



Legal Watch

CUSTOMS MEMORANDUM CIRCULAR 103-2026



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* Agency Name

Bureau of Customs (BOC)

* Issuance Title

EO No. 114-2026, Temporarily Suspending the Excise Taxes on Specific Petroleum Products Pursuant to Section 148 of R.A. No. 844, or the National Internal Revenue Code of 1997, as amended

* Issuance Date

16 April 2026

* Link

<https://customs.gov.ph/wp-content/uploads/2026/04/2026CMC-103-2026.pdf>

SUMMARY

This Circular suspends excise taxes on Liquefied Petroleum Gas and Kerosene pursuant to Executive Order No. 114, series of 2026, Republic Act Nos. 8424, as amended, and 12316. Correspondingly, the respective HS Codes have been configured in the E2M system as covered by the suspension.

Provided, that excise tax rates on petroleum products shall automatically revert to the rates prescribed under Section 148 of Republic Act No. 8424, as amended, without need of further issuance, upon the occurrence of any of the following, whichever comes first: 1) one week after the one (1)-month average Dubai crude oil price based on MOPS falls below USD80 per barrel, as certified by the Department of Energy (DOE); or 2) upon expiration of the duration provided under Section 2 of Executive Order No. 114.

ACTIONABLE ADVICE

Concerned entities dealing in Liquefied Petroleum Gas (LPG) and kerosene are advised to determine whether their within the scope of the excise tax suspension under the circular. If covered, they should adjust their importation and costing practices accordingly, as excise taxes on these products are currently suspended and should no longer be paid at the time of importation. This removes the need to subsequently file refund claims.

However, entities must closely monitor the conditions for the automatic reversion of excise tax rates under Section 148 of Republic Act No. 8424, as amended, including movements in Dubai crude oil prices and the duration set under Executive Order No. 114. Once the suspension is lifted, excise taxes will again become payable without further issuance. As such, companies should implement monitoring mechanisms and be prepared to promptly revert to paying excise taxes at importation to avoid underpayment, penalties, or compliance issues.

