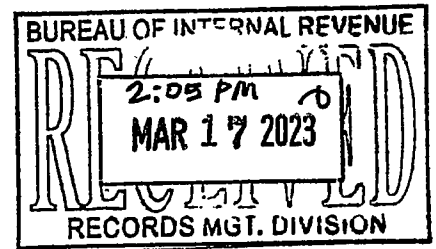




REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
National Office Building
Quezon City



REVENUE MEMORANDUM CIRCULAR (RMC) NO. 33-2023

SUBJECT : Clarification in the Issuance and Enforcement of Subpoena Duces Tecum

TO : All Internal Revenue Officers, Employees and Others Concerned

I. BACKGROUND

Section 5 of the National Internal Revenue Code of 1997, as amended (Tax Code), vests the Commissioner of Internal Revenue with the authority to obtain information, summon and examine, as well as take testimony of persons in ascertaining the correctness of any return or in determining the liability of any person for any internal revenue tax, or in collecting any such liability, or simply in evaluating tax compliance.

The Bureau of Internal Revenue (BIR or the Bureau) had issued several revenue issuances to properly implement Section 5 of the Tax Code, such as the issuance and enforcement of a Subpoena Duces Tecum (SDT) under Revenue Memorandum Order (RMO) No. 10-2013,¹ as amended by RMO No. 8-2014.²

However, the Bureau notes that the application of the current guidelines and procedures governing the issuance and enforcement of SDTs is focused on taxpayers under audit or investigation who failed to comply with the written notice for information or relevant records. These guidelines and procedures, however, also cover the assessment of tax compliance of taxpayers in general.

Thus, this Circular is issued to clarify that the issuance and enforcement of SDTs shall also apply in the monitoring and verification of taxpayers' compliance with relevant tax laws, as authorized under Section 5 of the Tax Code.

II. CLARIFICATION

The guidelines and procedures set forth in RMO No. 10-2013, as amended, shall also apply in the examination of any book, paper, record, or other data which may be relevant or material in evaluating tax compliance of taxpayers who is liable for tax or required to file a tax return.

¹ Revised Guidelines and Procedures in the Issuance and Enforcement of Subpoenas Duces Tecum and the Prosecution of Cases for Non-Compliance Therewith.

² Amendments to RMO No. 10-2013 dated April 17, 2013 on Revised Guidelines and Procedures in the Issuance and Enforcement of Subpoenas Duces Tecum and the Prosecution of Cases for Non-Compliance Therewith.

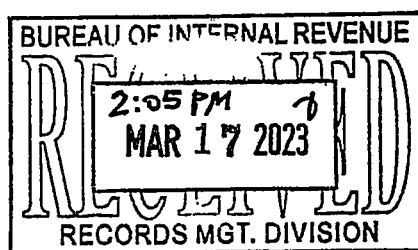
The following guidelines may be utilized by the Head of the Revenue District Office/Large Taxpayers Audit Division/Large Taxpayers District Office/National Investigation Division/Regional Investigation Division concerned or any other officer duly delegated by the Commissioner to aid in the monitoring and verifying the tax compliance of taxpayers:

1. For registered taxpayers, their tax compliance may be evaluated through the examination of the following documents, to wit:
 - a. Payment of annual registration fee (ARF)
 - b. Issuance of sales invoices or official receipts
 - c. Keeping of books of accounts
 - d. Timely filing of requisite tax returns and the payment of taxes due thereon
 - e. Withholding of tax on income payments subject to withholding and the timely remittance of tax withheld
 - f. Filing of required information returns, such as the summary list of sales/purchases (SLSP), annual alpha list of payees, etc. on or before the due dates prescribed by law or existing revenue issuances, whenever applicable
 - g. Other data which may be relevant or material in making such inquiry
2. For unregistered taxpayers, the concerned office shall notify them to register and pay voluntarily any unpaid taxes due on past transactions. In case of failure to register and/or pay the tax obligations, the concerned office shall endorse the case to the Regional Investigation Division or National Investigation Division for the conduct of preliminary investigation in preparation for the filing of a Run After Tax Evaders (RATE) case and/or for other tax enforcement actions, as may be warranted.

The procedures for the issuance and enforcement of SDTs, as prescribed under RMO No. 10-2013, as amended, must still be strictly observed by all concerned in compelling taxpayers to submit or otherwise present the required books, records and documents.

All revenue officials concerned are enjoined to give this Order as wide a publicity as possible.

This Circular takes effect immediately.




ROMEO D. LUMAGUE, JR.
Commissioner of Internal Revenue
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