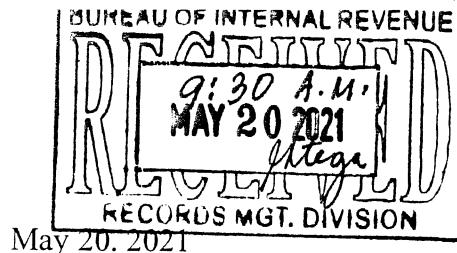




REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE



May 20, 2021

REVENUE MEMORANDUM ORDER NO. 17-2021

SUBJECT : Guidelines, Policies and Procedures in the Attainment of ISO 9001:2015 Quality Management System (QMS) Certification

TO : All Internal Revenue Officials, Employees and Others Concerned.

I. BACKGROUND AND OBJECTIVE

Executive Order (EO) No. 605 on Institutionalizing the Structure, Mechanisms and Standards to Implement the Government Quality Management Program (Amending for the Purpose Administrative Order No. 161, s.2006) was issued last February 23, 2007, directing all departments and agencies of the Executive Branch, including all Government Owned and Controlled Corporations (GOCCs) and Government Financial Institutions (GFIs), to adopt the Government-Wide Quality Management Program.

In compliance with the said EO, the BIR had successfully adopted, implemented, and received Certification on ISO 9001:2008 Quality Management System (QMS) for Business Registration Processes (Individual/Non-Individual) for all Revenue District Offices (RDOs) under Revenue Region No. 7 – Quezon City. ISO 9001 is being defined as the international standard that specifies requirements for QMS and is used to demonstrate the ability to consistently provide services that meet customer and regulatory requirements. The ISO Certification helped the Bureau to provide consistent, efficient and taxpayer-oriented quality service.

With the release of ISO 9001:2015 version, which is more on risk-based approach and analysis, the Bureau is aiming to sustain its ISO Certification by adopting the recent changes and expand the coverage of RDOs undergoing ISO Certification; hence, this Order is issued to provide guidelines, policies and procedures in the attainment of ISO 9001:2015 QMS Certification.

II. COVERAGE

The scope of the ISO 9001:2015 Certification includes the following Business Registration Processes:

1. Primary Registration

It is the process by which a person, whether an individual, including estates and trusts, or a corporation and other juridical entities, upon application and full compliance with the registration requirements prescribed under existing issuances and/or regulations, is registered with and consequently included in the registration database of the BIR. This includes application and issuance of Taxpayer Identification Number (TIN) and Certificate of Registration (COR).

2. Secondary Registration

It shall pertain to subsequent registration activities after the issuance of BIR COR, which includes the following activities:

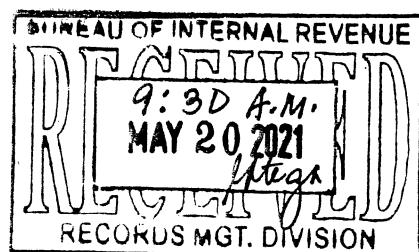
- a. Registration of Books of Accounts;
- b. Application for Authority to Print Principal Receipts, Invoices and other Supplementary Receipts/Invoices; and
- c. Registration of Cash Register Machines (CRMs), Point-of-Sales (POS) Machines, Special Purpose Machines (SPMs) and other receipting system which includes:
 1. Account Enrollment in eAccreg System; and
 2. Issuance of Permit to Use (PTU).

III. POLICIES AND GUIDELINES

To conform with the requirements of ISO 9001:2015 standards, the Bureau needs to adopt a risk-based approach process. This involves identifying potential risks and opportunities that may arise in the performance of services/functions. It also involves identification of preventive actions to minimize, if not eliminate the occurrence of such risks, which will ensure effectiveness of the implementation of QMS. A separate issuance will be issued for the detailed discussion on the identification and management of risks.

In the meantime, the following must be adhered to in relation to the attainment of ISO 9001: 2015 QMS Certification:

1. The Revenue Region shall manage the preparation and planning towards ISO Certification. All RDOs that intend to undergo such Certification must coordinate with their respective Region, in turn, the latter will coordinate with the Process Owner (Client Support Service, through Taxpayer Service Programs and Monitoring Division) in the National Office.
2. All RDOs intending to undergo ISO Certification and their respective Region must allocate funds in their Office's Project Procurement Management Plan (PPMP) to cover all expenditures related to the said Certification.
3. Preparation for ISO Certification shall be for a period of seven (7) to twelve (12) months based on the ISO QMS Road Map (Annex A).
4. Each Revenue Region shall form a Coordinating Team composed of personnel from the Office of the Regional Director and/or Assistant Regional Director and an Internal Quality Audit (IQA) Team represented by at least one (1) member per RDO and those from offices/divisions of the concerned Regional Office based on the qualifications provided herein who will oversee the compliance to the ISO 9001:2015 Standards of each RDO covered.
5. Any recommendation for update or change in the existing QMS policies shall be coursing through by the concerned office to the process owner for evaluation.

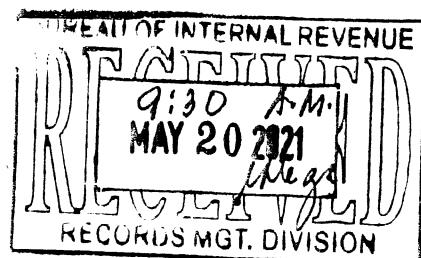


6. Once certified, the Regional Coordinating Team shall submit to the Process Owner the ISO 9001:2015 QMS Certificates for posting in the BIR Website under the Transparency Seal.

7. Under extraordinary circumstances like the Coronavirus Disease 2019 (COVID-19) pandemic, submission of requirements and/or other procedures that can be done online such as trainings and meetings must be employed to ensure observance of minimum health standards and other necessary protocols.

8. To measure the effectiveness and efficiency of QMS standards, the following Key Performance Indicators (KPIs) shall be maintained by the covered RDOs:

No.	Process	KPI Comparative Record and its Data Source/s	Target
1	TIN and TIN Card Application and Issuance		The KPI target is initially set at 75%.
2	Certificate of Registration (COR) & Authority to Print (ATP) Application and Issuance (Initial)	RDC System-Generated Transactions (Issued/Processed) versus CSS Transactional Record using Logsheet (Applied)	
3	Authority to Print (ATP) Application and Issuance (Subsequent)		
4	Books of Accounts Application and Registration		
5	eAccREG Account Enrollment	eAccREG System-Generated Transactions (Activated/Approved) versus CSS Logsheet (Applied)	
6	Cash Register Machine (CRM) and Point-of-Sale (POS) Approval and Issuance of Permit		
7	Customer Satisfaction Survey	Based on the result of Customer Satisfaction Survey	KPI target on level of satisfaction rating shall be 4.0
8	Accuracy on the Issuance of COR/ATP (Initial/New)	No. of CORs/ATPs Regenerated/Reprinted per RDC report less No. of CORs/ATPs Regenerated/Reprinted due to taxpayer and system errors vs. No. of CORs/ATPs processed per 1901/1903	Initial target set at 65% of the total no. of applications processed has no errors
9	Accuracy on the Issuance of COR (Subsequent/Update)	No. of CORs Regenerated/Reprinted per RDC report less No. of	Initial target set at 65% of the total no. of



		CORs Regenerated/Reprinted due to taxpayer and system errors vs. No. of COR Applications processed per 1905	applications for COR processed has no errors
10	Accuracy on the Issuance of ATP (Subsequent)	No. of ATPs	Initial target set
		Regenerated/Reprinted per RDC report less No. of ATPs Regenerated/Reprinted due to taxpayer and system errors vs. No. of ATP Applications processed per 1906	at 65% of the total no. of applications for ATP processed has no errors

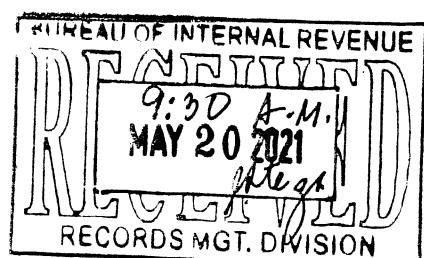
9. For ease of documentation and retrieval, documents processed by CSS for frontline services covered by ISO 9001:2015 Certification shall be properly filed and labelled in the following manner:

LABEL COLOR	LABEL CODE	DESCRIPTION
Red	AaB	Original Application of Certificate of Registration (COR) for Individual New Business Registrants, together with Application for Authority to Print (ATP) Receipts/Invoices
	AbB	Original Application of Certificate of Registration (COR) for Non-Individual New Business Registrants, together with Application for Authority to Print (ATP) Receipts/Invoices
	Ac	Updates to COR
Yellow	D	Registration of Books of Accounts
Blue	B	Subsequent Application of ATP Receipts/Invoices
Orange	O	Permit to Use Cash Register Machine (CRM) and Point of Sale (POS) Machine

IV. ROLES AND RESPONSIBILITIES

A. National/Regional Document Controller shall:

- 1) Establish, document, implement, and maintain a procedure for the control of documents and records;
- 2) Maintain the master copies and master list of the Quality Manual and ISO Manual, including the master list of externally generated documents and references;
- 3) Ensure that the current versions of controlled documents are available and quality forms are used; hence, prohibits the use of obsolete documents and records;
- 4) Ensure the traceability of documents;
- 5) Implement the enhancement of the procedure for control of records; and



- 6) Coordinate with Section and/or Division Heads on all matters concerning Records Management, specifically records generated from the Client Support Section.

B. Internal Quality Audit (IQA) Team shall:

- 1) Monitor and measure the effectiveness of all management system processes;
- 2) Ensure the continuous improvement particularly on the conformity of the organization as required with QMS standards;
- 3) Prepare and maintain audit plan and oversee its implementation;
- 4) Conduct internal quality audit to ensure that policies and procedures relative to QMS are strictly implemented;
- 5) Recommend necessary corrective actions through the issuance of a Corrective Action Request (CAR) Form for every non-conformity found during the conduct of audit;
- 6) Conduct follow-up audit to verify implementation and effectiveness of corrective action stated in CAR Form; and
- 7) Report to top management the status of the audit findings and other issues relative to QMS implementation.

C. Regional Coordinating Team shall:

- 1) Coordinate with the Process Owner the activities to be undertaken by the Region towards attaining the ISO Certification;
- 2) Coordinate the ISO activities with the ISO Core Team of the Region (IQA Team, Regional Director, Asst. Regional Director, RDOs and other concerned offices); and
- 3) Collate and follow-up reports, updates and other ISO-related matters to the concerned offices/personnel.

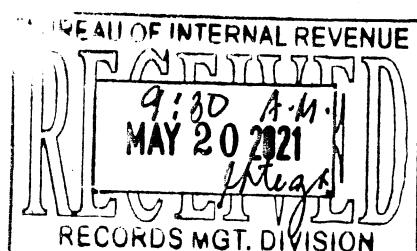
D. Support Team

a) Finance Division shall:

- 1) Ensure that funds required for provisions and maintenance of infrastructures and other expenses necessary for Regions/RDOs to perform tasks related to Business Registration in compliance with ISO standards are immediately provided and that funds required by QA Team in relation to trainings, meetings, seminars, workshops, travels and per diem are likewise provided.

**b) Administrative and Human Resource Management
Division/Administrative Section shall:**

- 1) Ensure that materials/supplies needed by Regions/RDOs are procured and delivered on time;
- 2) Ensure that work area/environment and other support services are being maintained to sustain the good working condition of concerned office;
- 3) Ensure that funding for seminars, trainings and other expenses related to QMS are included in the Project Procurement Management Plan (PPMP) and Annual Procurement Plan (APP); and
- 4) Ensure that all tasks performed are aligned with QMS standards.



c) Human Resource Management Section shall:

- 1) Ensure that concerned Regional/District employees are aware of their roles and responsibilities relative to the attainment of the Bureau's goals and objectives;
- 2) Review the results of competence evaluation conducted for Regional/District employees performing functions affecting service quality;
- 3) Facilitate conduct of appropriate Human Resource (HR) interventions (e.g. relevant trainings) to enhance employees's capabilities;
- 4) Ensure that the records of education, training (i.e. RSO/RRSO/Memorandum/Notices, certificates, attendance sheet, etc.), skills, and experience are maintained and updated accordingly in the 201 files of each employee; and
- 5) Process recommendations for promotions and QMS related trainings of QA Team members.

d) Client Support Section shall:

- 1) Perform all tasks related to Business Registration Process aligned with QMS standards; and
- 2) Recommend improvements/innovations in the delivery of frontline service to the Revenue District Officer/Asst. Revenue District Officer.

E. National/Regional Coordinators shall:

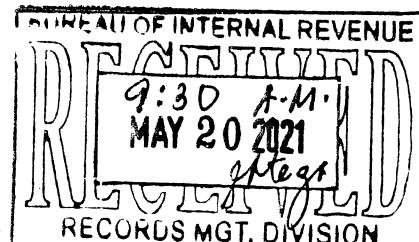
- 1) Prepare QMS documents (Work Plan, Notices of Meeting, Minutes of Meeting, Minutes of Management Review, Reminders/Call-ups expected assignment, RRSO, etc.);
- 2) Coordinate with the National/Regional QMS Team;
- 3) Coordinate with the QA Team about the status of Corrective Actions; and
- 4) Collate and make follow-up on reports, assignments and updates regarding matters related to QMS documentation.

F. The Revenue Data Center (RDC) shall:

- 1) Generate the required QMS reports for preparation of Key Performance Indicator (KPIs) of each covered RDOs;
- 2) Provide technical support to covered RDOs to ensure compliance with the QMS standards and efficient delivery of frontline services; and
- 3) Handle and maintain the Information and Communications Technology (ICT) requirements of the Bureau, such as hardware, software, network and office automation.

G. Planning and Management Service thru Management Division shall:

- 1) Draft revenue issuance and risk management manual detailing the process of identification and management of risks; and
- 2) Regularly assess and update such risks.



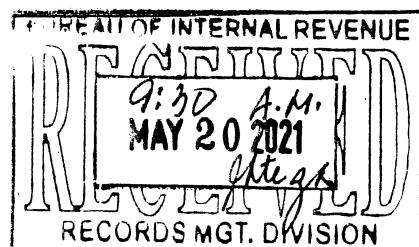
H. Process Owner [Client Support Service thru Taxpayer Service Programs and Monitoring Division (TSPMD)] shall:

- 1) Ensure that the quality policy and objectives are established, reviewed and maintained for the QMS and are compatible with the context and strategic direction of the organization;
- 2) Ensure integration of the QMS requirements into the organization's business registration processes;
- 3) Promote the use of the process approach and risk-based thinking;
- 4) Recommend approval of Quality Manual and procedures;
- 5) Evaluate requests for change in ISO-related procedures or documents for evaluation and consultation with concerned offices;
- 6) Approve QMS documents;
- 7) Participate in the conduct of initial and final gap assessment, management review and during the third party audit; and
- 8) Communicate/Disseminate any updates/changes made at the reasonable time to the concerned RDO.

V. PREPARATORY PROCEDURES

The Revenue Region and the Covered Revenue District Offices shall:

1. Identify the RDOs to undergo ISO Certification;
2. Conduct preliminary meetings with the concerned officials and personnel of the RDOs that will undergo ISO Certification to discuss issues and concerns and come-up with a detailed work plan in obtaining such certification. A sample of a detailed work plan is attached herewith as Annex B;
3. Identify the budget requirement and availability of funds to cover all expenditures related to ISO Certification including procurement of third-party auditor who will conduct audit of the identified RDOs. The concerned RDO and/or Regional Office intending to undergo ISO Certification may conduct an ocular visit with ISO-Certified RDOs to observe and interview personnel on the procedures undertaken and to identify resources to be used during their QMS Certification;
4. Prepare a memorandum addressed to the Process Owner (Client Support Service through TSPMD) signifying the intention of the Region to undergo ISO Certification. An uncontrolled copy of the ISO Quality Manual shall also be requested from the Process Owner that will provide the overview of the procedures and documents used by ISO-Certified district offices and that will serve as guide as well;
5. An IQA Team shall be created that shall oversee the compliance to the ISO 9001:2015 Standards of each RDO covered. The IQA Team shall be represented by at least one (1) member per RDO and those from offices/divisions of the concerned Regional Office, which must possess the following qualifications:
 - a. Appropriate Education (at least a bachelor's degree);
 - b. At least three (3) years in service; and



- c. With knowledge of the functions of Client Support Section and Administrative Section.

An IQA Head shall be assigned to lead the audit team in performing its functions. Moreover, IQA members shall be entitled to receive recognition in any form such as but not limited to the following;

- a. priority in promotion; and
 - b. receive per diem to cover food and transportation expenses during the performance of their functions as IQA members.
6. An ISO QMS Roadmap (Annex A) shall be prepared, with target dates of implementation, depicting the end-to-end process to be undertaken by Region gearing towards ISO 9001:2015 Certification.

VI. ISO QMS Roadmap

1. ISO Orientation

An ISO 9001:2015 orientation with 5S Seminar shall be conducted by the QMS Expansion Trainers Task Force to be attended by all employees in the Regional Office and covered RDOs, including Security Guards, Janitors and Job Orders. The said task force shall be identified in a separate Revenue Special Order (RSO).

2. Initial Gap Assessment

An Initial Gap Assessment shall be undertaken to determine the discrepancies between the actual practices of the covered RDOs versus the QMS standards. This procedure can be done by the QMS Expansion Trainers Task Force, in coordination with the IQA Team of the concerned Region. The QMS Expansion Trainers Task Force is defined in a separate Revenue Special Order (RSO), which will be composed of personnel from the ISO-Certified Regions and those from Client Support Service.

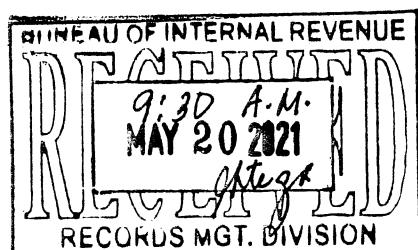
3. QMS Planning

The concerned Regional Office shall address the issues that were determined during the Initial Gap Assessment and shall plan the next activities towards ISO Certification.

4. ISO-Related Trainings

The following ISO 9001:2015 trainings shall be undertaken by the covered RDOs and support offices in the Regional Office:

- a) ISO 9001:2015 Awareness with Risk Assessment/Management Course
- b) QMS Documentation Information Requirements
- c) IQA Training with Root Cause Analysis



Note: The names and number of trainings may vary depending on the third-party service provider that the Region will contract.

5. Internal Quality Audit

An Internal Quality Audit (IQA) shall be conducted by the IQA members on all covered RDOs and support offices to evaluate their compliance to the QMS standards. If there are any observations/non-compliance identified by IQA Team, they shall issue a Corrective Action Request (CAR) Form to the office concerned. This will serve as basis for the concerned office to address the issue and to implement corrective action. The IQA Team shall monitor the CARs issued and validate its implementation and effectiveness.

6. Management Review

Before the conduct of third party audit or whenever necessary, a management review shall be conducted to ensure the effectiveness and continuing suitability of the quality system to meet the requirements of the standards. The review may cover, but not limited to, the following agenda items:

- a) Matters arising from the previous management review meeting
- b) Results of internal and external quality audits
- c) Customer feedback and satisfaction results
- d) Process performance and service conformity
- e) Status of corrective actions
- f) Changes that could affect the QMS
- g) Recommendations for improvement

7. Final Gap Assessment

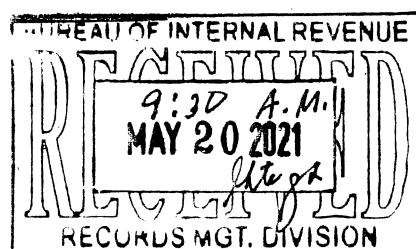
A Final Gap Assessment shall be conducted by the QMS Expansion Trainers Task Force, in coordination with the IQA Team of the concerned Region to evaluate the readiness of the covered RDOs and support offices to third party-audit based on the results of the Initial Gap Assessment and Internal Quality Audit.

8. Preparation for Certification

Services of a third-party ISO 9001:2015 certifying body that will conduct the actual audit of covered RDOs and support offices shall be procured.

9. Third-Party Certification Audit

During the conduct of third-party audit, an opening meeting shall be conducted to be attended by the officials from the concerned Regional Office and RDOs, IQA Team, auditees from the covered RDOs and representatives from the concerned RDC



and the Process Owner (Client Support Service through TSPMD) from the National Office. In the said meeting, the third party auditor shall discuss the audit plan to be used by such third party auditor.

A closing meeting shall likewise be conducted where the third party auditor shall discuss the results of the audit conducted.

VII. REPEALING CLAUSE

All revenue issuances or portions thereof inconsistent herewith are hereby modified or amended accordingly.

VIII. EFFECTIVITY

This Order shall take effect immediately.


CAESAR R. DULAY
Commissioner of Internal Revenue
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