

This MAP Tax Bulletin for February 2021 was contributed by KPMG R. G. Manabat & Co.

COURT OF TAX APPEALS DECISIONS

THE TAXPAYER NEED NOT WAIT THE FINAL RESOLUTION OF ITS ADMINISTRATIVE CLAIM FOR REFUND PRIOR TO SEEKING JUDICIAL RECOURSE. Verily, the primary purpose of filing an administrative claim was to serve as a notice of warning to the CIR that court action would follow unless the tax or penalty alleged to have been collected erroneously or illegally is refunded. To clarify, Section 229 of the Tax Code- [then Section 306 of the old Tax Code] -however does not mean that the taxpayer must await the final resolution of its administrative claim for refund, since doing so would be tantamount to the taxpayer's forfeiture of its right to seek judicial recourse should the two (2)-year prescriptive period expire without the appropriate judicial claim being filed. (*Service Resources, Inc. v. Commissioner of Internal Revenue, CTA Case No. 7457, January 04, 2021, citing CIR v. Goodyear Philippines, Inc.*)

BASIC IS THE RULE THAT WHEN THE TAX IS PAID IN INSTALLMENTS, THE PRESCRIPTIVE PERIOD OF TWO (2) YEARS SHOULD BE COUNTED FROM THE DATE OF THE FINAL PAYMENT. This rule proceeds from the theory that, in contemplation of tax laws, there is no payment until the whole or entire tax liability is completely paid. Thus, a payment of a part or portion thereof, cannot operate to start the commencement of the statute of limitations. Inasmuch as the payment was done by installment, the computation of the two-year prescriptive period should be from the date of the last installment. (*Commissioner of Internal Revenue v. Linde Philippines, Inc. (Formerly, Consolidated Industrial Gases, Inc.), CTA EB No. 2194 (CTA Case No. 8783), January 05, 2021*)

THE RIGHT OF TAXPAYER TO ANSWER THE PAN CARRIES WITH IT THE CORRELATIVE DUTY ON THE PART OF THE BIR TO CONSIDER THE RESPONSE THERETO; AND THAT THE ISSUANCE OF THE FAN WITHOUT EVEN HEARING THE SIDE OF THE TAXPAYER IS ANATHEMA TO THE CARDINAL PRINCIPLES OF DUE PROCESS. Right to due process is the opportunity to be heard. However, such opportunity would be wasted if the reply or protest to assessments submitted to the BIR is not taken into consideration. It is an empty and meaningless exercise if the same is not even considered by the BIR. (*Dizon Farms Produce, Inc. v. Commissioner of Internal Revenue, CTA Case No. 9711, January 05, 2021*)

IT IS THE TAXPAYER-CLAIMANT THAT HAS THE BURDEN OF PROOF TO ESTABLISH THE FACTUAL BASIS OF HIS OR HER CLAIM FOR TAX CREDIT OR REFUND. TAX REFUNDS ARE IN THE NATURE OF TAX EXEMPTIONS. AS SUCH, THEY ARE REGARDED AS IN DEROGATION OF SOVEREIGN AUTHORITY AND TO BE CONSTRUED *STRICTISSIMI JURIS* AGAINST THE PERSON OR ENTITY CLAIMING THE REFUND. Thus, an applicant for a claim for tax refund or tax credit must not only prove entitlement to the claim but also compliance with all the documentary and evidentiary requirements. Strict adherence to the conditions prescribed by law is required of the taxpayer. (*Philex Mining Corporation v. Commissioner of Internal Revenue, CTA Case No. 10037, January 05, 2021*)

AS LONG AS THE PERIOD FROM THE DISCOVERY AND INSTITUTION OF JUDICIAL PROCEEDINGS FOR ITS INVESTIGATION AND PUNISHMENT UP TO THE FILING OF THE INFORMATION IN COURT DOES NOT EXCEED FIVE (5) YEARS, THE GOVERNMENT'S RIGHT TO FILE A CRIMINAL ACTION DOES NOT PRESCRIBE. Conversely, if the period from the institution of judicial proceedings for its investigation up to the filing of the information in court exceeds five (5) years, then the government's right to file an action has prescribed. (*People of The Philippines v. Ulysses Palconet Consebido, CTA EB Crim No. 069 (CTA Crim Case No. 0 -701), January 06, 2021*)

A DOCUMENT, SUCH AS THE MEMORANDUM OF ASSIGNMENT (MOA) MAY BE TREATED AS AN EQUIVALENT OF A NEW LETTER OF AUTHORITY (LOA), PROVIDED THAT IT IS COMPLIANT WITH THE ESSENTIAL ELEMENTS OF A LOA and that it was issued by the respondent or his authorized representative who is either the Revenue Regional Director, or in cases of taxpayers falling under the Large Taxpayers Division, the Assistant Commissioner/Head Revenue Executive Assistants, as provided under RMO No. 29-07. (*Red Ribbon Bakeshop, Inc. v. Commissioner of Internal Revenue, CTA Case No. 9121, January 07, 2021*)

IN ORDER TO BE CONSIDERED AS A NON-RESIDENT FOREIGN CORPORATION DOING BUSINESS OUTSIDE THE PHILIPPINES, EACH ENTITY MUST BE SUPPORTED, AT THE VERY LEAST, BY BOTH A *CERTIFICATION OF NON REGISTRATION OF CORPORATION/ PARTNERSHIP* ISSUED BY THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION (SEC), AND PROOF OF INCORPORATION/REGISTRATION IN A FOREIGN COUNTRY (E.G., ARTICLES/CERTIFICATE OF INCORPORATION/REGISTRATION AND/OR TAX RESIDENCE CERTIFICATE). The Philippine SEC's *Certification of Non-Registration of Corporation* establishes that the recipient of the service has no registered business in the Philippines, and that it is not engaged in trade or business within the Philippines, while the *certificate/ articles of incorporation/ association* will prove that the said recipient of the service is indeed foreign. (*Ammex I-Support Corporation v. Commissioner of Internal Revenue, CTA Case No. 9906, January 08, 2021*)

THE TAXPAYERS ARE REMINDED THAT WHEN THE 120-DAY PERIOD LAPSES AND THERE IS INACTION ON THE PART OF THE CIR THEY MUST NO LONGER WAIT FOR IT TO COME UP WITH A DECISION THEREAFTER. The CIR's inaction is the decision itself. It is already a denial of the refund claim. Thus. the taxpayer must file an appeal within 30 days from the lapse of the 120-day waiting period. (*SMCC Philippines, Inc. v. Commissioner of Internal*

Revenue, CTA Case No. 9082, January 12, 2021 citing Commissioner of Internal Revenue v. San Roque Power Corporation)

THE CWT CERTIFICATE OR BIR FORM NO. 2307 IS THE COMPETENT PROOF TO ESTABLISH THE FACT THAT TAXES ARE WITHHELD. It is complete in relevant details that would aid the court in evaluating a taxpayer's claim for refund of excess creditable withholding taxes. In contrast, the Income Tax Return, though indeed, reveals the amount of a claimant's prior year's excess credits, does not, in any way, substantiate each of the items composing the said amount. The requirement to substantiate prior year's excess CWT is grounded on the principle that a taxpayer must prove every minute aspect of the case by presenting, formally offering and submitting its evidence to the CTA. Hence, the Court *En Banc* cannot give credence to Univation Motor's argument that its Income Tax Returns are sufficient to prove its prior year's excess credits in the absence of proof to the contrary.

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RMO NO. 53-98 IS MERELY A GUIDE TO REVENUE OFFICERS AS TO WHAT DOCUMENTS THEY MAY REQUIRE TAXPAYERS TO PRESENT UPON AUDIT OF THEIR TAX LIABILITIES AND IS NEVER INTENDED AS A BENCHMARK IN DETERMINING WHETHER THE DOCUMENTS SUBMITTED BY A TAXPAYER ARE ACTUALLY COMPLETE TO SUPPORT A CLAIM FOR TAX CREDIT OR REFUND. Furthermore, the failure of the taxpayer to submit the requirements listed under RMO No. 53-98 is not fatal to the taxpayer's claim for tax credit or refund. In this case, the CIR cannot validly invoke RMO No. 53-98 and RR No. 2-2006 as legal basis in concluding that Univation Motor failed to present relevant documents at the administrative level. (*Univation Motor Philippines, Inc. v. Commissioner of Internal Revenue, CTA EB Case No. 2178 And CIR Vs. Univation Motor Philippines, Inc., CTA EB Case No. 2179, January 13, 2021*)

THE FAILURE OF THE LOCAL TREASURER TO ACT ON THE TAXPAYER'S PROTEST WITHIN THE 60-DAY PERIOD IS TANTAMOUNT TO A "DENIAL DUE TO INACTION". The taxpayer is mandated to elevate the said "denial due to inaction" to a court of competent jurisdiction, within a period of thirty (30) days reckoned from the lapse of the 60-day period. It bears stressing that the perfection of appeal within the period prescribed under Section 195 of the LGC is not only mandatory but also jurisdictional. Further, it is relevant to take note of the use of the word "shall" in Section 195 of the LGC, as the word "shall" underscores the mandatory character thereof. It is a word of command, one which always has or must be given a compulsory meaning and is generally imperative or mandatory. Thus, contrary to petitioner's stance, the provision under Section 195 of the LGC as well as the period indicated therein are mandatory and not merely directory in nature. (*Public Safety Mutual Benefit Fund, Inc., represented by its President Mario A. Avenido v. Rosette F. Laquian, Acting City Treasurer, San Juan City, CTA EB Case No. 2198, January 15, 2021*)

ALL SALES OF GOODS, PROPERTIES, AND SERVICES MADE BY A VAT-REGISTERED SUPPLIER FROM THE CUSTOMS TERRITORY TO AN ECOZONE ENTERPRISE SHALL BE SUBJECT TO VAT, AT ZERO PERCENT (0%) RATE, REGARDLESS OF THE LATTER'S TYPE OR CLASS OF PEZA REGISTRATION; AND, THUS, AFFIRMING THE NATURE OF A PEZA REGISTERED OR AN ECOZONE ENTERPRISE AS A VAT-EXEMPT ENTITY. In order for an export sale to qualify for VAT zero-rating under Section 106(A)(2)(a)(5) of

the NIRC of 1997, as amended, the following requisites must be present: (1) the sale must be made by a VAT registered person; and, (2) the sale of goods must be to an entity entitled to the incentives under Executive Order No. 226, otherwise known as the Omnibus Investment Code of 1987, and other special laws. ([*Penn Philippines Inc. v. Commissioner of Internal Revenue*](#), CTA Case No. 7457, January 19, 2021)

THE DETERMINATION OF CGT (FROM THE SALE OR EXCHANGE OF SHARES OF STOCK NOT TRADED THRU A LOCAL STOCK EXCHANGE) TO WHICH A DOMESTIC CORPORATION MAY BE HELD LIABLE IS ON AN ANNUAL BASIS. Such being the case, the CGT paid for a particular transaction should be considered as a mere installment, an advance, or a deposit, subject to the final determination of CGT for the entire taxable year in which such transaction took place, and after considering other transactions which took place within the same taxable year. Thus, the CGT paid for a particular transaction is akin to the quarterly payments of corporate income tax and withholding taxes. (*AC Energy, Inc., v. Commissioner of Internal Revenue*, CTA Case No. 10009, January 25, 2021)

IN REVENUE MEMORANDUM CIRCULAR (RMC) NO. 101-90 NOVEMBER 26, 1990, IT IS PROVIDED THAT THE FIVE-YEAR PRESCRIPTIVE PERIOD UNDER THE TAX CODE DOES NOT COMMENCE TO RUN BY A MERE FACT OF DISCOVERY. This must be coupled by judicial proceedings, such as preliminary investigation before the prosecutor's office, before the five-year limitation period begins to run. (*People of The Philippines v. Ulysses Falconet Consebido*, CTA EB Crim No. 076, January 27, 2021)

A DISTINCTION MUST BE MADE BETWEEN A) AN ADMINISTRATIVE VAT REFUND CLAIM THAT WAS DISMISSED DUE TO FAILURE TO SUBMIT COMPLETE DOCUMENTS DESPITE NOTICE OR REQUEST; AND B) ADMINISTRATIVE VAT REFUND CLAIMS THAT WERE EITHER DEEMED DENIED DUE TO INACTION OR DENIED BY PETITIONER OTHER THAN DUE TO FAILURE TO SUBMIT COMPLETE DOCUMENTS DESPITE NOTICE OR REQUEST. In the first instance, a taxpayer-claimant must show this Court during the judicial proceedings not only his entitlement to a VAT refund under substantive law, but that he also submitted complete documents as requested by petitioner. In the second instance, a taxpayer-claimant may present all evidence to prove its entitlement to a VAT refund, and the Court will consider all evidence offered even those not presented before petitioner at the administrative level. (*Commissioner of Internal Revenue v. CE Luzon Geothermal Power Company, Inc.*, CTA EB Case No. 2132, January 28, 2021)

REVENUE MEMORANDUM ORDERS (RMO)

1. RMO No. 1-2021¹ - Prescribes the revised Office Audit Threshold for cases to be audited/ investigated by the Office Audit Section of the Assessment Divisions in the Regional Offices.

This Order is issued to amend the office audit threshold for the issuance of electronic Letters of Authority (eLAs) prescribed in RMO No. 32 - 2018, as amended.

¹ Dated 04 December 2020, Issued on 04 January 2021

Hence, the threshold for the issuance of electronic Letters of Authority (eLAs) to cover the audit/investigation of taxpayers under the jurisdiction of their respective Regional Offices shall be as follows:

| Revenue Region Nos. (RDOs) | Gross Sales/Receipts |
|---|--|
| 7A, 7B, 8A, 8B (All) | Php 20,000,000.00 Million Pesos and below |
| 1 (All), 4 (21A, 21B) 5 (All) 6 (RDO 29-34) 9A (RDO 54A, 54B, 58, 59) 9B (RDO 55, 56, 57, 60) | 11 (RDO 74), 12 (RDO 77) 13 (RDO 80-82) 16 (RDO 98) 19 (RDO 113A, 113B) |
| 2 (RDO 8, 9) 3 (RDO 13, 15) 4 (RDO 17A-20, 21C-23B) 9A (RDO 35, 37, 63) 9B (RDO 61, 62) 10 (RDO 64-68) 11 (RDO 71, 72, 73, 75) 12 (RDO 76, 78, 79) | 13 (RDO 83, 84) 14 (RDO 88) 15 (RDO 91, 93A) 16 (RDO 97, 99-102) 17 (RDO 103) 18 (RDO 110, 111) 19 (RDO 112, 114, 115) |
| 2 (RDO 7,10, 11, 12) 3 (RDO 14, 16) 6 (RDO 36) 10 (RDO 69,70) | 14 (RDO 85, 86, 89, 90) 15 (RDO 92, 93B, 94, 95, 96) 17 (RDO 104-106) 18 (RDO 107-109) |
| | Php 3,000,000.00 Million Pesos and below |

2. **RMO No. 2-2021²** - Streamlines the reportorial requirements of the Collection Service and the Divisions under it.

This order is issued to streamline the reports in order to:

- a) Rationalize the reports in order to effectively reduce the burden of redundant and voluminous reports, and maximize the time and resources of each office or division;
- b) Provide timely submission of information needed to be delivered by each office and division; and
- c) Prescribe format of the reports.

The frequency, manner of submission, distribution, and the deadline for submission of the required reports are specified in Annex A of the Order, which should be strictly complied with by concerned BIR offices. The reports enumerated in Annex B shall be discontinued.

Reports in soft copies, together with the scanned copy of the transmittal duly signed by the Head of Office, shall be submitted using the e-mail account of the Head of Office or his/her duly authorized representative. The date of e-mail of the sending office shall be deemed the date of receipt.

² Dated 10 December 2020, Issued on 05 January 2021

Non-compliance with the said reportorial requirements shall be considered a violation of office rules and regulations with penalty, as defined in the Revised Code of Conduct implemented by Revenue Memorandum Order No. 53-2010.

3. RMO No. 3-2021³ - Prescribes the procedures in the implementation of the Biometrics Time and Attendance System (BTAS) in the National Office, amending RMO No. 26-2012.

The *Biometric Time and Attendance System (BTAS)* shall serve and replace the BTR as the new computerized system for attendance monitoring of employees in the National Office and to provide a blueprint for future biometrics system of the Revenue Regional Offices.

In order to ensure the proper usage of the BTAS, and provide a unified policy on attendance and leave management, this order is issued with the following objectives:

1. Implement the policies regarding the usage of BTAS, especially on the generation of the Summary Reports of Attendance (SRA) and Daily Time Records (DTR) and to prevent any attempt to tamper or manipulate the actual attendance of officials and employees.
 2. Achieve uniformity and correctness in reporting, recording and monitoring of leave credits of BIR Personnel.
 3. To provide fraud-free capture of employees' time records using fingerprints technology.
 4. Provide the penalties and appropriate sanctions to officials and employees violating provisions of this order.
4. RMO No. 4-2021⁴ - Consolidates the policies and guidelines in the monitoring of attendance and leave management of revenue officials and employees amending RMO No. 28-2008, as amended by RMO No. 21-2011

All revenue officials and employees are required to use the Biometrics Time and Attendance System (BTAS) machines upon arrival in the morning (Check-in), during lunch break (Break-out and Break-in) and upon departure from office (Check-out). However, the following officials and employees are exempted and will only be required to manually log/record their daily attendance in the Daily Record of Attendance/Log Book (DRA) and correspondingly file their Application for Leave (AFL), if any:

- Commissioner of Internal Revenue (CIR)
- Deputy Commissioner of Internal Revenue (DCIR)
- Assistant Commissioner of Internal Revenue (ACIR)
- Head Revenue Executive Assistant (HREA)
- Chief of Staff (OCIR and ODCIR)
- Regional Director (RD)
- Assistant Regional Director (ARD)
- Other personnel as approved by the CIR due to the exigency of the service

³ Dated 02 December 2020, Issued on 06 January 2021

⁴ Dated 03 December 2020, Issued on 06 January 2021

- Employees whose fingerprints cannot be read by the biometrics machines due to sickness (skin disease or similar thereof) as validated and approved by their HREA/ARD.

All officials and employees must timely file their AFL with required attachments, if any, for approval/disapproval of their Approving Officer specified in the Order. For BIR NO officials and employees, the AFL must be filed in the ESS, for approval/disapproval.

The National Office (NO) officials and employees are required to file their missing time-log entries in the Employee Self Service (ESS) and provide the reason/s subject for online approval/disapproval by their Head/Assistant Head of Office. However, Regions may manually use the “Justification for Editing Biometrics Entries”, for approval/disapproval of their Head of Office, for records and audit purposes, until such time that they procured the required BTAS.

For employees authorized to render overtime (OT), they are required to use the biometrics machines to monitor their extended hours rendered. All employees shall be required to manually log-in in the DRA their check-in, breakout, break-in and check-out, and affixed their signature to record their presence in the Office. Any employee who is absent in the morning is considered to be tardy and is subject to the provisions on Habitual Tardiness, and those who are absent in the afternoon is considered to have incurred undertime, pursuant to Civil Service Commission (CSC) Memorandum Circular (MC) No. 17, s. 2010. Tardiness and undertime incurred is deductible to vacation leave credits only.

There shall be no off-setting of tardiness or absences by working beyond the regular or approved working hours for an equivalent number of minutes or hours by which an officer or employee has been tardy or absent. Employees on half-day/undertime shall be required to check-out in the biometrics machines and log-out in the DRA as they leave the Office.

As a general rule, employees whose duty require them to leave the office and work in the field shall check-in to the biometrics machines, register in the DRA, and accomplish the Daily Time Log Sheet Form signed by the Head of Office, except for instances when using the Biometrics Machine is not applicable as specified in the Order.

Employees availing of a flexi-time schedule shall seek the approval of the CIR. Priority of choice in the time-shift schedule shall be granted to those covered by existing policies such as solo parents, employees caring for senior citizen parents, Persons with Disability (PWD), employees with severe health conditions and undergoing medical procedures.

The time shift of 7:00 a.m. – 4:00 p.m. and 9:00 a.m. – 6:00 p.m. can only be availed of by those employees whose work require them to be in the office premises most of the time.

All offices are mandated to have at least a functioning skeletal work force for every hour covered by the shifting schedule. It shall be the responsibility of each Head of Office to ensure that the flexi-time schedule will not hamper the continuous delivery of service to the public.

An employee who has an approved flexible working schedule cannot change the chosen time shift one (1) year upon its effectivity.

The monthly Summary Report of Attendance (SRA) shall indicate information such as the minutes/hours of tardiness and undertimes of an employee per day and for the month as well as his/her leave of absence, among others.

The SRA with complete attachments shall be submitted to the Personnel Division (PD)/Administrative and Human Resource Management Division (AHRMD) on or before the 10th day of the following month. Consequently, the Regional Office SRA shall be submitted to the PD on or before the 15th day of the following month. Supplemental SRA with DTR of employees who were not able to submit the same on time, whether due to prolonged leave, pending issuance of their certificate of court appearance or Revenue Special Order (RSO) signed by authorized signatory, shall be submitted to the PD/AHRMD on or before the 25th of the following month.

The DTR of the employee with corresponding RSO to Department of Finance or other government agencies shall be signed by the Head of the Special Project.

The employee shall be included in the SRA of their mother unit. Large Taxpayers Service (LTS) employees assigned as Zone-in-Charge, Revenue Officer-on Premise (ROOP) and Excise Tax Area (EXTA) personnel shall submit their SRA and DTR to the BIR office where their payroll is being processed.

The Regional Office may procure a biometrics system similar to BTAS used by the NO or a higher specification biometrics system whether fingerprint scanning, face recognition or any other time recording machine, as long as the data output of said units must be compatible to BTAS of the NO in reference to the attached approved Terms of Reference.

Employee who renders work during the prescribe hours are entitled to fifteen (15) days vacation leave (VL) and fifteen (15) days sick leave (SL) credits annually or 1.25 days VL and 1.25 SL credits monthly, with full pay. However, employees with Leave Without Pay (LWOP), their earned leave credits per month will be reduced corresponding to the number of hours or days of their LWOP as per existing CSC Omnibus Rules on leave.

All Heads of Office must approve/disapprove all applications for leave filed by their employees within five (5) working days from receipt thereof, otherwise it shall be deemed approved. When an employee exhausted his/her sick leave credits, he can use his/her VL credits but not vice-versa (Section 56 of CSC Omnibus Rules on Leave).

New employees on probationary status may already avail all vacation and sick leave credits earned. However, they cannot avail the Special Privilege Leave (MC6) within their probationary period.

In the exigency of the service, applications for VL may be disapproved. In extreme cases, the Head of Office may recall an employee who is on approved VL. Thereafter, the unused VL shall be credited back to the leave credits of the employee.

Employees who incurred LWOP by exhausting their leave credits shall be cancelled from the General Office Payroll (GOP) and a Supplemental Payroll shall be prepared after compliance or submission of required documents to the PD/AHRMD.

Late submission of DTR and SRA of an office will result to late processing of Representation and Transportation Allowance (RATA) of officials. Non-submission of SRA and DTR for at least one (1) month is sufficient ground for suspension of salaries of all employees assigned at that Office. However, upon submission of the SRA and DTR with justification, the office concerned will be included in the next GOP.

Any employee shall be considered habitually tardy if he incurs tardiness, regardless of the number of minutes, ten (10) times a month for at least two months in a semester or at least two consecutive months in a year pursuant to CSC MC no. 23, series of 1998.

Any employee who incurs undertime, regardless of the number minutes/hours, ten (10) times a month for at least two months in a semester or at least two consecutive months in a year shall be liable for Simple Misconduct and/or Conduct Prejudicial to the Best Interest of the Service, as the case may be, pursuant to CSC MC no. 16, series of 2010.

Any employee in the civil service shall be considered habitually absent if he incurs unauthorized absences exceeding the allowable 2.5 days monthly leave credit under the leave law for at least three (3) months in a semester or at least three (3) consecutive months during the year. Unauthorized absences are those not covered with approved leave application or not notifying the immediate supervisor of his sick leave or emergency within the first two (2) hours of work in the morning/beginning hour of work for the day.

An employee is guilty of loafing if he/she incurs frequent unauthorized absences from duty during office hours. Head of Office shall report erring employees who are habitually absent/tardy/undertime/loafing to the Internal Investigation Division (IID) or Regional Investigation Division (RID), for issuance of a Show-Cause Order.

An employee who is on Absent Without Official Leave (AWOL) for at least thirty (30) calendar days shall be recommended by the ACIR/RD for dropping from the rolls. However, Heads of Office are reminded of their responsibility to immediately issue a Return-to-Work Order (RTWO) to employees on AWOL before recommending their dropping from the rolls. An Employee who is on LWOP exceeding one (1) year shall be automatically dropped from the rolls pursuant to Section 62, MC 41, series of 1998 of the CSC.

Separated employees shall be reported to the PD/AHRMD within five (5) working days upon receipt of the letter of retirement/resignation/death certificate to avoid salary overpayment. The Head of Office shall be required to accomplish and submit the Report of Separated Employees to the PD/AHRMD, for cancellation in the GOP.

An employee who transferred to the BIR from another government agency must submit a certificate of transferred leave credits issued by the Personnel Officer of the agency to the PD/AHRMD within sixty (60) days from reporting for duty.

For employees required to secure National or Regional Office Clearance, such as thirty (30) days leave or more, separation from service, etc., the Certificate of LWOP shall be attached by the PD/AHRMD and the corresponding payment are already indicated in the clearance with the attached official receipt issued by GSD/AHRMD-GSS.

The penalties for frequent unauthorized absences from duty during regular office hours and loafing; habitual tardiness and undertime; and non-compliance with the provisions of this RMO are prescribed in the Order.

5. RMO No. 5-2021⁵ - Amends certain provisions of RMO No. 18-2020 relative to application to participate in virtual learning and development programs

This order is issued to amend the policies for official local or foreign virtual learning and development program and procedures, including documentary requirements, for application to participate in virtual learning programs as provided under RMO No. 18-2020.

All invitations for official virtual learning and development programs shall be published thru Training Issuance. Direct application or self-solicited local and foreign scholarship, training, seminar, conference, or any other similar activities are discouraged.

All applications for official virtual learnings shall be subjected to Personnel Development Committee (PDC) or the Regional PDC (RPDC) deliberation. For foreign sponsored virtual learning, all applicants (whether from the National or Regional Offices) shall be processed by Training Management Division (TMD), subject to the deliberation and approval of the PDC at the National Office. For local-sponsored virtual learning, National Office applicants shall be processed by TMD, subject to the deliberation and approval of the PDC while Regional office applicants shall be processed by Administrative and Human Resource Management Division (AHRMD), subject to the deliberation and approval of the RPDC.

Applicant/s shall secure an email endorsement from the Deputy Commissioner (DCIR), Assistant Commissioner (ACIR) or Regional Director (RD) approving their application to the virtual learning. Applications lacking email endorsement from the DCIR/ACIR/RD shall not be processed. Applicants should be endorsed by the PDC/RPDC before registering to any official virtual learning program.

BIR officials and employees shall only be granted virtual learning deemed essential for the performance of their work activities. As such, those directly involved or performing functions connected with the subject matter of the learning and development program shall be prioritized.

All free-of-charge virtual learning and development programs will have no limitation on the number of attendee/s per office/division/district. Attendee/s should have no pending service obligation from previous official local or foreign learning and development programs. However, if there is really a need for the employee/s to attend the virtual learning, the employee/s shall submit a justification via email from the ACIR/RD but still subject to the recommendation and approval of the PDC/RPDC.

⁵ Dated 29 December 2020, Issued on 15 January 2021

Only two (2) qualified applicants per office/division/district shall be allowed to attend local-sponsored virtual learning and development program that requires funding. In cases of exigencies of the service, participants exceeding the number specified above may be sent upon recommendation of the PDC/RPDC, provided that the training activity is included in the office's Project Procurement Management Plan (PPMP).

Selected and approved employee/s shall make the arrangements to participate in local or foreign-sponsored virtual learning, such as registering or coordinating with the service provider, signing up for learning initiatives, requesting and coordinating with the Finance Service/Division for funding approval and others. If funded by the BIR, a cost relating to training fees shall be charged to the office's approved PPMP. Payment to the virtual learning and development program shall be made only upon receipt of confirmation/approval from the course administrator of the learning institution.

Participation to the official virtual learning and development programs may be included in the list of trainings upon submission of certificate of completion/attendance given by the external learning institution. Certificate of completion/attendance shall be forwarded to the Chief, Training Delivery Division, copy furnished Chief, TMD.

The scholar/grantee of official local and foreign-sponsored virtual learning shall be required to serve the agency or other government office or instrumentality as the exigencies of the service may require, for a period set hereunder.

| DURATION | SERVICE OBLIGATION |
|---------------------------------|--------------------|
| 6 months or more | 2 years |
| 2 months but less than 6 months | 1 year |
| less than 2 months | 6 months |
| less than 1 month | 3 months |

Scholarship/training service contract shall come into force and effect after the last day of the virtual learning and development program. The grantee/trainee shall serve as a Subject Matter Expert for training materials that will be developed.

Official or employee with salary grade 27 and below may not be allowed to attend to foreign-sponsored virtual learning and development program when they are due to retire within six (6) months after the said program.

The amended procedures, including documentary requirements, for application to participate in virtual learning and development programs are specified in the Order.

6. **RMO No. 6-2021**⁶ - Prescribes the revised guidelines on the assignment and re-assignment of Revenue Officers involved in Excise Tax functions to establishments where articles subject to Excise Tax are made or kept based on Republic Act Nos. 10963, 11346 and 11467

⁶ Dated 28 December 2020, Issued on 21 January 2021

This Order amends the previously issued guidelines under RMO No. 26-2017 dated June 14, 2017 and expands the coverage of Excisable Industry such as Sweetened Beverage, Cosmetics, Heated Tobacco and Vapor Products. Rezoning and reassignment are necessary to ensure the following:

- a. Equitable deployment of Revenue Officers on Premise (ROOPs) based on their individual performance and expertise;
- b. Optimum distribution of ROOPs to establishments, particularly those whose operators require effective supervision and strict monitoring which are crucial to the Bureau's efficient collection of excise taxes; and
- c. Establishment of data base through internal and external stakeholder's coordination for related excisable products information. Such expansion resulted to an increase in the number of excise taxpayers and its production plants, warehouses and/or depots requiring supervision and monitoring by a limited number of internal revenue officers involved in excise tax functions.

Assignment/re-assignment of ROOPs in Establishments Engaged in the Manufacture/Importation/Export of Excisable Products (EEMIEPs) every two (2) years thru a Revenue Travel Assignment Order/Revenue Special Order (RTAO/RSO) issued by the Commissioner shall be based on the following criteria:

- a. Individual Performance Commitment and Review (IPCR) rating for the last two (2) semesters;
- b. Industry Exposure;
- c. Involvement in Projects; and
- d. Other factors which shall include report of discrepancy/finding resulting into assessment and/or collection.

For purposes of optimizing ROOP distribution, establishments shall be classified according to type of taxpayers (whether manufacturer, importer, trader/dealer, etc.) and then prioritized and ranked according to:

- a) amount of annual Excise Tax payments based on removals for the last three (3) years and;
- b) average growth rate on Excise Tax payments based on removals for the last three (3) years.

No ROOP shall be re-assigned back to his last two (2) consecutive assignments in Zones except in meritorious cases. In the case of Excise Tax Areas (EXTAs), however, a ROOP may be allowed to be re-assigned to an establishment engaged in the manufacture of excisable products where he/she was previously assigned prior to his present place of assignment, only when deemed necessary.

As a general rule, the re-assignment of ROOPs and Zone-in-Charge (ZIC) deployed in Zones I to XVII shall be limited to establishments located within the areas of Zones I to XVII. Likewise,

re-assignment of ROOPs and Area Supervisors of EXTA shall be limited to establishments located within the jurisdiction of a particular EXTA. Provided, however, that when the exigencies of the revenue service so require, ROOP, Area Supervisor assigned in Zones I to XVII may be deployed to EXTA or vice-versa.

REVENUE MEMORANDUM CIRCULARS (RMC)

1. **RMC No. 1-2021**⁷ - Circularizes the consolidated Price of Sugar at Millsite for the Month of November 2020
2. **RMC No. 2-2021**⁸ - Prescribes the guidelines in the handling of enlisted/delisted Large Taxpayers

Pertinent to the postponement of the effectivity of the Enlisting/Delisting of Large Taxpayers, with reference to RMC No. 112 -2020, the following guidelines to be observed effective 1 January 2021:

- a. All transactions of the affected enlisted taxpayers, effectivity of which was postponed up to 1 January 2021, shall continue and remain to be handled by the Revenue District Offices (RDOs) where they are registered prior to 1 July 2020;
 - b. Transactions of delisted taxpayers may likewise now be accommodated and handled by the RDO having jurisdiction over the said taxpayers.
3. **RMC No. 3-2021**⁹ - Published the updated list of FOI Receiving Officers and one-page FOI Manual pursuant to Freedom of Information Memorandum Circular No. 01, s. 2020.
 4. **RMC No. 4-2021**¹⁰ - Prescribes the guidelines in the filing of tax returns, including the required attachments, and payment of internal revenue taxes.

Taxpayers required to use or voluntarily opt to use the eBIRForms can file their tax returns electronically and pay the corresponding taxes due thereon through any of the following:

- a. Authorized Agents Banks (AABs) under the jurisdiction of the concerned Revenue District Office (RDO) where the taxpayer is registered.
- b. Revenue Collection Officers (RCOs) under the RDO where the taxpayer is registered through the Mobile Revenue Collection Officer System (MRCOS) in areas where there are no AABs.
- c. Electronic Payment

Taxpayers who shall avail of the electronic payment (ePay) may access the ePay facilities by accessing the BIR website.

⁷ Dated 17 December 2020, Issued on 05 January 2021

⁸ Dated 06 January 2021, Issued on 08 January 2021

⁹ Dated 06 January 2021, Issued on 08 January 2021

¹⁰ Dated 22 December 2020, Issued on 08 January 2021

Taxpayers who will avail of Mobile Payment (GCash or PayMaya) shall download and install the GCash or PayMaya mobile application from the Google Play Store, Apple App Store or Huawei AppGallery.

Taxpayers/holders of BancNet ATM Card should register their account with BancNet in order to avail the bank's online payment facility. Taxpayers who have an account with the following BancNet participating banks can use their ATM Card in paying taxes online with LBP's Link.Biz Portal and DBP's Pay Tax Online:

- Asia United Bank
- BPI Direct BanKo
- CTBC Bank
- Citystate Savings Bank
- Development Bank of Philippines
- Enterprise Bank
- Entrepreneur Bank
- Equicom Savings Bank
- MASS SPECC
- Philippine Bank of Communications
- Phil. Postal Savings Bank
- Philippine Veterans Bank
- Philtrust Bank
- Sterling Bank of Asia
- Sun Savings Bank
- Tiaong Bank

Taxpayers shall bear any convenience fee that may be charged by banks and/or mobile companies for using their online payment facilities. Annex "A" of the Circular contains the steps on how to pay online.

The following taxpayers are required to use eBIRForms:

| Taxpayer | Related Issuance |
|---|------------------|
| Top Withholding Agents | RR No. 31-2020 |
| Accredited Tax Agents/Practitioners and all its client-taxpayers | RR No. 6-2014 |
| Accredited Printers of Principal and Supplemental Receipts/Invoices | |
| One-Time Transaction (ONETT) taxpayers who are classified as real estate dealers/developers; those who are considered as habitually engaged in the sale of real property who are using/filing BIR Form No. 1606, together with the BIR Form No. 2000OT and regular taxpayers already covered by eBIRForms | RR No. 9-2016 |
| Those who shall file a "No Payment Return" | |

| | |
|--|---------------|
| Government-Owned-or-Controlled Corporations (GOCCs) | RR No. 9-2014 |
| Local Government Units (LGUs), except barangays | |
| Cooperatives registered with National Electrification Administration (NEA) and Local Water Utilities Administration (LWUA) | |

Hereunder is the List of Taxpayers mandated to use the eFPS.

| Taxpayer | Related Issuance |
|---|---------------------------|
| Taxpayer under Taxpayer Account Management Program (TAMP) | |
| Accredited Importer and Prospective Importer | RR No. 10-2014 |
| National Government Agencies (NGAs) | RR No. 1-2013 |
| All Licensed Local Contractors | RR No. 10-2012 |
| Enterprises enjoying Fiscal Incentives (PEZA, BOI, Various Zone Authorities, etc.) | RR No. 1-2010 |
| To 5,000 Individual Taxpayers | RR No. 6-2009 |
| Corporations with Paid-Up Capital Stock of ₱10 Million and above | RR No. 10-2007 |
| Corporations with Complete Computerized Accounting System (CAS) | RR No. 10-2007 |
| Government Offices, in so far as remittance of withheld VAT and business tax is concerned | RR No. 1-2013 |
| Government Bidders | RR No. 3-2005 |
| Insurance Companies and Stockbrokers | RR No. 7-2044 |
| Large Taxpayers | RR No. 2-2002, as amended |
| Top 20,000 Private Corporations | RR No. 2-98, as amended |

The above-mentioned taxpayers who are not yet enrolled in the eFPS and have not yet enrolled in any eFPS-AAB shall use the eBIRForms for e-filing and pay the corresponding taxes through any payment facilities available. In case of newly-created tax returns that are not yet available in the eFPS facility but already available in the eBIRForms, taxpayers shall file the said returns using the eBIRForms and pay through any payment channel enumerated in Section I (A) of the Circular. Taxpayers who are otherwise not required to file electronically (either through the eBIRForms or the eFPS), nor voluntarily opt to do so, shall use the electronic or computer-generated returns or photocopied returns in its original format and in Folio/Legal size bond paper.

In the issuance and accomplishment of checks for the payment of internal revenue taxes, the taxpayer shall indicate in the space provided for "PAY TO THE ORDER OF" the following data: (1) presenting/collecting bank or the bank where the payment is to be coursed and (2) FAO (For the Account of) Bureau of Internal Revenue as payee. For Manager's or Cashier's Checks, the issuing bank shall indicate on the space for "PAY TO THE ORDER OF" the following data: (1) presenting/collecting bank or the bank where the payment is to be

coursed and (2) FAO (For the Account of) Bureau of Internal Revenue as payee and under the *Account Name* the Taxpayer's Name and Taxpayer Identification Number (TIN).

Electronically filed and/or paid returns using eBIRForms or eFPS without any attachment required, need not submit printed copy or e-filed tax returns to the office under the Large Taxpayers Service/Revenue District Offices.

Taxpayers with required attachments to their duly filed and paid tax returns shall be submitted through esubmission@bir.gov.ph.

However, for attachments to Annual/Quarterly ITRs duly filed electronically, an additional option is given to taxpayers otherwise not required to submit via SAWT their claimed tax credits per existing regulations. They may submit via Electronic Audited Financial Statement (eAFS) system. The email confirmation received from-eAFS shall serve as proof of submission of said attachments.

Filing of "No Payment Returns" by non-eFPS users shall be made electronically through the eBIRForms facility. Taxpayers who filed "No Payment Returns" electronically shall likewise be required to file for their subsequent tax filings electronically, regardless of payments.

However, the following can file manually their "No Payment Returns" with the RDO where they are registered using the electronic or computer-generated returns or photocopied returns in its original format and in Legal/Folio size bond paper.

- a. Senior Citizen (SC) or Persons with Disabilities (PWDs) filing for their own returns;
- b. Employees deriving purely compensation income from two or more employers, concurrently or successively at any time during the taxable year, or from a single employer, although the income of which has been correctly subjected to withholding tax, but whose spouse is not entitled to substituted filing; and,
- c. Employees qualified for substituted filing under RR No. 2-98 Sec. 2.83.4, as amended, but opted to file for an ITR and are filing for purposes of promotion, loans, scholarships, foreign travel requirements, etc.

In general, taxpayers who are required to file electronically but filed and paid manually shall be liable for violation tantamount to Wrong Venue filing pursuant to Section 248(A)(2) of the NIRC of 1997. In case of unavailability of eFPS covered by a duly released Advisory, taxpayers shall electronically file through the eBIRForms facility and pay the corresponding tax due thereon through the payment facilities provided for in item I.A of this Circular. However, in case of unavailability of both eFPS and eBIRForms facility through a duly released Advisory, taxpayers shall observe the procedures in manual filing and payment of taxes as provided for in Item II of this Circular.

5. RMC No. 5-2021¹¹ - Provides the simplified policies on the application for registration of Computerized Accounting System, Computerized Books of Accounts and/or its components, including Electronic Storage System, middleware and other similar systems

Similar Systems shall not be required to secure a Permit to Use (PTU). Instead, the "System" shall be registered subject to the following policies:

- A. Register the "System" by submitting the documentary requirements stated on the "Checklist of Documentary Requirements" (CDR) (Annex "A") to the RDO where the taxpayer is registered. BIR Form No. 1900 shall no longer be required.
- B. The "System" shall comply with the standards set forth under Annex "B" of the RMC. Otherwise, taxpayer-user shall be subject to penalties provided under Revenue Memorandum Order (RMO) No. 7-2015 and other existing revenue issuances.
- C. Upon submission of complete documentary requirements, an Acknowledgement Certificate (AC) (Annex "C") shall be issued within three (3) working days from receipt of the complete documents by the RDO. Permit to Use CAS, CBA and/or Components shall no longer be required.
- D. System demonstration or pre-evaluation shall not be required prior to the use of the "System". However, post-evaluation shall be conducted by the concerned RDO to determine compliance of the "System" registered with the Bureau to the standards set forth in Annex "B".
- E. All taxpayers with existing PTU CAS, CBA and/or its Components shall NOT be required to apply for registration. The approved PTU previously issued by the Bureau shall still be valid, except for the following circumstances:
 - PTU was revoked upon discovery of its non-compliance with existing revenue issuances during the conduct of authorized audit activity, Tax Compliance Verification Drive (TCVD) or Post-Evaluation.
 - Existence of major system enhancement or upgrade, which will require the filing of a new application for registration of the "System". In this case, the taxpayer must submit a new application for registration.
- F. Taxpayer must submit a new application for registration in case of major system enhancement.

In case a taxpayer is found to have used an enhanced/upgraded system/software/application without registering with the BIR prior to the use of such enhanced "system", the PTU originally issued shall be automatically revoked or the registration shall have no effect from the time the enhanced/upgraded system/software/application is adopted by the taxpayer and may still be subjected to applicable penalty under existing revenue issuances.

- G. In case of any minor system enhancement, e.g., user interface modification, bug fixes, performance improvements, etc., the taxpayer must submit a written

¹¹ Dated 28 December 2020, Issued on 08 January 2021

notification to their registered RDO/LT Office stating the specific minor enhancements on the system.

The detailed guidelines and procedures shall be provided regarding the registration of the "System" in a separate revenue issuance.

6. RMC No. 6-2021¹² - Prescribes the revised BIR Form No. 2200-M [Excise Tax Return for Mineral Products] January 2018 (ENCS)

The revised manual return is already available in the BIR website (www.bir.gov.ph) under the BIR Forms-Excise Tax Return Section. However, the form is not yet available in the Electronic Filing and Payment System (eFPS) and Electronic Bureau of Internal Revenue Forms (eBIRForms); thus, eFPS/eBIRForms filers shall continue to use the BIR Form No. 2200-M in eFPS and in Offline eBIRForms Package v7.7 in filing and paying the excise tax due. Once the return becomes available in the eFPS and in the Offline eBIRForms Package, a separate revenue issuance shall be released to announce its availability.

Manual filers shall download the PDF version of the form, print the form and completely fill out the applicable fields, otherwise penalties under Sec. 250 of the Tax Code, as amended, shall be imposed.

7. RMC No. 7-2021¹³ - Announces the availability of the Alphalist Data Entry and Validation Module (Version 7.0) and its updated file structures, standard file naming convention and job-aids.

The enhanced version now includes the alphalists for BIR Form Nos. 1600-PT, 1600-VT, 1604-C, 1604-F, 1604-E, as well as for the new BIR Form No. 1621 (Quarterly Remittance Return of Tax Withheld on the Amount Withdrawn from Decedent's Deposit Account) prescribed under Revenue Memorandum Circular Nos. 62-2018 and 76-2019. In addition, the generation process of the annual alphalists for 1604-E and 1604-F has been simplified under the Quarterly Alphalists of Payees, eliminating the need of manual re-encoding of the information.

The revised file structures of the alphalists enumerated below, the revised standard file naming convention, and the revised job aids are contained in Annexes "A", "B" and "C" of the Circular.

1. Monthly Alphalist of Payees under BIR Form Nos. 1600-VT and 1600-PT
2. Quarterly Alphalist of Payees under BIR Form Nos. 1601-FQ, 1601-EQ, and 1621
3. Annual Alphalist of Payees under BIR Form Nos 1604C, 1604E, and 1604F

¹² Dated 08 January 2021, Issued on 08 January 2021

¹³ Dated 28 December 2021, Issued on 08 January 2021

8. **RMC No. 8-2021**¹⁴ - Circularizes Republic Act No. 11467, titled "An Act Amending Sections 109, 141, 142, 143, 144, 147, 152, 263, 263-A, 265, and 288-A, and Adding a New Section 290-A to Republic Act No. 8424, as Amended, Otherwise Known as the National Internal Revenue Code of 1997, and for Other Purposes"

This Circular is hereby issued in order to inform all concerned taxpayers that the updated version of the Alphalist Data Entry and Validation Module (Version 7.0) is now available for use and can be downloaded from the website of this Bureau at www.bir.gov.ph.

The enhanced version now includes the alphalists for BIR Form Nos. 1600-PT, 1600- V.T, 1604-C, 1604-F, 1604-E, as well as for the new BIR Form No. 1621 (Quarterly Remittance Return of Tax Withheld on the Amount Withdrawn from Decedent's Deposit Account) prescribed under Revenue Memorandum Circular Nos. 62-2018 and 76-2019. In addition, the generation process of the annual alphalists for 1604-E and 1604-F has been simplified under the Quarterly Alphalists of Payees, thus eliminating the need of manual re-encoding the information. In this connection, the revised file structures of the alphalists enumerated below, the revised standard file naming convention, and the revised job aids are contained in Annexes "A", "B", and "C" of this Circular

9. **RMC No. 9-2021**¹⁵ - Circularizes Administrative Order No. 23 titled "Eliminating Overregulation to Promote Efficiency of Government Processes"

All national government agencies covered by Section 3 of Republic Act (RA) No. 9485, as amended, are directed to hasten the reform of their processes in order to eliminate overregulation. They shall retain only such steps, procedures and requirements as may be necessary to fulfill their legal mandates and policy objectives. All processes in excess thereof, including those which are redundant or burdensome to the public, shall be deemed manifestations of overregulation and shall be removed accordingly.

The entirety of an agency's processes for the availing of its services shall be subject to scrutiny, from the most established and longstanding aspects thereof to the most recent. The imposition of tedious or time-consuming regulations on socially beneficial activities, as to render such activity impossible or extremely difficult to undertake, shall be especially targeted for reform.

The Anti-Red Tape Authority (ARTA), pursuant to its mandates under RA No. 9485, as amended, in coordination with the Anti-Red Tape Unit established per covered agency, shall monitor and ensure compliance with this directive to eliminate overregulation.

Within sixty (60) working days from the effectivity of this Order, all national government agencies covered under Section 3 of RA No. 9485, as amended, shall provide the ARTA, copy furnished the Office of the President, with a Compliance Report on how their respective Citizen's Charters conform with the requirements of RA No. 9485, as amended.

¹⁴ Dated 11 January 2021, Issued on 11 January 2021

¹⁵ Dated 11 January 2021, Issued on 11 January 2021

For processes applicable to energy-related projects, the timeliness provided by RA No. 11234 shall be complied with.

10. **RMC No. 10-2021**¹⁶ - Publishing the full text of the Memorandum of Agreement between the Bureau of Internal Revenue and the Civil Aviation Authority of the Philippines

The CAAP consent to share with BIR confidential/personal data or information of their members which it collected in the performance of mandated duties and functions pursuant to Section 5 of the National Internal Revenue Code (NIRC) of 1997, as amended by the TRAIN law, to be utilized by the BIR for assessment, collection and enforcement of national internal revenue taxes only.

The BIR consent to share with CAAP personal data or information of the taxpayer not otherwise covered by Section 270 of the NIRC of 1997, as amended which it collected in the performance of its mandated duties and functions, subject to compliance with Section 4 of National Privacy Commission (NPC) Circular No. 16-02, to be utilized by CAAP for tax validation purposes only.

BIR warrants to treat any and/or all information by CAAP pursuant to the MOA with utmost confidentiality, in accordance with the Data Privacy Act, and for tax assessment, collection, and enforcement purposes only. BIR further agrees to hold CAAP and its officials and employees, free and harmless from any liability of whatsoever nature and kind from the misuse of any and/or all personal data or information from CAAP or on account of any breach of confidence committed by any employee and/or authorized representative of the BIR.

CAAP warrants to treat any and/or all information by the BIR pursuant to the MOA with utmost confidentiality, in accordance with the Data Privacy Act, and for tax validation purposes only. CAAP further agrees to hold BIR and its officials and employees, free and harmless from any liability of whatsoever nature and kind from the misuse of any and/or all personal data or information from BIR or on account of any breach of confidence committed by any employee and/or authorized representative of CAAP.

11. **RMC No. 11-2021**¹⁷ - Notifies of the missing five (5) sets of unissued BIR Form No. 2524 – Revenue Official Receipt

Revenue Official Receipt bearing serial numbers ROR201401283792, ROR201401283794, ROR201401283796, ROR201401283798, and ROR201401283800 were reported as missing and have consequently been cancelled.

12. **RMC No. 12-2021**¹⁸ - Circularizes the consolidated Price of Sugar at Millsite for the Month of December 2020

¹⁶ Dated 06 January 2021, Issued on 19 January 2021

¹⁷ Dated 20 January 2021, Issued on 22 January 2021

¹⁸ Dated 14 January 2021, Issued on 26 January 2021

13. **RMC No. 13-2021**¹⁹ - Announces the availability of the BIR Mobile Taxpayer Identification Number Verifier Application

This Circular is being issued to inform all internal revenue officers and employees, and all others concerned that the Bureau's Mobile Taxpayer Identification Number (TIN) Verifier Application, also known as the "BIR Mobile TIN Verifier App", is available for download on both the App Store (for iOS) and Google Play Store (for Android).

The BIR Mobile TIN Verifier App is a service channel for taxpayers to send online TIN validation and TIN inquiry using their mobile phones with real-time response from the concerned BIR Office.

However, acceptance of walk-in taxpayers to get the service shall still be available in all RDOs to serve our taxpayers with no access to the said mobile service.

14. **RMC No. 14-2021**²⁰ - Clarifies the effectivity date of Revenue Memorandum Order No. 47-2020 which imposed new documentary requirements for the processing of VAT Refund Claims pursuant to Section 112 of the Tax Code of 1997, as amended

The effectivity of RMO No. 47-2020 shall commence on January 19, 2021, which is the 15th day from its filing in the UP Law Center.

Taxpayers and revenue officials affected by the said RMO shall observe the following in the filing and processing of VAT refund claims:

a. VAT refund claims filed prior to January 19, 2021 shall be filed and processed following the guidelines and procedures set forth in Revenue Memorandum Circular No. 47-2019 and RMO No. 25-2019; and

b. VAT refund claims filed on or after January 19, 2021 (the effectivity date of RMO No. 47-2020) shall be filed and processed in accordance with the guidelines and procedures indicated thereto.

15. **RMC No. 15-2021**²¹ – Announces the availability of Central Business Portal

The CBP is an online system, which serves as a central system to receive applications and captures application data involving business-related transactions from different government agencies (Securities and Exchange Commission (SEC), BIR, Social Security System (SSS), PhilHealth and Pag-IBIG) and a platform that will promote the use of the electronic payment systems for the said agencies. The CBP has the following features/ functionalities:

a. Registration of Corporations with SEC and issuance of the corresponding Company Registration Number (CRN);

b. Issuance of Taxpayer Identification Number (TIN) of new corporations;

¹⁹ Dated 17 January 2021, Issued on 27 January 2021

²⁰ Dated 12 January 2021, Issued on 27 January 2021

²¹ Dated 27 January 2021, Issued on 27 January 2021

DISCLAIMER: The contents of this bulletin are summaries of selected issuances from various government agencies and Court decisions. They are intended for guidance only and as such should not be regarded as a substitute for professional advice.

- c. Identification of the national internal revenue taxes, which the new corporation will be liable to;
- d. Payment of the Annual Registration Fee (ARF) of Five Hundred Pesos (₱ 500.00) and Loose Documentary Stamp Tax (DST) of Thirty Pesos (₱ 30.00) through the ePayment facilities or manually at the Revenue District Office (RDO).

New Corporations opting to pay ARF and loose DST manually shall complete its business registration at the respective RDO by submitting the following CBP generated documents printed by the taxpayer, together with the Checklist of Documentary Requirements for Corporation:

- CBP Unified Application Form
- Accomplished Tax Type Questionnaire; and
- Pre-filled BIR Form No. 0605 (Payment Form).

- e. Generation of BIR electronic Certificate of Registration (COR), which can be printed in A4 paper size by the taxpayers. The electronic COR bears a Quick Response (QR) Code that serves as a security feature to prove the authenticity of the COR.

After securing the BIR electronic COR through the CBP, the taxpayer shall proceed to the RDO indicated in the electronic COR, to buy its BIR Printed Receipts/Invoices (BPR/BPI) in order to start its business operation immediately after its registration. Otherwise, it may apply for Authority to Print (ATP) its own receipts/invoices to be printed by BIR Accredited Printers.

For its initial implementation, the CBP shall be available to the following domestic corporations:

- a. Corporations with two (2) to four (4) incorporators;
- b. Regular corporations whose incorporators are juridical entities and/or the capital structure is not covered by the 25%-25% rule; and
- c. One Person Corporation.

Corporations not registering through the CBP shall comply with the documentary requirements provided in Annex A2.1 of Revenue Memorandum Circular No. 57-2020.

16. RMC No. 16-2021²² – Prescribes the guidelines in the submission of list of recipients of income exempt from Income Tax pursuant to RA No. 11494 (Bayanihan to Recover as One Act), as implemented under RR No. 29-2020

This Circular is issued to prescribe the template to be used for the required lists to be submitted pursuant to Revenue Regulations (RR) No. 29-2020 as per attached Annexes "A" and "B". In this regard, the deadline for the submission of the one-time list is hereby extended to January 31, 2021, to give employers/implementing agencies ample time to convert their lists into the prescribed format. However, the hard copies submitted shall be accompanied by soft copies contained in a Universal Serial Bus (USB) flash drive. The hard copies shall be stamped "**RECEIVED**" by the Bureau's receiving office once the soft copies in USB flash drive are copied and stored by the receiving Revenue Officer.

²² Dated 08 January 2021, Issued on 28 January 2021

Concerned receiving offices shall prepare a report and the Regional Office/Large Taxpayers Service shall submit the consolidated report in soft copy to the Planning and Management Service, Attention: Research and Statistics Division, not later than **February 10, 2021** for the one-time list.

For the submission of the quarterly report by concerned employers/implementing agencies, the deadline which is thirty (30) days after the close of all calendar quarters of 2021, is hereby reiterated. All employees hired during the year 2021, regardless if the said employee has previous employer or not, shall be included in the list. If they have previous employer, the information required in the prescribed template (Annex B) can be determined from the BIR Form 2316 issued by previous employer, thus, this BIR Form must be required.

17. RMC No. 17-2021²³ – Extends the deadline for the filing/submission of the Annual Information Return of Income Taxes Withheld on Compensation and Final Withholding Taxes (BIR Form Nos. 1604-C and 1604-F).

This Circular is hereby issued to inform all concerned taxpayers that the deadline of filing the Annual Information Returns (BIR Form Nos. 1604-C and 1604-F), including the submission of the 4th Quarter (QAP) and Annual Alphabetical List of Employees/Payees from Whom Taxes Were Withheld (alphalist) using the new version of the Alphalist Data Entry and Validation Module (Version 7.0) under Revenue Memorandum Circular (RMC) No. 7-2021, is hereby extended from January 31,2021 to February 28,2021.

Moreover, resubmission of alphalist that were already submitted prior to the issuance of the said RMC using the old version of the module is no longer required.

18. RMC No. 18-2021²⁴ - Clarifies issues with regard the filing of BIR Forms Nos. 1604CF, 1604C, 1604F, 1604E, 2316, and other matters.

Taxpayers shall use the following forms for filing:

| Tax Return | Type of Taxpayer | Type of Form | Version of Form | Filing Facility |
|------------------|---|--|------------------|-----------------|
| BIR Form 1604-CF | Mandated users of Electronic Filing and Payment System (eFPS) | Old consolidated form (BIR Form No. 1604CF) In case of unavailability, please use new forms in Offline eBIRForms Package. | July 2008 (ENCS) | eFPS facility |
| | Mandated users of Offline eBIRForms Package | | | |

²³ Dated 26 January 2021, Issued 29 January 2021

²⁴ Dated 27 January 2021, Issued on 02 February 2021

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| | | | | |
|----------------|---|--|---------------------------|---------------------------------|
| | Manual Filers** | New separated forms (BIR Forms Nos 1604C/1604F) | January 2018 | Offline eBIRForms Package |
| BIR Form 1604E | Mandated users of eFPS | Old In case of unavailability, please use new forms in Offline eBIRForms Package. | July 1999 (ENCS) | eFPS facility |
| | Mandated users of Offline eBIRForms Package | New | January 2018 (ENCS) | Offline eBIRForms Package |
| | Manual Filers** | | | |

The RMC also noted the following:

- BIR Form Nos. 1604-C, 1604-F and 1604-E are information returns considered as “No Payment Forms”. In line with Revenue Regulations No. 6-2014, as amended, the taxpayer shall file the returns using the Offline eBIRForms Package.
- The BIR will accept copies of the Certificate of Compensation Payment/Tax Withheld for Compensation Payment With or Without Tax Withheld (BIR Form No. 2316) without the signature of the employees, provided the certificates are signed by the authorized representative of the taxpayer/employer.
- Taxpayers who have already filed their tax returns online via the eFPS facility and Offline eBIRForms Package do not need to submit hard copies of the forms to the Revenue District Office where the taxpayer is registered.

END