



PERFECT INVOICE POLICY

TO ALL SUPPLIERS/VENDORS:

Please follow below instructions to ensure that payments will be made timely and efficiently.

A. VENDOR REGISTRATION

Vendor should be registered in SAP before invoices can be processed and paid. Please note that vendors claiming exemption from taxes (i.e. income tax, VAT) must be able to present a copy of a valid, current and subsisting tax exemption certificate or ruling. Otherwise, PMFTC shall subject the payments to applicable taxes, if any.

Please contact your PMFTC representative for other requirements for vendor registration.

B. SENDING INVOICES AND PROPER ACKNOWLEDGMENT

1. For materials (such as raw materials, spare parts, marketing materials etc.) that require releasing at customs (either via sea or air); please send your invoices to our logistics department and strictly follow the "Shipping Instructions". Our logistics department will manage the transfer of your invoice to our Accounts Payable and Treasury Departments.
2. For items not covered by B.1: all invoices, billings, and credit notes are to be sent directly to the following address in hard copy. Ensure to log your deliveries on the log-sheet on site.

<p style="text-align: center;">Finance Services Plant C&D Champaca Street, Barangay Fortune, Marikina City, 1809</p>

C. SALES INVOICE/COMMERCIAL INVOICE/OFFICIAL RECEIPTS REQUIREMENTS

To ensure timely and efficient processing of transactions, suppliers/vendors must provide PERFECT Sales Invoices (SIs), Commercial Invoices (CIs) and Official Receipts (ORs) which contain all pertinent information as follows:

1. SIs/CIs/ORs must be ORIGINAL. SI/CI/OR shall be prepared at least in duplicate, the original to be given to the buyer and the duplicate to be retained by the seller. (Revenue Regulations No. 16-2005, as amended)
2. SIs/CIs/ORs must be REGISTERED with the Bureau of Internal Revenue (BIR).
 - For manual SIs/CIs/ORs, your BIR Authority to Print (ATP) Number and date of issuance must be indicated in the lower part of the SIs/CIs/ORs. For ATP validity date in SIs/CIs/ORs, ATP validity date should cover the date that the invoice is submitted and processed, not just the delivery and invoice date. Therefore, please ensure that the ATP is valid for future invoice submissions and allow at least 2 months prior to ATP expiry date to account for payment processing. If at the time of processing, the ATP validity date is already expired then the invoice will be rejected. (Revenue Memorandum Circular (RMC) No. 052-13)



- If generated through Computerized Accounting System (CAS), your CAS permit number must be indicated in the lower part of the Sis/Cis/ORs. Please ensure that the invoice is stating that “This invoice is a computer-generated document which requires no signature”. If this is not stated in the invoice, then CAS/CBA BIR permit must be attached for each and every submitted invoice. Please kindly ensure that CAS issuance date and/or CAS/CBA expired date are stated in the invoice. If in any case, there is no CAS/CBA expired date, below instruction related with validity date will be followed:

Date of Issuance	Effective Date	Validity/Valid Until
Prior to August 1, 2020	August 1, 2020	July 31, 2025
August 1, 2020 onwards	Actual date of issuance	Five (5) years from the date of issuance

NOTE: For this purpose, the term “Commercial Invoices” include all document evidencing delivery, agreement to sell or transfer of goods and services which includes but are not limited to delivery receipts, order slips, debit and/or credit memo, purchase order, job order, provisional receipt, acknowledgment receipt, collection receipt and any other documents used in the ordinary course of business.

3. For **TRANSACTIONS WITH VAT:**

- a. For SUPPLIER OF GOODS, you are required to issue a VAT-registered INVOICE and shall be the primary VAT supporting document for sale of goods.
- b. For SUPPLIER OF SERVICES, while your invoice or statement of account will be used to process payment, you are required to issue a VAT-registered OFFICIAL RECEIPT which shall be the primary VAT supporting document for sale of services. Please see additional instructions in Section F on issuance of ORs. (RMC No. 2-2014)

For purposes of VAT, commercial invoices as defined above are not valid proof to support input taxes claimed by PMFTC. Hence vendors must also provide either INVOICE or OR depending on the nature of the transaction.

4. For **TRANSACTIONS NOT SUBJECT TO 12% VAT:**

- a. If the transaction is exempt from VAT, invoice should be NON-VAT or the term “VAT-EXEMPT SALE” shall be written or printed prominently on the invoice;
- b. If the transaction is subject to 0% VAT (zero-rated), the term “ZERO-RATED SALE” shall be written or printed prominently on the invoice;
- c. If the transaction involves sales which are subject to and some of which are zero-rated or exempt from VAT, the breakdown should be clearly indicated in the invoice; and
- d. For Non-VAT Sis/Cis/ORs, the phrase "THIS DOCUMENT IS NOT VALID FOR CLAIM OF INPUT TAX" in bold letters, shall be printed prominently.

5. The SIs/ClIs **MUST CONTAIN THE FOLLOWING DETAILS:**

- a. Vendor's company name, registered address and Tax Identification Number (TIN);
- b. Serial number of the SIs/ClIs;
- c. Correct company name, billing address and Tax Identification Number (TIN) of PMFTC entities. (Please see below)

Entity Name	PMFTC INC.	FORTUNE LANDEQUITIES AND RESOURCES INC.	PMI BUSINESS SOLUTIONS (PHILIPPINES) INC.
TIN	007-515-588-000	007-516-105-000	602-461-207-000
Address	Plant C&D, Champaca Street, Barangay Fortune, Marikina City 1809	2F Allied Bank Center, 6754 Ayala Ave, Makati City 1226	15/F and 16/F, 8 Rockwell, Hidalgo Drive, Rockwell Center, Makati City 1210
Business Unit	1326 or 1621 <i>(please check your PO or coordinate with your PMFTC business partner as per below)</i>	1327	2111

- d. Date of transaction/Invoice Date;
- e. Description of items/goods or nature of service;
- f. Quantity, unit cost and total cost;
- g. VAT amount should be presented as a separate line item;

Example:

Sales of good/services	100.00
12% VAT	<u>12.00</u>
Total amount payable	112.00

- h. ATP number/BIR CAS permit number as per point C.2 above
- i. Incoterm (foreign invoices only)
- j. Other important details:

○ **PURCHASE ORDER based (PO BASED)** invoice must provide the following details:

- ✓ Purchase Order (PO) number — PO number must be indicated in the invoice and should be the same PO number as indicated in the PO (e.g. 4500690011)
- ✓ Correct company name and invoice billing details must be consistent with what is provided in the PO
- ✓ Company contact person
- ✓ Business Unit (1326, 1621, 1327, or 2111) indicated under the PO number
- ✓ Please ensure each invoice only contains one PO number.

For partial deliveries, one PO can be billed in multiple invoices as long as only one PO is stated in the invoice.



Purchase Order 4500389766
BUSINESS UNIT 1621

Delivery Address
PMFTC Inc.
Plot C S D, Cherasok St.
Alipho, Marikina City 1809
Philippines

Billing Address
PMFTC Inc.
Plot C S D, Cherasok St.
Alipho, Marikina City 1809
Philippines
B.A. Top 2015-102300 Int
Marikina City, Philippines

Contact Person
Email: Julia.Palacio@pmftc.com

Order Date: 11-12-2019
Delivery Date: Not set
Terms of Payment: 30 days due net
Currency: PHP

- k. Price and Quantity – must be the same and never exceed what was indicated in your PO.
 - a. Any discrepancies must be resolved with the Buyer or End-User before invoicing to avoid payment delays (e.g. PO is revised as appropriate)
 - b. Check if PO number initially provided was fully utilize; if yes, coordinate with the Buyer or End-User.

NOTE: If you are a PO based vendor, always ensure all your transactions are covered by a PO. If there are instances where a PMFTC employee calls you and orders without a PO, please inform immediately the Central Procurement Department before transacting.

- o **NON-PURCHASE ORDER based invoice** must provide the following details:
 - ✓ Description of nature of Letter of Authority or Contract with PMFTC
 - ✓ Company contact person
 - ✓ Business unit (1326, 1621, 1327, or 2111)
*Please coordinate with your PMFTC business partner on the 4-digit company code (1326, 1621, 1327, or 2111).



○ For **FOREIGN EXCHANGE (FX) TRANSACTIONS**

- ✓ For materials (such as raw materials, spare parts, marketing materials etc.) that require releasing at customs (either via SEA or AIR); please send your invoices to our logistics department and strictly follow the Shipping Instructions. Our logistics department will manage the transfer of our invoice to our Finance Departments.
- ✓ Foreign suppliers are required to furnish (4) four original copies of invoices and mandatory documents.
- ✓ For Foreign service providers/vendors rendering services outside the Philippines, it should be indicated in the invoice that 100% of the service was rendered offshore (i.e. to cite the country where the services were rendered). A separate invoice should be issued to cover any services rendered in the Philippines and a valid Certificate of Residence (COR) covering the period of service must be attached as a supporting document of the invoice.

SI/OR/CI without the above phrase shall be verified by our Tax Department for the withholding of the applicable income tax rate. Kindly note that, in general, gross income derived by foreign vendors within the Philippines are subject to 25% (if made to non-resident alien not engaged in trade or business in the Philippines) or 30% (if made to non-resident foreign corporation) final withholding tax.
- ✓ Correct bank details of the payment wire transfer same as initial bank details you registered in our system must be clearly indicated in your invoices. If in case, you prefer to add/change the bank details please coordinate first with your central procurement partners to avoid delayed payment release.
- ✓ Extension letter is to be attached with the transmitted invoice (Upon advice).
- ✓ Allowed the submission of supporting documents through electronic means for (a) registration of private sector foreign loans/borrowings without public sector guarantee (b) registration of inward investments; and (c) sale of FX by banks covering various FX transactions.

NOTE: ALL SIs/CIs/ORs WITH INCORRECT AND INCOMPLETE DATA WILL NOT BE PROCESSED AND WILL BE RETURNED TO THE VENDOR. SAMPLE SI and OR ARE PROVIDED IN ANNEX "A",



D. PAYMENT TERMS/ INVOICE RECEIPT DATE

- All payment terms are assumed to be pre-negotiated prior to the delivery of goods or services.
- The RECEIPT DATE of a VALID and COMPLETE INVOICE will be the start date for purposes of counting payment terms (e.g. receipt date of the new invoice where original invoice is erroneous).

E. CHECK PAYMENT RELEASING CENTER - Citibank Pay Link Check

EXL (Releasing Center) New Ayala Site
Unit LL3 Lower Level V. Madrigal Building Ayala Avenue Makati City

Operating hours : 10 am to 4 pm (Mon – Thu); 10 am to 5 pm (Friday)

Hotline Number : 8891-1511

Note: Checks are available for pick up D+1 after the Remittance Date

F. ISSUANCE OF OFFICIAL RECEIPT/COLLECTION RECEIPT ONCE PAYMENT IS RECEIVED

- SUPPLIERS should use **EIPOS: Expenditure & Inquiry Point of Service** to monitor their payment status through directly checking invoice status, payment schedule, invoice requirement, and FAQs.
Eipos can be accessed via <https://eipos.pmicloud.biz/> or downloaded through Google Play Store (Android) and App Store (iOS).
For the guideline to use EIPOS, you can access it through this [LINK](#).
- Supplier is requested to claim the check and issue the corresponding evidence of payment **within 5 days from date of payment**.
 - ✓ For SUPPLIER OF SERVICES, valid **VAT ORs** should be provided by the vendor since a Collection Receipt will not be accepted per legal requirement of the BIR.
 - ✓ On the other hand, for SUPPLIER OF GOODS, BIR Registered **CRs** are acceptable provided that a VAT Invoice was previously issued.
- CRs/ORs must contain the general requirements provided under Section C above.
- Please indicate the Invoice number or Statement of Account (SOA) number covered by the payment received i.e. “received the amount of xxxxxxxx in partial/full payment for (INSERT Invoice/SOA number/s here)”.



- Please note that the amount paid to vendor is net of applicable withholding taxes (Please see Section G on specific details on withholding tax). The amount of withholding tax applied is indicated in the payment notification sent to vendor via email. Thus, the following details should be present in the CRs/ORs issued:

Example:

Total Sales:	XXXXXXXXXX
Plus 12% VAT:	XXXXXXXXXX
Total:	XXXXXXXXXX
Less: Withholding Tax	XXXXXXXXXX
Amount received:	XXXXXXXXXX

- OR submission procedure:
 - ✓ For payments via check, ORs are collected by the Releasing Center in exchange for the check.
 - ✓ For payments via bank transfer, vendor must send the ORs to below address

Attention: PMFTC c/o Treasury Team
 31st Floor the Finance Centre, 26th Street corner 9th Avenue
 Bonifacio South District Bonifacio Global City 1634 Taguig City Philippines

Scanned OR copies are required if vendor cannot fulfill the sending of the ORs at the prescribed time. Failure to send the ORs will revert the payment method to check.

G. APPLICABLE WITHHOLDING TAX AND RELEASE OF CERTIFICATE OF WITHHOLDING (BIR Form No. 2307)

PMFTC is among the top 20,000 corporations in the Philippines as notified by the BIR. As such, both are required to withhold for its purchases of the following:

In general	
Purchase of Goods:	1%
Purchase of Services:	2%
Specific income payments (RR No. 2-98):	
Rental or lease payment:	5%
Professional fees:	10/15%
Payments to contractors:	2%
Payments to advertising agencies:	2%

Please note that for vendors selling both goods and services, the transactions should be billed separately and applicable rate of 1% and 2% shall be applied respectively. However, in case of failure to separately bill goods and services, the higher rate of 2% shall apply (RMC No. 72-2004).



Certificates of Withholding Tax to be released starting merger effective date will be issued by PMFTC Inc. as the withholding agent instead of PMPMI.

RELEASING OF CERTIFICATE OF WITHHOLDING:

31st floor, the Finance Center, 26th Taguig, Metro Manila

Operating hours : 8:30 am to 5:30 pm (Monday – Friday)

Note: Available 20 days after end of calendar quarter.

H. OTHERS

Any changes to your vendor details or information such as address, email, phone number, bank details and others, please inform your PMFTC business partner or procurement partner via email, so any updates can be affected in the system.



ANNEX "A"
SAMPLE INVOICE AND OFFICIAL RECEIPT

SAMPLE VAT INVOICE (SALE OF GOODS)

ABC COMPANY				
1234 ABC St. Brgy. ABC, Makati City, Philippines VAT TIN 000-111-222-333				
			SALES INVOICE NO.001	
DATE: <u>9/30/2015</u>				
SOLD TO: <u>PMFTC INC.</u>				
ADDRESS: <u>Plant C & D, Champaca Street, Barangay Fortune, Marikina City 1809</u>				
TIN: <u>007-515-588-000 VAT</u>				
ITEM CODE	QTY.	DESCRIPTION	UNIT PRICE	AMOUNT
1	20 QTS	ABC FLUID PO Number 4500123456 for 1621	Php1,000.00	Php20,000.00
			TOTAL SALES	20,000.00
			VAT Amount	2,400.00
			TOTAL AMOUNT DUE	22,400.00
Permit No. OCN1AU0000000001 Date Issued: 7/1/2013 Valid Until: 7/1/2018				
XXX PRINTING PRESS TIN: 000-111-111-111 453 4TH St. Makati, city Printer's Accreditation No. xxxxxxxxxxxxxxxxxxxx Date Issued: 6/5/2013			THIS SALES INVOICE SHALL BE VALID FOR FIVE (5) YEARS FROM THE DATE OF ATP	

SAMPLE VAT OR (SALE OF SERVICES)

IN PAYMENT OF:		XYZ COMPANY	
		555 XYZ St. Brgy. XYZ, Makati City, Philippines VAT TIN 000-888-999-111	
		OR NO.001	
OFFICIAL RECEIPT			
DATE: <u>9/30/2015</u>			
RECEIVED FROM: <u>PMFTC INC.</u>			
ADDRESS: <u>Plant C & D, Champaca Street, Barangay Fortune, Marikina City 1809</u>			
TIN: <u>007-515-588-000 VAT</u>			
THE SUM OF: <u>One hundred ten thousand pesos only</u>			
FOR PAYMENT OF: <u>Services rendered for the month of August 2015 with PO No. 450012345678 covering SOA Nos. 001 and 002</u>			
Permit No. OCN1AU0000000001 Date Issued: 7/1/2013 Valid Until: 7/1/2018		for 1621	
XXX PRINTING PRESS TIN: 000-111-111-111 453 4TH St. Makati, city Printer's Accreditation No. xxxxxxxxxxxxxxxxxxxx Date Issued: 6/5/2013		THIS OFFICIAL RECEIPT INVOICE SHALL BE VALID FOR FIVE (5) YEARS FROM THE DATE OF ATP	
Forms of Payment			
Cash	Check <input checked="" type="checkbox"/>		
Check No.	54321		