

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

May 24, 2003

REVENUE MEMORANDUM ORDER NO. 19-2003

SUBJECT: Prescribing the guidelines in the verification of receipts submitted as entries in the 2003 BIR Text Raffle Promo entitled “**BAYAN, I-TXT ANG RESIBO**”

TO: All Internal Revenue Officials, Employees and Others Concerned

I. OBJECTIVE

This Order is being issued to provide the guidelines in the verification of the authenticity of invoices and receipts submitted as entries in the 2003 BIR Text Raffle Promo entitled “**BAYAN, I-TXT ANG RESIBO**”, and the course of action in cases of tax fraud or evasion.

II. RECEIPT VERIFICATION TEAMS

A Receipt Verification Team shall be created and formed in all Revenue District Office/s, and LTDOs. Each team shall be composed of the following:

Revenue District Office
Head: Assistant Revenue District Officer (ARDO)
Members: Taxpayer Assistance Section (TAS)

Large Taxpayers District Office
Head: Assistant Chief, LTDO
Members: LTDOs' Tax Assistance Unit

In the National Office, Receipt Verification Teams shall also be created and formed. Each team shall be composed of the following:

Team 1
Head: Asst. Chief, Large Taxpayers Assistance Division 1 (LTAD - I)
Members: LTAD – I personnel

Team 2
Head: Asst. Chief of the Large Taxpayers Assistance Division II (LTAD - II)
Members: LTAD – II personnel

Each Receipt Verification Team shall be under the direct supervision of the **Receipt Validation Group** of the SMS Raffle Promo Task Force created under Revenue Special Order (RSO) No.98-2003 dated March 18, 2003. In this regard, a list of the members composing each team shall be submitted to the head of the said group on or before May 30, 2003.

III. PROCEDURE FOR THE VALIDATION OF ENTRY

A. The Information Systems Operations Service shall:

1. Report the results of every draw to the Taxpayer Assistance Service for proper notification and coordination with the concerned offices.
2. Maintain the promo's database.
3. Generate and provide the following reports as described :

Report Description	User	Frequency
1. Discrepancy List of TINs with Official Receipts not in the series of registered ATP and/or OCN by RDO/LTDO/LTS	Receipt Verification Team	Weekly
2. Discrepancy List of TINs not in the TIN database: all invalid TINs to include details of entries and details of sender's name and address (threshold of Php1,000 and above)	Receipt Verification Team	Weekly
3. List all entries for non-computerized districts by RDO (threshold of Php1,000 and above)	Receipt Verification Team	Weekly
4. Complaints database: contents of the complaints database by RDO/LTDO/LTS	Receipt Verification Team	Weekly
5. List of Winners with registration information	Taxpayers Assistance Service	Monthly
6. List of consolation prize winners with the corresponding freebies won	Taxpayers Assistance Service	Monthly
7. Highest amount of entry lodged and with details of the merchant	Management	As per request
8. Statistics on the number of receipts issued by professional (i.e. doctors, lawyers, engineers	Management	As per request

etc.)		
9. Total amount of entries (valid and invalid) lodged in the database.	Management	As per request
10. Other reports as may be deemed necessary.		

B. The Receipt Verification Team shall:

1. Validate the receipt presented by the texting winner prior to notification and award of the issuer specifically on the following :
 - a. Official receipt number should be in the approved series of Authority to Print
 - b. Printers information
2. Transmit to the respective Chief, Tax Fraud Division and Special Investigation Division those receipts classified as spurious for determination if an investigation through the issuance of a Letter of Authority (LOA) against the erring individual or entity is warranted. If warranted, LOAs to be issued to the Tax Fraud Division or the concerned Special Investigation Division shall be made in accordance with existing revenue issuances on the matter.

C. RDOs/LTDOs/LTS

1. Investigate and validate further the reports submitted by the Receipt Verification Team particularly on the discrepancies of spurious/invalid receipts.

D. The Tax Fraud Division shall:

I. On Spurious/Invalid Receipts

1. Evaluate and validate the reports/receipts reported as spurious or invalid.
2. Determine if there is a need to apprehend and impose the appropriate administrative penalties and fines on the erring individual and/or business entity.
3. A report requesting for the issuance of Letter of Authority shall be prepared in accordance with existing revenue issuances, if warranted.

II. On Complaints for Non-issuance of Receipts thru SMS or telephone call

The procedure prescribed in Revenue Memorandum Order No. 12-93 (Guidelines in the filing of Confidential Information for Violations of the NIRC and Investigation By Authorized Revenue Officer) dated February 1, 1993, as

amended by the pertinent provisions of Section 282 of the NIRC of 1997, shall be observed therein.

In appropriate cases, the Chief, Tax Fraud Division thru the ACIR, Enforcement Service may refer and delegate the investigation thereof to the Special Investigation Division (SID) of the concerned Revenue Region having jurisdiction over the erring individual and/or business entity.

IV. EFFECTIVITY

This Revenue Memorandum Order takes effect immediately.

(Original Signed)
GUILLERMO L. PARAYNO
Commissioner of Internal Revenue