entered into on or after the aforesaid date shall be subject to 12% VAT.

Sale transactions which are entered into prior to February 1, 2006, even if already booked as a sale but delivery of the goods and issuance or dating of the sales invoice took place on or after February 1, 2006 shall be considered as sales on or after February 1, 2006 and shall be subject to the 12% VAT rate.