

# Guidelines and Instructions for BIR Form No. 2550-DS (January 2025)

## Value-Added Tax (VAT) Return for Nonresident Digital Service Provider

These instructions are designed to assist taxpayers, or their representatives, with the preparation of the VAT return. If there are questions which are not adequately covered, please consult the local BIR Office (RDO No. 39) thru email at rdo\_39css@bir.gov.ph. If there is any discrepancy between these instructions and the applicable laws and regulations, the laws and regulations take precedence.

### Who Shall File

This return shall be filed by a nonresident digital service provider who supplies or renders Digital Services in the Philippines. The term "digital services" shall refer to any service that is supplied over the internet or other electronic network with the use of information technology and where the supply of the service is essentially automated. It shall include, but not limited to:

1. Online search engine;
2. Online marketplace or e-marketplace;
3. Cloud service;
4. Online media and advertising;
5. Online platform; or
6. Digital goods.

The term nonresident digital service provider refers to a digital service provider (DSP) that has no physical presence in the Philippines.

This return shall be filed by the aforementioned taxpayers for as long as the VAT registration has not yet been cancelled, even if there is no taxable transaction during the quarter.

### When and Where to File and Pay

This return shall be filed and paid electronically via the Value-Added Tax on Digital Service (VDS) Portal within twenty-five (25) days following the close of each taxable quarter.

### Rates and Bases of Tax

Digital Services provided by a nonresident DSP shall be considered performed, supplied, delivered or rendered in the Philippine in the course of trade or business if such digital services are consumed/used in the Philippines. Hence, gross sales received by a nonresident DSP from the same shall be subjected to twelve percent (12%) VAT. Digital services are considered consumed or used in the Philippines if the buyer is located in the Philippines.

### How to Accomplish the Form

1. Enter all required information in **CAPITAL LETTERS**. Mark applicable boxes with an "X".
2. For all questions wherein an appropriate box is provided for a possible answer, mark the applicable box corresponding to the chosen answer with an "X"; and
3. Required information wherein the space provided has a letter separator, the same must be supplied with CAPITAL LETTERS where each character (including comma or period) shall occupy one box and leave one space blank for every word.

However, if the word is followed by a comma or period, there is no need to leave blank after the comma or period. Do NOT put "NONE" or make any other marks in the box/es.

**This return is divided into Part I to III. Individual instructions as to the source of the information and the necessary calculations are provided on each line item.**

PART NO.	PARTS
I	Background Information of Taxpayer
II	Background Information of Resident Third-Party Service Provider
III	Computation of VAT Payable

### For Items 1 to 7:

**Item 1 Type of Payment:** Indicate whether payment is for the value-added tax due or as advance payment or deposit.

**Item 2 ATC:** Alphanumeric Tax Code (ATC) is fixed to VN 010 – Nonresident Digital Service Provider

**Item 3** Mark the applicable box with an "X". This refers to the accounting period (Fiscal or Calendar year) upon the basis of which the value-added tax return is being accomplished.

**Item 4 Year Ended:** Indicate the ending of the taxable year covered by the return being filed.

**Item 5 Quarter:** Indicate the quarter being filed.

**Item 6 Return Period:** Enter the coverage of the quarter being filed.

### Calendar Year

Quarter	Coverage
First (1 <sup>st</sup> )	January 1 to March 31
Second (2 <sup>nd</sup> )	April 1 to June 30
Third (3 <sup>rd</sup> )	July 1 to September 30
Fourth (4 <sup>th</sup> )	October 1 to December 31

### Fiscal Year

Quarter Ending	Coverage
January 31	November 1 to January 31
February 28	December 1 to February 28
April 30	February 1 to April 30
May 31	March 1 to May 31
July 31	May 1 to July 31
August 31	June 1 to August 31
October 31	August 1 to October 31
November 30	September 1 to November 30

**Item 7 Amended Return:** Choose "Yes" if the VAT return is one amending the previously filed return, or "No" if not.

### Part I – Background Information of Taxpayer (Items 8 to 12)

**Item 8 Taxpayer Identification Number (TIN):** Enter the TIN in the space provided. The TIN is a unique number assigned to the nonresident digital service providers when they registered to the BIR thru the Online Registration and Update System (ORUS).

**Item 9 RDO Code:** The RDO Code is fixed to RDO No. 039.

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**Item 10 Registered Name:** Enter the registered name same as what was entered/shown in the BIR Form No. 2303 (Certificate of Registration).

**Item 11 Address in the Country of Residence:** Enter the complete address of the nonresident DSP in the country of their residence which is same with what was entered/shown in the BIR Form No. 2303 (Certificate of Registration)

**Item 12 Registered Email Address:** Indicate the registered email address, the same email address provided by the nonresident DSP during its registration using ORUS.

### Part II – Background Information of Resident Third-Party Service Provider (if applicable) (Items 13 to 16)

**Item 13 Name:** Enter the name of the resident third-party service provider, if any. If the service provider is an individual, enter the Last Name, First Name, Middle Name; if it is an entity, enter its registered name.

**Item 14 TIN:** Enter the TIN of the resident third-party service provider on the space provided. The said service provider must be registered with the BIR.

**Item 15 Contact Number:** Enter the landline or cellphone number of the resident third-party service provider.

**Item 16 Email Address:** Enter the email address of the resident third-party service provider.

### Part III - Computation of VAT Payable (Items 17 to 25)

**Item 17 Gross Sales for the Quarter:** This refers to the total sales of digital services by nonresident DSPs to all:

- Natural or juridical persons engaged in business located in the Philippines, and the Government of the Philippines or any of its political subdivisions, instrumentalities, or agencies, including government-owned and controlled corporations (GOCCs) (B2B transactions); and
- Persons not engaged in business located in the Philippines (B2C transactions).

**Item 18 Gross Sales Subjected to Withholding Tax:** This refers to the total sales of digital services by nonresident DSPs which were subjected to reverse charge mechanism by persons engaged in business located in the Philippines, and the Government of the Philippines or any of its political subdivisions, instrumentalities, or agencies, including government-owned and controlled corporations (GOCCs).

**Item 19 Balance Subject to VAT:** Fill-out and/or compute the required information.

**Item 20 VAT Rate:** VAT rate is fixed to 12%.

**Item 21 VAT Payable:** Fill-out and/or compute the required information.

**Item 22A VAT Paid in Return Previously Filed:** If filing for an amended return, the VAT paid in the previous return/s shall be reflected here.

**Item 22B Excess Payment Carried Over from Previous Return/Quarter:** If there is an excess payment from previous return/quarter, it shall be carried over or reflected in this item.

**Item 22C Advance Payment/Deposit Made for this Quarter:** Any advance payment/deposit for the quarter shall be reflected here.

**Item 22D Other Payment/Credit (specify):** Any other payment made other than mentioned in Items 22A to 22C, shall be specified and reflected in this item.

**Item 22E Total Payments/Credits:** Fill-out and/or compute the required information.

**Item 23 VAT Still Payable/(Excess Payments):** Fill-out and/or compute the required information.

### Items 24A to 24B PENALTIES:

There shall be imposed and collected as part of the tax:

- A surcharge of twenty-five percent (25%) for the following violations:
  - Failure to file any return and pay/remit the amount of tax or installment due on or before the due date;
  - Failure to pay/remit the full or part of the amount of tax shown on the return, or the full amount of tax due for which no return is required to be filed on or before the due date; or
  - Failure to pay/remit the deficiency tax within the time prescribed for its payment/remittance in the notice of assessment.
- A surcharge of fifty percent (50%) of the tax or of the deficiency tax [in case any payment/remittance has been made before the discovery of the falsity or fraud], for each of the following violations:
  - Willful neglect to file the return within the period prescribed by the Code or by rules and regulations; or
  - A false or fraudulent return is willfully made.
- Interest at the rate of double the legal interest rate for loans or forbearance of any money in the absence of an express stipulation as set by the Bangko Sentral ng Pilipinas from the date prescribed for payment/remittance until the amount is fully paid/remitted: Provided; That, in no case shall the deficiency and the delinquency interest prescribed under Section 249 Subsections (B) and (C) of the National Internal Revenue Code, as amended, be imposed simultaneously.

**Items 24C Total Penalties:** Fill-out and/or compute the required information.

**Item 25 Total Amount Payable/(Excess Payment):** Fill-out and/or compute the required information. If with excess payment, the excess shall be carried over for the next quarter/s until fully utilized.

**Item 26 Advance Payment/Deposit:** Taxpayer shall indicate here the amount if it wants to pay VAT in advance.

**Item 27 Perjury Clause:** Declaration of the taxpayer/filer that the information provided in the return are true, correct and complete and will be held criminally, civilly and administratively liable if any information/statement supplied in the return are false, misleading, deceptive and inaccurate. By clicking agree, taxpayer confirm that he/she read and understood the Declaration and agreed to it.

### Note:

- All background information must be properly filled out.
- The last 5 digits of the 14-digit TIN refers to the branch code.