REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

October 10, 2011

REVENUE MEMORANDUM ORDER NO. 41-2011

SUBJECT **:** **Consolidating and Enhancing the Guidelines and Procedure in Identifying, Handling, Closing and Monitoring Real/Actual and Invalid Stop-filer Cases**

TO **:** **All Internal Revenue Officers and Others Concerned**

I. OBJECTIVES

1. To consolidate and enhance the existing guidelines and procedure in identifying, handling, closing and monitoring real/actual and invalid stop-filer cases;

2. To set performance measurement and statistical reporting guidelines on stop-filer cases;

3. To properly monitor the closure of stop-filer cases; and

4. To define the duties and responsibilities of all concerned offices in the implementation of the Returns Compliance System (RCS) of the Bureau.

II. DEFINITION OF TERMS

For purposes of this Order and in order to provide clarity and better understanding of the policies and procedures in the implementation thereof, the following words and phrases herein provided are defined as follows:

1. **Stop-filer** – Refers to a registered taxpayer who is identified to have failed to file the required tax return within the prescribed due date.

2. **Stop-filer Case** – Refers to a case created by the RCS due to an identified stop-filer, for computerized Revenue District Offices (RDOs), or manually identified stop-filer, for non-computerized RDOs, for assignment to a Case Officer for appropriate action and monitoring.

3. **Returns Compliance System** – This is an Integrated Tax System (ITS) module which identifies all registered taxpayers who failed to file their tax returns within the prescribed time frame.

4. **Real or Actual Stop-filer Case** – Refers to a stop-filer case that should be the subject of enforcement action by the RDO after due determination by the Case Officer that the same is not one of the cases that are considered as invalid stop-filer cases.

5. **Invalid Stop-filer Case** – Refers to a case that has been automatically created by RCS or manually identified by the non-computerized RDOs, the creation/identification of which falls under any of the following reasons upon evaluation by the Case Officer:

    a. Erroneous registration of taxpayer's tax types/form types;

    b. Collection and Bank Reconciliation System (CBRS) and Returns Processing System (RPS) suspension due to invalid Taxpayer Identification Number (TIN), tax type, form type and return period;

    c. Non-encoding of no-payment returns;

    d. Non-encoding of with payment-returns coupled with failure to upload the Limited Bank Data Entry (LBDE) data transmitted by the Authorized Agent Banks (AABs) to the ITS;

    e. System configuration error such as wrong codes tables brought about by incorrect legislative due dates, old form types, and un-updated or wrong holidays;

    f. Non-encoding/non-uploading of the Alphabetical List of Employees and Payees required to be attached to BIR Form Nos. 1604 CF (Annual Information Return of Income Taxes Withheld on Compensation and Final Withholding Taxes) and 1604 E (Annual Information Return of Creditable Taxes Withheld [Expanded]/ Income Payments Exempt from Withholding Tax); and

    g. Error in the manual encoding of the taxpayer's information details using the ITS Create a Case facility as a result of re-creation of a stop-filer case in the ITS arising from inadvertent closure thru data fix of the originally identified stop-filer case.

6. **Habitual Stop-Filer** – Refers to a registered taxpayer who has been subjected to

    a) at least two (2) ocular inspections or six (6) real stop-filer cases of any tax type, or created stop-filers for three (3) periods for a particular tax type due to non-filing of monthly and quarterly returns; or

    b) at least one (1) ocular inspection or two (2) real stop-filer cases for a particular tax type due to non-filing of annual tax returns/annual information return and/or alphabetical lists of recipients of income from whom taxes were withheld.

7. **Taxpayer Account Management Program (TAMP) –** refers to the monitoring of top business taxpayers under the jurisdiction of each RDO, whether individuals or non-individuals, which account for at least eighty percent (80%) of the district's total collections.

8. **TAMP Taxpayer –** For purposes of this Order, this refers to any taxpayer that has been identified by the RDOs as one of their top taxpayers covered by TAMP and whose stop-filer cases will be strictly monitored for purposes of determining the performance of the RDOs in the resolution of stop-filer cases.

9. **Key Performance Indicator (KPI)** – Refers to a set of measures that helps the Bureau determine if the concerned office in the Bureau is reaching its performance and operational targets.

III. POLICIES

1. For computerized districts, the stop-filer cases shall be automatically created under the RCS facility if there are no system-identified returns or payments posted in the taxpayer's ledger after the set grace period. For this purpose, the grace period for the creation of stop-filer cases, after the prescribed due dates for the filing of the returns shall be:

   - fifteen (15) days for monthly returns,
   - thirty (30) days for quarterly returns, and
   - sixty (60) days for annual returns.

   Examples:

Tax/Form Type	Filing Frequency	Legislative/ Administrative Due Date	Grace Period	System Run Date/ Creation of Stop-filer Cases
Withholding Tax	Monthly	On or before the 10th of the following month	15 days	25th day of the month of filing
Percentage Tax	Monthly	On or before the 20th day of the following month	15 days	5th day of the following month
Value Added Tax (VAT)	Quarterly	On or before the 25th of the following month	30 days	25th day of the following month
Income Tax	Annual	On or before the 15th day of the 4th month following the close of the taxable year	60 days	60 days after the legislative due date

   For the remaining four (4) non-computerized RDOs, namely: RDO No. 94-Isabela, Basilan; RDO No. 95-Jolo, Sulu; RDO No. 96-Bongao, Tawi-Tawi; and RDO No. 102-Marawi City, their performance in the handling and resolution of stop-filer cases shall still be monitored. However, the identification, closure and monitoring of stop-filers shall be done manually by the concerned RDOs.

2. In order to assist the Large Taxpayers Service (LTS), Regional Offices (ROs), RDOs, Large Taxpayer District Offices (LTDOs), and the other concerned Divisions under the LTS that are responsible in the identification, monitoring, resolution and closure of their respective stop-filers cases, the stop-filer related reports listed under Item Nos. 1 to 14 herein below shall be generated by the concerned RDCs every 2nd Saturday of the month. On the other hand, the reports listed under Item Nos. 15 and 16 shall be generated every 3rd Saturday of the following month. The said system-generated reports shall be converted by the RDCs in excel format for transmission to the concerned offices in soft

copy thru email or Compact Disk (CD) not later than the 3rd and 4th Fridays of the stop-filer generation month, respectively.

These reports shall also be used by the aforementioned offices and by top management in determining the concerned offices' respective efficiencies in the handling of stop-filer cases, as well as in measuring the extent of the contribution of the Bureau's Stop-filer Program in the generation of the revenues from non-compliant taxpayers.

No.	Name of Report	Frequency of Generation	Reference
1	Monthly Report on Stop-filer Cases Created and Closed for Cases Covered by Taxpayer Account Management Program (TAMP) for Individual, Corporate and All Taxpayers (statistics only)	Monthly	(Annex "A-1")(Individual Taxpayers) (Annex "A-2") (Corporate Taxpayers) (Annex "A-3") (All TAMP Taxpayers)
2	Monthly Report on Stop-filer Cases Created and Closed for Cases not Covered by TAMP for Individual, Corporate and All Taxpayers (statistics only)	Monthly	(Annex "A-4")(Individual Taxpayers) (Annex "A-5") (Corporate Taxpayers) (Annex "A-6") (All Non-TAMP Taxpayers)
3	List of Open Stop-filer Cases Covered by TAMP	Monthly-transmitted to the RDO within five (5) days after the end of each month	(Annex "A-7")(Individual Taxpayers) (Annex "A-8") (Corporate Taxpayers)
4	List of Open Stop-filer Cases Not Covered by TAMP	Monthly-transmitted to the RDO within five (5) days after the end of each month	(Annex "A-9")(Individual Taxpayers) (Annex"A-10")(Corporate Taxpayers)
5	Summary of Open Stop-filer Cases (TAMP and Non-TAMP)-Statistics only	Monthly	(Annex "A-11")
6	Monthly Stop-filer Resolution Efficiency (According to Ageing of Dockets per Taxpayer)	Monthly	(Annex "A-12") (TAMP) (Annex "A-13") (Non-TAMP)
7	Consolidated Monthly Regional Stop-filer Resolution Efficiency (According to Ageing of Dockets per Taxpayer)	Monthly	(Annex "A-14") (TAMP) (Annex "A-15") (Non-TAMP)

8	Monthly Stop-filer Resolution Efficiency (According to Ageing of Dockets as to Number of Cases)	Monthly	(Annex "A-16") (TAMP) (Annex "A-17") (Non-TAMP)
9	Consolidated Monthly Regional Stop-filer Resolution Efficiency (According to Ageing of Dockets as to Number of Cases)	Monthly	(Annex "A-18") (TAMP) (Annex "A-19") (Non-TAMP)
10	Monthly Stop-filer Resolution Efficiency (According to Number of Open Cases per Taxpayer)	Monthly	(Annex "A-20") (TAMP) (Annex "A-21") (Non-TAMP)
11	Consolidated Monthly Stop-filer Resolution Efficiency (According to Number of Open Cases per Taxpayer)	Monthly	(Annex "A-22") (TAMP) (Annex "A-23") (Non-TAMP)
12	Monthly Report on Stop-filer cases Created and Closed (TAMP and non-TAMP) per RO, per RDO	Monthly	(Annex "A-24")
13	Consolidated Regional Monthly Report on Stop-filer Cases Created and Closed for Cases Covered by Taxpayer Account Management Program (TAMP) for Individual, Corporate Taxpayers and All Taxpayers (statistics only)	Monthly	(Annex "A-25") (Individual Taxpayers) (Annex "A-26") (Corporate Taxpayers) (Annex "A-27") (All Non-TAMP Taxpayers)
14	Consolidated Regional Monthly Report on Stop-filer Cases Created and Closed for Cases not Covered by Taxpayer Account Management Program (Non-TAMP) for Individual, Corporate Taxpayers and All Taxpayers (statistics only)	Monthly	(Annex "A-28") (Individual Taxpayers) (Annex "A-29") (Corporate Taxpayers) (Annex "A-30") (All Non-TAMP Taxpayers)
15	Monthly Report of Collection from Stop-filer Cases Covered by TAMP	Monthly	(Annex "A-31") (Individual Taxpayers) (Annex "A-32") (Corporate Taxpayers)
16	Monthly Report of Collection from Stop-filer Cases Not Covered by TAMP	Monthly	(Annex "A-33") (Individual Taxpayers) (Annex "A-34") (Corporate Taxpayers)

A soft copy in excel format of the abovementioned reports listed under Item No. 1 to 14, except for Annexes "A-7", "A-8" , "A-9", "A-10" and "A-24", shall likewise be submitted by the concerned RDCs to the Collection Programs Division (CPD) on or before the 3rd Friday while reports listed under Item No. 15 and 16 shall be submitted on

or before the 20th of the stop-filer generation month, for monitoring and evaluation purposes.

For computerized RDOs, including all concerned LTS offices, these monthly ad hoc reports shall be generated using the "script" developed by the Systems Maintenance and Support Division (SMSD). Once the Taxpayer Compliance Reports and Correspondences under the Tax Compliance System in the Enhanced Tax Information System (eTIS) are in place, these reports shall be automatically generated by the said system.

For non-computerized RDOs, the abovementioned reports shall be manually prepared by the concerned RDOs for submission to the concerned Regional Collection Division. The Regional Collection Division shall, in turn, transmit the copy of the said reports to the CPD on or before the 15th day of the following month, also for evaluation and monitoring purposes.

3. The reason(s) for the tagging of any taxpayer as a stop-filer shall be verified to determine whether or not the case is valid. In case the reason(s) for the creation of stop-filer case falls under Section II.4 of this Order, immediate resolution of the stop-filer case should be undertaken by the RDOs/LTS Office in order to avoid the future creation of invalid stop filer cases for the same taxpayer for the same reason. The RDOs/LTS Office should immediately address or take action on the root causes for the tagging of the taxpayers as invalid stop-filers so that only the real/actual stop-filer cases should be subjected to enforcement actions.

    However, with regard to the taxpayers under the TAMP, the List of Stop-filers generated therefrom shall always be presumed as a clean list (i.e., the correct tax types and form types are registered, the returns and payment data are timely encoded/posted in the RPS and CBR, etc.) unless proven otherwise. Accordingly, the cases listed therein are prima facie considered as real/actual stop-filer cases.

4. In general, only Revenue Officers-Assessment shall be authorized to handle stop-filer cases. However, when deemed necessary and under meritorious reasons, and at the discretion of the RDO/Chief, LTS Office, stop-filer cases can also be assigned to Revenue Officers-Collection.

    TAMP cases shall be automatically assigned to the Group Supervisor/Revenue Officers/Case Officers identified as the Group Supervisor/ Revenue Case Officers of the Taxpayer in the TAMP List generated and approved by the RDO/Chief, LTS Office. However, the RDO/Chief, LTS Office shall have the authority to reassign case/s from one Revenue Officer/Case Officer to another, whenever the need arises; and the reassignment thereof shall be done manually. For non-TAMP cases, both the assignment and reassignment of the cases shall be done manually. The ITS Online Assign/Reassign facility shall be used for this functionality.

5. The RDOs, LTDOs, and the other concerned Divisions under the LTS must submit to the concerned RDC the lists of their respective Revenue Officers and Group Supervisors, together with the names of the TAMP taxpayers specifically assigned to them, for uploading in the ITS.

In case of transfer of a Group Supervisor/Revenue Officer to another office, or reassignment of TAMP taxpayers to be monitored by the Revenue Officer/Group Supervisor within the same office, the concerned head of the abovementioned offices must immediately notify in writing the concerned RDC on such personnel movement/TAMP reassignments so that necessary updating of the ITS-CMS database can be effected. Once updated, the account/username of the Case Officer/Group supervisor shall also be granted with the appropriate case type code (e.g. RCS case type) by the concerned RDO using the CMS Case Access Online facility.

The reassignment of a case from one Case Officer/ Group Supervisor to another Case Officer/ Group Supervisor extinguishes the former's obligations and authority over the subject case.

6. The following Key Performance Indicator (KPI) for Stop-Filer Resolution shall be used to evaluate the performance of all concerned offices in the handling and resolution of stop-filer cases:

KPI	FORMULA
No. of Stop-filer cases closed	No. of Stop-filer Cases Closed / No. of cases handled (beginning plus current)

For this purpose, only the taxpayers covered by TAMP shall be initially considered in determining the RDO's/LTS Office's attainment of the target set for stop-filer's KPI. The stop-filer cases generated for non-TAMP taxpayers, however, shall still be acted upon and monitored by all RDOs/LTS Offices and concerned LTS offices for potential collection and possible inclusion in the measurement of their respective performance in the future.

The remaining four (4) non-computerized RDOs shall nevertheless be covered by the set KPI measurement. However, the identification, closure and monitoring of stop-filers shall be done manually by the concerned RDOs. On the other hand, the CPD, in coordination with other concerned offices of the Bureau, may formulate the methodology in validating the accuracy of the stop-filer reports being submitted by these non-computerized RDOs.

The System Operations Division (SOD) shall be responsible for the monthly generation of the stop-filer KPI reports, Individual Taxpayers *(Annex "B-1")*, Non-Individual *(Annex "B-2")* and All Taxpayers *(Annex "B-3")* of the RDOs and the offices under the

LTS based on the script developed by the System Maintenance Support Division (SMSD). The said KPI reports shall be submitted by SOD to CPD not later than the 20th day of each month.

With respect to non-computerized district offices, CPD shall manually compute their respective KPIs based on their manually submitted monthly stop-filer reports. For clarity and uniformity in the computation thereof, a sample computation of the said KPI on stop-filer resolution is presented below:

ITEM DESCRIPTION	PERIOD COVERED			REMARKS
	January	February	March	
Beginning Inventory	20	43	23	This shall refer to the total number of stop-filer cases which remained unresolved at the beginning of the month. This is also the ending inventory of the previous month.
Add: Cases Identified During the Month	35	30	17	This shall refer to the total of all the stop-filer cases manually identified by the non-computerized RDO during the month.
Total Stop-filer Cases Handled	55	73	40	This is the sum of the beginning inventory and those identified stop-filer cases during the month. This represents the total of stop-filer cases that need to be resolved by the non-computerized RDOs during the stop-filer resolution month.
Less: Cases Closed for the Month	12	50	25	This shall pertain to all the cases closed/resolved during the month and shall be used as the basis of the KPI computation.
Ending Inventory	43	23	15	This shall refer to the cases which remained unresolved at the end of the month and will be carried over to the succeeding month.
KPI for the month	12/55 =21.81%	50/73 =68.49%	25/40 =62.50%	Computed KPI on stop-filer resolution.

7. The TAMP taxpayers for RCS purposes shall refer to the same taxpayers included in the list of taxpayers generated by the Information Systems Group (ISG) that were subsequently validated by each RDO/LTS Office as their top taxpayers for purposes of measuring their respective performance on the set KPI for tax returns encoding.

The ISG may generate an updated list of top taxpayers whose respective total annual tax payments, if aggregated with the payments of other taxpayers, comprise eighty percent (80%) of the total RDO/LTS Office collections. The said updated list shall be validated by the concerned RDOs/LTS Offices within the set deadline. In the event that the RDO/LTS Office fails to conduct the necessary validation within such set deadline, the

top taxpayers included in the system-generated updated list of TAMP taxpayers shall automatically be the RDO's top taxpayers to be strictly monitored under the TAMP.

The updated/revised number of taxpayers covered by the TAMP shall, in no case, be less than the existing TAMP-identified taxpayers. Once the taxpayer has been identified as a taxpayer under the TAMP, he/she/it shall continue to be classified as such until otherwise delisted. However, other taxpayers may be included in the TAMP list if their total annual tax payments are more than the tax payments of any of the taxpayers included in the current TAMP list.

If a stop-filer case of a non-TAMP taxpayer has been erroneously included in the List of TAMP Stop-filer cases, the case shall be treated and resolved as a TAMP stop-filer case. The delisting of the said taxpayer from the RDO's/LTS' TAMP list shall only be allowed upon resolution of all open stop-filer cases pertinent to the said taxpayer by the concerned RDO.

In case there are deletions to the existing list due to transfer of business registration to another RDO/LTS Office, retirement from business/cessation of the taxpayer's business operations, business reorganization such as merger or consolidation, and other similar or analogous circumstances, the RDO/ Chief,LTS Office shall immediately recommend for the replacement of the deleted taxpayers to complete the list of TAMP taxpayers. For this purpose, the taxpayer/s appearing in the ranked list of the ISG-generated top taxpayers immediately after the cut-off number during the last/previous selection process shall be added to the TAMP taxpayers list.

In case of transfer of any TAMP taxpayer from one RDO/LTS Office to another RDO/LTS Office, the said taxpayer shall be automatically included in the list of TAMP taxpayers of the new RDO/LTS Office, unless otherwise justified in writing by the said RDO/LTS Office and subsequently approved by the DCIR-ISG.

The resolution and closure of all open stop-filer cases of taxpayers that have transferred from one RDO/LTS Office to another shall be handled and pursued by the new RDO/LTS Office. Since the said taxpayers shall be automatically considered as TAMP taxpayers in the new RDO/LTS Office, these open stop-filer cases shall be added in the inventory of pending TAMP stop-filers of the new RDO/LTS Office.

For KPI purposes, the open stop-filer cases of TAMP taxpayers that have ceased operations due to retirement of business, business reorganization, etc. shall still be included in the pending cases of TAMP taxpayers until these are finally resolved and closed.

8. Notices/letters shall be sent only to validated real/actual stop-filers. For this purpose, only one reminder letter with the cumulative list of all the unfiled returns at the end of a given month shall be sent monthly to the taxpayer.

If the taxpayer identified as real/actual stop-filer failed to respond within five (5) days from receipt of the Initial Reminder Letter/Preliminary Notice *(Annex "C-1")*, a Final Reminder Letter/Final Notice *(Annex "C-2")* shall be issued. The taxpayer is given ten (10) days within which to respond to the said Final Reminder Letter/Notice. In case the taxpayer again failed to respond thereto, an ocular inspection/surveillance shall be conducted by the RDO/LTS Office. If the said taxpayer is found to be an existing one and the offense was committed for the first time, the RDO/LTS Office shall require the taxpayer to file the unfiled returns but with warning that succeeding violations would be a subject of judicial action. Accordingly, if a taxpayer has been tagged as a habitual stop-filer, as defined under Section II.2 of this Order, a recommendation must be submitted to the concerned Office under the Legal Group for the institution of the necessary judicial action (action for non-filing of return/payment of the tax). The issuance of Electronic Letter of Authority (eLA) for audit as well as closure of business establishment under Sec. 255 of the Tax Code, as amended, may be resorted to, if warranted and legally feasible.

On the other hand, if upon ocular inspection, the taxpayer could not be located in its registered business address as reflected in its Certificate of Registration, the records of utility companies (e.g. telephone, water or electric companies) or the Securities and Exchange Commission (SEC), the Department of Trade and Industry (DTI), or the Local Government Units (LGUs) may be consulted to determine the current address of the taxpayer. Nonetheless, if the taxpayer is found to have permanently ceased operations or has dissolved because of merger/consolidation, an audit must be conducted since the business has retired or is considered to have already retired. If there is just a temporary stoppage of operations, the taxpayer must be required to file returns with notation of "No Operations". If the taxpayer has already transferred to another district with the confirmation of the said district, all the records pertinent to the taxpayer must be transferred to that district. If the taxpayer was tagged as a stop-filer because of inaccurate registration data, the immediate cleansing of the unclean registration database must be done.

The ACIR-LTS and the Regional Director (RD) shall be the signatory to the Final Reminder Letter on stop-filers, as the case may be. However, if it is deemed necessary, this may be delegated to the RDO or the concerned LTS Head Revenue Executive Assistant (HREA).

9. In case the taxpayer, in response to the BIR reminder letter/notice, alleges that he is not a stop-filer by presenting his own copy/ies of the return/s filed, verification or confirmation of the same in the BIR records/files shall be done. If it has been found that there is indeed a return filed with the BIR, the Chief, Document Processing Section should certify that the taxpayer's copy of the tax return is an exact replica of the BIR's copy of the same based on the official copy of the Batch Control Sheets (BCS) prepared and submitted to the RDO/Chief, LTS Office by the AABs, Revenue Collection Officers (RCOs) and RDO Collection Section, LT Collection Enforcement Division (LTCED) as well as the original copy of the return with Document Locator Number (DLN) held for safekeeping in the Regional Administrative Division/LTS. In case there is no record on file, the taxpayer

shall be required to file the return which is the subject of the stop-filer case and pay the taxes and/or penalties due thereon. The issuance of any false certification on the authenticity and accuracy thereof shall be a ground for institution of administrative or criminal sanction against the erring BIR employee, if warranted.

10. In order to avoid the creation of stop-filer cases, the RDOs/ concerned LTS Division Chief, the concerned Group Supervisor and Case Officer must strictly monitor their respective taxpayers especially those covered by TAMP. They should ensure that the problems and issues arising from the suspension of the filing/payment transactions in the CBR/RPS are immediately resolved, and that the registration clean-up as well as the encoding of the tax returns of these taxpayers are given priority in order to address the problem on continuous generation and accumulation of stop-filer cases.

11. Out-of-district tax returns received by computerized RDOs/LTS Offices and non-computerized RDOs from AABs/RCOs shall be transmitted immediately to its home RDO for encoding and/or stop filing resolution pursuant to existing policies and guidelines in the handling of out-of-district tax returns.

12. The registration of taxpayers with stop-filer cases which cannot be located or contacted after the conduct of the ocular inspection/verification shall be suspended and their tax type and/or form type shall be end-dated upon the recommendation of the Case Officer. The Head of the Registration Unit of the Taxpayers Service Section (TSS) of the RDO/LTS Office shall effect the end-dating of the taxpayer's registered tax and/or form type upon approval of the concerned RDO/Chief, LTS Office.

A taxpayer shall be given the status of "Cannot Be Located" (CBL) in the records of the Bureau if the Revenue Officer/Case Officer can obtain the appropriate Certifications that the concerned taxpayer does not appear in the official records/archives from any two (2) of the following government/private Offices:

    a. Barangay Office
    b. Municipal/City Government Business Permit/Licensing Office
    c. Department Of Trade And Industry
    d. Securities And Exchange Commission
    e. Utility companies (e.g. Manila Electric Company, Philippine Long Distance Telephone Company, Maynilad Water Services, Inc., Manila Water Co., Inc., etc.)

The names of taxpayers with CBL status shall be submitted by the concerned Revenue Officer thru the RDO/LTS Office to the Audit Information, Tax Exempt and Incentive Division (AITEID) on a quarterly basis for publication in at least two (2) newspapers of general circulation, to provide such taxpayers with the opportunity to come forward and clarify their CBL status with the Bureau, and settle their outstanding tax obligations.

Taxpayers with CBL status shall be given fifteen (15) calendar days, upon publication of the list of taxpayers in newspapers of general circulation, to communicate with the

concerned RDO/Chief, LTS Office/Head of concerned Office regarding their CBL status and the corresponding tax obligations. The concerned RDO/Chief, LTS Office/Head of concerned Office shall recommend the cancellation of the registration and/or invoicing privileges (Authority to Print Invoices and Receipts) of any taxpayer with CBL status who fails to contact the Bureau within the period provided in the preceding item, for final approval by the Commissioner.

The TSS of the RDO/Large Taxpayer Assistance Division (LTAD)/ Excise Taxpayer Regulatory Division (ETRD)/LTDO shall update the registration data or effect the end-dating of the tax and/or form types of the taxpayers under their respective jurisdiction with ceased/closed operations, or those that can no longer be located, or under instances where the taxpayers' whereabouts are unknown, or where the taxpayers had effected dissolution without any prior written notice to the BIR. For this purpose, the TSS/LTAD and ETRD can only effect such registration updates upon receipt of written memorandum to that effect from the DPS/LT Collection Enforcement Division (LTCED). However, in case a regular/large taxpayer has officially notified the RDO/LTS that it has ceased/closed its operations, the TSS/LTAD/ETRB/LTDO shall cancel the registration data or effect the end-dating of the tax and/ or forms types of the concerned taxpayer, without the need for any recommendation from the DPS/LTCED.

The registration of taxpayers with outstanding delinquent accounts or with on-going audit/investigation shall not be cancelled; and only an end-date of their registered form types shall be temporarily effected.

The registration of taxpayers with "end-date" status on their tax and/or form types shall be immediately reactivated upon receipt of verified information of their present whereabouts, or when they resumed the filing of their returns and the payment of taxes.

When the taxpayer is no longer required to periodically file a particular tax return and the registration of such tax/form type was already end-dated in the ITS Registration System, but the filing of such previously registered tax/form types are still required in order to close all valid open stop-filer cases, the temporary re-activation of the said previously registered tax/form type shall be made by DPS in the RDO/LTDO/LTDPQAD to enable the capture of the return and/or payment information. Immediately upon uploading of the return/payment data to the ITS, the Chief, DPS/Chief, LTDO/Chief,LTDPQAD shall officially inform the Chief, TSS in the RDO/Chief, Large Taxpayer Assistance Division (LTAD)/ Chief, Excise Taxpayer Regulatory Division (ETRD)/Chief, LTDO on the need to end-date the registration of the covered tax/form type as soon as possible to prevent future generation of invalid stop-filer cases.

13. The concerned RDO, the Chief, Large Taxpayer Regular Audit Division (LTRAD) I/II/III, LT Excise Audit Division (LTEAD) I/II, LTDO shall issue a Referral Letter *(Annex "D")*, or an eLA, whichever is applicable, to the Case Officer handling taxpayers who are tagged as Stop-filers for three (3) consecutive periods for a particular tax type for the immediate verification and investigation of the stop-filer case(s), subject to the existing guidelines and policies in the issuance of audit notices.

14. The resolution/closure of stop-filer case shall always be given the priority by the concerned Offices and by the Case Officer(s) assigned to handle the same. In case of existence of significant number of open stop-filer cases, the resolution and/or execution of applicable enforcement action, as the case may be, for TAMP and non-TAMP-taxpayers with material taxable undertakings shall be prioritized for purposes of maximizing revenue potential and increasing their levels of voluntary tax compliance.

The issuance of eLAs to audit top taxpayers with potential tax collections, respectively, as well as closure of business establishments may be resorted to, if warranted and legally feasible.

In case the taxpayer with open stop-filer case/s is also being audited thru issued eLA, the following guidelines and procedures shall be observed:

a. If the Revenue Officer handling the audit case and the stop-filer case/s is one and the same, regardless of the covered taxable period/s, the audit case shall not be closed/ terminated unless the stop-filer case/s has/ have been resolved/ closed;

b. If the Revenue Officer handling the audit case is different from the case Officer assigned to the open stop-filer case/s but it involves the same taxable period, the open stop-filer case/s shall be reassigned to the former immediately upon issuance of an eLA.

The resolution or closure of stop-filer case/s transferred from the original Case Officer to the Revenue Officer handling the audit case shall be considered as the accomplishment of the latter, without prejudice to the assignment of demerit points to the former for continued inaction on these stop-filer cases.

c. If the Revenue Officer handling the audit case is different from the Case Officer assigned to the open stop-filer case/s, and that the same cover/s different taxable period/s, the resolution and closure of the said open stop-filer case/s shall remain to be the responsibility of the latter. However, the concerned RDO/LTS Office shall ensure that close coordination among these Revenue Officers are undertaken to ensure the immediate resolution/ closure of these open stop-filer case/s.

15. The RDO/LTS Office shall limit the number of booklets to be approved for all taxpayers with open stop-filer cases that are requesting for the Authority to Print (ATP) Invoice/s Receipts. This will aid the concerned case Officers to immediately pursue the resolution of the stop-filer case/s, collect the appropriate taxes and its corresponding penalty/ies and, at the same time, clean-up the registration details of the subject taxpayers.

16. A penalty of Two Hundred Pesos (P200.00) for individual taxpayers and One Thousand Pesos (P1,000.00) for corporate taxpayers shall be imposed for non-filing of a no-payment return . If a corporation has already ceased operation and was unable to file a no-payment return, the penalty shall be Two Hundred Pesos (P200.00) only. The

penalties to be imposed for non-filing of the requisite returns shall be on a per tax return, per return period basis.

In order to close the stop-filer case, the taxpayer must be notified that he/she/it must accomplish and file the correct BIR tax form corresponding to the tax type that gave rise to the corresponding stop-filer case and to refrain from using the BIR Payment Form (BIR Form No. 0605) for purpose of paying the appropriate tax due and/or penalties attendant to such unfiled tax returns.

17. Before accepting the payment of penalty for non-filing of returns, the RDO/LTS Office shall require the taxpayer to submit the following:

    a. If the reason is "No Operations" – Sworn Statement of the taxpayer and Certification from the Barangay Chairman or from the Business Permit Division of the concerned LGU that the taxpayer's business has already ceased operations.

    b. If the reason is "Temporary Suspension" of operations – Duly notarized taxpayer's Certification/Declaration, for individuals, or duly notarized Secretary's Certificate and copy of Board Resolution for temporary suspension of operations, for corporations.

18. All invalid stop-filer cases which require datafix script for case closure shall be closed only upon recommendation of the Case Officer and approval of the RDO/LTDO Chief/concerned Division Chief under the LTS. The request for case closure shall then be forwarded to the concerned RDC through a duly accomplished Datafix Request Form (DRF) *(Annex "E")* with the applicable attachments (i.e. Articles of Incorporation /Securities and Exchange Commission (SEC) approval in case of merger and consolidation, Application for Registration Information Update for Updating/ Cancellation of Registration/ Cancellation of TIN/ New Copy of TIN Card/ New Copy of Certificate of Registration (BIR Form No. 1905) / Certificate of Update of Exemption and of Employer's and Employee's Information (BIR Form No. 2305), tax returns (Filing Reference Number, Acknowledgement Receipt from AAB or Confirmation Number from BIR for electronic filing and payment). Said DRF shall be duly approved by the concerned RDO/LTDO Chief/ concerned Division Chief under the LTS before the same shall be processed by the said RDC.

19. The requests for datafix without the necessary attachment/s shall not be processed by the RDC, except for duly approved DRF sent by a remote RDO thru facsimile (fax) transmittal or e-mail using the account of the RDO. The approval of the DRF shall be confirmed with the concerned RDO through telephone call by the designated personnel of the RDC who will process the request.

20. The RDC Help Desk shall log all the datafix requests in the Help Desk (HD) ProInsight System. All datafix requests received for the day shall be summarized in the RCS Datafix Monitoring Form (RDMF) *(Annex "F")* on the following day. The datafix shall

only be done upon approval of the RDMF by the RDC Head, and on the scheduled time in running the script.

21. The SMSD of the Information System Development Service (ISDS) shall be responsible for all requests for datafix that require mass closure of the cases related to system errors (i.e. incorrect definition of legislative due dates or un-updated or wrong holidays) affecting more than one site.

IV. *PROCEDURE*

A. **Revenue Data Center/Information System Operations Service-Data Center (ISOS-DC)**

   1. The **Computer Operations Network and Engineering Division (CONED)** shall:

      1.1. Generate the List of Encoded Returns upon request of the RDO;

      1.2. Generate the Monthly List of CBR-RPS Suspension immediately after the end of each month and transmit the same to the concerned RDO/Chief of the LTDOs/Chief of LT Document Processing and Quality Assurance Division (LTDPQAD) on or before the 5th of the month to give them time to resolve the suspended account/s so that the same will no longer be included in the list of stop-filer cases created for the month;

      1.3. Generate the stop-filer related reports listed under Section III.2. Item Nos. 1 to 14 of this Order every 2nd Saturday of the month and the reports listed under Item Nos. 15 and 16 of the same Section every 3rd Saturday of the month.

      1.4. Convert the said stop-filer reports in excel format and transmit to the concerned RDO/LTDO Chief/Chief of concerned LTS Division, copy furnished the concerned Regional Director and Chief, Regional Collection Division, in soft copy thru e-mail or diskette medium the reports listed under Section III.2. Item Nos. 1 to 14 and Item Nos. 15 and 16 of this Order on or before the 3rd and 4th Fridays of the stop-filer generation month, respectively, for appropriate resolution and to the CPD for monitoring and evaluation;

      1.5. Receive the RDMF with the DRF and its attachments from the Facilities Management Division (FMD);

      1.6. Sign the "Recommending Approval" portion of the RDMF;

1.7. Forward the RDMF with the DRF and its attachments to the RDC Head for approval;

1.8. Execute the datafix to close the case/s and/or to re-open a stop-filer case/s of a transferred taxpayer tagged as "F" or "frozen", upon approval of the RDC Head; and

1.9. Forward the RDMF with the executed datafix requests to the Help Desk for safekeeping/control purposes.

2. The **Facilities Management Division (FMD)** shall:

2.1. Receive the list of Revenue Officers/Group Supervisor and the names of taxpayers specifically assigned to them/notification on personnel movement/TAMP reassignment submitted by the RDOs/LTCED;

2.2. Request SMSD to load the verified TAMP list by logging the same thru ProInsight;

2.3. Receive the RDMF together with the DRF and its attachments from the Help Desk;

2.4. Validate the results of the investigation done by Help Desk and recommend the execution of the requested datafix;

2.5. Sign (Chief of the FMD) the "Validated By" portion of the RDMF; and

2.6. Forward the RDMF with the DRF and its attachments to the CONED.

3. The **Help Desk** shall:

3.1. Receive the duly approved DRF with applicable attachments (i.e. Articles of Incorporation/SEC approval in case of merger and consolidation, BIR Form 1905, tax returns, Filing Reference Number, Deposit Slip from Authorized Agent Bank (AAB) or Confirmation Number from BIR for electronic filing and payment) for invalid stop-filer cases from the RDO/LTDO Chief/Chief of concerned LTS Division;

3.2. Check the completeness of the document/s received and request for lacking documents, if any;

3.3. Confirm the approval of the request for data fix from the concerned RDO thru telephone, telefax message or email if the datafix request is sent thru fax Request the remote RDO to send the required documents

thru fax or scanned copy thereof thru e-mail if the request has no/incomplete attachment/s;

3.4. Investigate/evaluate the request and log the same to HD ProInsight System. If the datafix request requires mass closure/update to close the case, forward the request to SMSD;

3.5. Accomplish the RDMF to summarize all datafix requests received for a particular day and assign the corresponding RDMF number. The RDMF number must be in the following format:

> 0000-year
> xxx-name of application
> 000-sequence number
>
> e.g. RDMF No. 2003-RCS-001

3.6. Forward the RDMF together with the DRF and its attachment/s to the FMD for validation;

3.7. Receive the RDMF together with the executed datafix request from the computer operator for safekeeping and updating of the case status in the HD ProInsight System; and

3.8. Inform the RDO/LTDO Chief/Chief of concerned LTS Division thru phone/email of the status of the request immediately upon execution of the requested datafix.

3.1. Revenue District Office/Large Taxpayer District Office (LTDO)

For computerized RDOs:

1. The **Revenue District Officer/LTDO Chief** shall**:**

   1.1. Submit to the concerned RDC-FMD the list of ROs and Group Supervisors together with the names of the TAMP taxpayers specifically assigned to them for uploading in the ITS;

   1.2. Request the Security Management Division (SMD) to add the names of Case Officers and Group Supervisors to the table CTM_FULL_NAMES;

   1.3. Grant case type 'RCS' to the Case Officer and Group Supervisor using the CMS Case Access Online facility;

1.4. Validate the updated list of TAMP taxpayers received from the ISG within the prescribed period;

1.5. Receive the Monthly List of CBR-RPS Suspension. Forward immediately to the Collection Section and the Data Processing Section the CBR Suspense List and RPS Suspense List, respectively, for necessary resolution;

1.6. Receive the stop-filer reports listed under Section III.2 of this Order from the concerned RDC;

1.7. Forward to the Chief, Assessment/Collection Section the system-generated stop-filer reports for appropriate action;

1.8. Re-assign case/s from one Case Officer and/or Group Supervisor to another, whenever the need arises;

1.9. Ensure that the stop-filer cases are acted upon by the concerned Case Officers/Group Supervisors;

1.10. Approve/disapprove the certification of returns filed/taxes paid, as recommended by the Chief, Data Processing Section (DPS) and the Chief, Collection Section, respectively;

1.11. Issue Referral Letter to Case Officer/Group Supervisor to conduct ocular inspection for taxpayers tagged as valid stop-filer for three consecutive periods for a particular tax type, and in cases where the taxpayer with open real/actual stop filer cases failed to respond to the Final Notice;

1.12. Approve/disapprove the recommendation made by the Case Officer/Group Supervisor as contained in the Ocular Inspection/ Verification Report;

1.13. Issue eLA to identified stop-filer, upon recommendation of the Case Officer/Group Supervisor after the conduct of ocular inspection, in accordance with existing policies and procedures;

1.14. Prepare and submit to the AITEID the names of taxpayers with CBL status, in accordance with the guidelines and policies set forth under Section III.12 of this Order;

1.15. Prepare and submit to the Regional Director, on a quarterly basis, the recommendation for the cancellation of the registration and the invoicing privileges of any taxpayer with CBL status who failed to contact the Bureau within the specified period, for approval.

1.16.   Receive from the Office of Commissioner the duly approved/disapproved recommendation for the cancellation of the registration and the invoicing privileges of any taxpayer with CBL status;

1.17.   Forward to the Chief, AITIED and Chief, Taxpayer Service Section the duly approved recommendation for publication and cancellation of the registration and the invoicing privileges of any taxpayer with CBL status, respectively;

1.18.   Prepare and submit to the Regional Director the recommendation to institute the necessary legal action against taxpayers who repeatedly/habitually refuse to file the necessary tax returns and/or pay the taxes due thereon;

1.19.   Prepare and submit to the Regional Director the recommendation for the institution of judicial action and/or closure of business establishment;

1.20.   Forward to the Head, Registration Unit the copy of the duly approved Ocular Inspection/ Verification Report bearing the recommendation to effect the end-dating of the applicable tax/form type of the concerned taxpayer;

1.21.   Request from RDC-CONED the List of Encoded Returns and forward the said list to the Chief, DPS for validation;

1.22.   Conduct random validation of automatically closed cases;

1.23.   Conduct further investigation if there are suspicious activities in closing stop-filer cases (i.e. closure of cases without documentation, sharp decline of payments based on previous records, rampant closure of cases through minimal payments, closure of cases prior to posting of payments, closure of cases by another RDO, etc);

1.24.   Request for the generation of audit logs by the Security Management Division (SMD), as the need arises;

1.25.   Require all case Officers to submit monthly reports on the status of stop-filer cases handled; and

1.26.   Explain/Justify to top management if the actual performance in resolving stop-filer cases is below the set target.

For invalid cases:

1.27. Receive the copy of the duly accomplished DRF from the Chief, Assessment/Collection Section/Group Supervisor together with the prescribed supporting documents;

1.28. Check/verify the propriety of the requested data fix;

1.29. Sign/approve the DRF after the conduct of the necessary evaluation/ validation, and forward the same together with all the required attachments to RDC, for appropriate action; and

1.30. Verify, thru the Case Monitoring System, if the stop-filer case has been closed. If not, inquire on the status of the request for data fix with the RDC.

For transferring Case Officers/Group Supervisors:

1.31. Accomplish System Access Request (BIR Form No. 0044) (***Annex "G"***) to document the request for the transfer of the registration of the Case Officer and/or Group Supervisor to the new RDO and in the table CTM_FULL_NAMES, and transmit the same to the SMD;

1.32. Request for the inactivation of the old account/s of the transferred case Officer/Group Supervisor with the SMD; and

1.33. Request from the Quality Assurance Division to change the number and/or composition of taxpayers under TAMP, if necessary.

2. The **Chief, Assessment Section** shall:

2.1. Receive from the RDO the system-generated Lists of Stop-Filer Reports from the concerned RDC relative to the open stop-filer cases for resolution by the Case Officer/Group Supervisor;

2.2. Refer to the concerned Case Officer/Group Supervisor the system-assigned list of stop-filer cases of TAMP taxpayers for immediate resolution;

2.3. Assign non-TAMP stop-filer cases to the concerned Case Officer/Group Supervisor. For this purpose and in order to provide fairness and equity in the distribution of stop-filer cases for resolution, the assignment of non-TAMP cases shall be made on a per case basis;

2.4. Monitor closely if the assigned stop-filer cases are being acted upon by the Case Officers/Group Supervisors. Require all Case Officers to

submit on or before the tenth (10th) day of the following month a monthly report on the handling of the assigned stop filer cases. The said report must indicate the amount collected from stop-filers, the number of cases acted upon, the reasons for closure/non-closure of the case/s and/or other actions undertaken, and the inventory of pending case assignments as of the end of each month;

2.5. Prepare and submit to the RDO a monthly consolidated report bearing on the stop-filer cases handled as well as the analysis of the district's performance relative to stop-filer management; and

2.6. Reviews the recommendations for the issuance of the DRF submitted by the Case Officer/Group Supervisor, and forward the same to the RDO for necessary approval/disapproval; and prepare the consolidated list of taxpayers recommended for inclusion to the published list of taxpayers with CBL status and forward the same to the RDO for appropriate action.

3. The **Chief, Collection Section shall:**

3.1. Receive from the RDO the Monthly List of CBR Suspension. Take appropriate action to immediately resolve all the CBR suspense accounts;

3.2. Receive from Case Officer the request for certification that the payment has been made and included in the BCS but the posting has been suspended;

3.3. Prepare certification of return/s paid and forward to the case Officer after signature of the RDO;

3.4. Transmit immediately to the concerned taxpayers' home RDOs all the copies of out-of-district tax returns received, for necessary encoding of the pertinent return information; and

3.5. Perform the activities enumerated in Items 2.1. to 2.6. above in cases where the Collection Section was authorized by the RDO to handle the resolution of stop-filer cases pursuant to the provisions of Section III.4 of this Order.

4. The **Case Officer** shall:

4.1. Receive from the Chief of the Assessment/Collection Section the assigned List of Taxpayers with Open Stop-filer Case/s;

4.2.   Prepare and submit to the Chief, Assessment Section/Chief, Collection Section the monthly report on the handling of the assigned stop filer cases on or before the tenth (10th) day of the following month. The said report indicates the amount collected from stop-filers, the number of cases acted upon, the reasons for closure/non-closure of the case/s and/or other actions undertaken, and the inventory of pending case assignments as of the end of each month;

4.3.   Determine/investigate the cause/s of tagging the taxpayer/s as stop-filers:

    4.3.1.   Validate the registration data of the taxpayers included in the "List of Stop-filers"; and

    4.3.2.   Verify and match taxpayers' TIN, branch code, tax type, form type and return period against the district's registration records using the Registration System.

If error exists in the registration information:

    4.3.3.   Tag such stop-filer case as "INVALID" and specify reason in the remarks portion of the "List of Stop-filers" (i.e. wrong tax type, etc.);

    4.3.4.   Request the concerned taxpayer to accomplish BIR Form No. 1905 (Application for Registration Information Update for Updating/ Cancellation of Registration/Cancellation of TIN/submit new copy of TIN card/new copy of Certificate of Registration) if necessary, to correct any discrepancy in the taxpayer's registration information;

    4.3.5.   Forward all the necessary documents to the TSS to update the taxpayers' registration data; and

    4.3.6.   Prepare the DRF and forward the same to the Chief, Assessment Section/Group Supervisor for appropriate review prior to the approval of the RDO.

If a tax return is actually filed and/or a tax payment was made by the taxpayer:

    4.3.7.   Verify whether the case included in the "List of Stop-filers" is actually a valid stop-filer case due to non-filing of tax return or non-payment of tax due:

     a.   Verify from the DPS or Collection Section if the return/payment information are already encoded in the RPS and/or posted in the CBR, as the case may be;

     b.   Secure from the Chief, DPS a certification that the tax return was actually filed by the taxpayer duly signed by the RDO and a certified photocopy of the tax return filed, if any, if the return information were not yet encoded in the RPS; and

     c.   Secure from the Chief, Collection Section, a certification duly signed by the RDO that the payment has been made and included in the BCS submitted by the AABs (if payment is thru AABs) or RCOs (if payment is thru RCOs) but the posting of the payment in the CBR has been suspended.

4.3.8.   Tag the stop-filer case as "INVALID" and indicate the reason/s in the remarks portion of the "List of Stop-filers";

4.3.9.   Request the DPS to prioritize the encoding of the subject returns; and

4.3.10.   Request the Collection Section to immediately resolve the CBR suspended case.

If no tax return was filed and/or no tax was paid:

4.3.11.   Tag such stop-filer case as "Real or Actual" in the "Remarks" portion of the List of Stop-filers.

If the case was already tagged as real/actual stop-filer case:

4.3.12.   Send Preliminary Notice thru registered mail to identified real or actual stop-filers based on the duly analyzed and cleansed list of stop-filer cases. Prioritize the sending of notices to top taxpayers with material taxable undertakings;

4.3.13.   Send Final Notice to taxpayer/s who failed to respond within five (5) days after receipt of the Preliminary Notice;

4.3.14.   Receive the Referral Letter from the RDO for the conduct of ocular inspection of taxpayers tagged as valid stop-filer for three consecutive periods for a particular tax type, and in cases where the taxpayer with open real/actual stop filer cases failed to respond to the Final Notice;

4.3.15. Conduct the necessary ocular inspection/surveillance immediately upon receipt of Referral Letter from RDO;

4.3.16. Accomplish the Revenue Officer's Ocular Inspection Report (ROOIR) *(Annex "H")* and the Revenue Officer's Verification Report on Ceased/Closed Operations/Dissolved/ Cannot be Located Taxpayer (ROVR) *(Annex "I")* and prepare a narrative report on the results of the ocular inspection/ surveillance activities conducted. The said report should include discussion on the reason/s for non-filing of the tax returns (e.g. permanent cessation/closure of business, temporary suspension of operations, transfer to a new location, dissolution due to merger/ consolidation, etc.) and must be submitted within three (3) days after the conduct of such inspection/surveillance. In the event that a more thorough investigation is deemed necessary due to discovery of cessation of business or indications of fraudulent activities being undertaken by the taxpayer, as a result of the surveillance activities conducted, the recommendation for the issuance of eLA for the conduct of the audit must be included in the report;

4.3.17. Submit the ocular inspection/verification report to the RDO/LTS Office, thru channels, for approval of the recommendation;

Assist the taxpayer, if necessary, in accomplishing the correct BIR tax form prescribed for the tax liabilities to be paid and computing the tax due and the corresponding penalties incident thereto, and the filing of the return, if the taxpayer will file the return and/or pay the unpaid taxes covering the tagged stop-filer case. Direct the taxpayer to pay the amount of tax due including the penalties thereon to the appropriate Authorized Agent Bank (AAB)/ RCO/Collection Agent (CA), whichever is applicable. Inform the taxpayer that stiffer penalties will be imposed against him for succeeding violations;

4.3.18. Recommend the institution of appropriate action against the taxpayer once he was determined to have failed filing the requisite return and/or pay the tax legally due from him. Such action may be in the nature of issuance of eLA in accordance with the existing guidelines and policies, institution of judicial action, and/or closure of the business establishment, whichever is legally feasible;

4.3.19. Conduct immediate audit if the taxpayer is found to have permanently ceased operations or was already dissolved due to merger, in accordance with existing guidelines and policies, consolidation;

4.3.20. Require taxpayer to regularly file the applicable return with notation *"NO OPERATIONS"* if the reason for non-filing is due to temporary cessation/stoppage of operations. Relative to this, the taxpayer must be required to submit the following documents; and

    a.   Sworn Statement that the taxpayer's business is actually not operating and the reason/s for such temporary or permanent cessation;

    b.   Certification from the concerned Barangay Chairman or from Business Permit Division of LGU that the taxpayer is not actively operating its business; and

    c.   Taxpayer's declaration (for single proprietor) or Secretary's Certificate and Board Resolution (for corporation) if the reason for non-filing of tax return is due to temporary cessation/suspension of business operations.

4.3.21. Recommend the institution of the applicable summary remedies to enforce the collection of the unpaid taxes/penalties due and/or the referral of the case to the Regional Legal Division of the Region, whichever is deemed more appropriate, in case the taxpayer refuses to pay the same.

If the taxpayer could not be located/contacted:

4.3.22. Consult the records of other entities such as public utility companies, Securities and Exchange Commission (SEC), Department of Trade and Industry (DTI), or the concerned Local Government Units (LGU) such as the Barangay, City or Municipal Offices on possible existence of information that may lead to the discovery of the whereabouts of the taxpayer;

4.3.23. Secure the appropriate certification from any two (2) of the government/private Offices stated in Section III.12. of this Order;

4.3.24. Prepare the report on the results of the ocular inspection/ surveillance activities conducted within three (3) days after the conduct thereof, in case the taxpayer could no longer be

located/contacted, and the recommendations for the temporary end-dating of the applicable tax/ form type/s and the possible inclusion of the concerned taxpayer to the list of CBL taxpayers that will be published in the newspapers pursuant to Section III.12. of this Order; and

4.3.25. Forward the ocular inspection/verification report to the RDO for necessary approval of the recommendation.

5. The **Chief, Taxpayer Service Section** shall:

5.1. Receive the request for end-dating of the tax/form type of a taxpayer duly approved by the RDO;

5.2. Effect the necessary end-dating of the tax type/form type immediately upon receipt of the approved request for such from the RDO, or upon receipt of the official information from the Chief, DPS on the taxpayers with registered tax/form types that require end-dating*;*

5.3. Receive from the RDO the duly approved recommendation for the cancellation of the registration and the invoicing privileges of any taxpayer with CBL status; and

5.4. Cancel the registration and invoicing privileges of the concerned taxpayer.

6. The **Chief, Data Processing Section** shall:

6.1. Receive from the RDO the Monthly List of RPS Suspension. Take appropriate action to immediately resolve all the RPS suspense accounts;

6.2. Receive from the RDO the List of Encoded Returns for validation;

6.3. Receive from the Case Officer the request for Certification on Return/s Filed and photocopy/ies of the corresponding tax return/s;

6.4. Prepare Certification on Return/s Filed based on the official copy of the BCS prepared and submitted to the RDO by the AABs, RCOs and RDO Collection Section, as well as the original copy of the return bearing its DLN that is held for safekeeping in the Regional Administrative Division;

6.5. Forward the Certification on Return/s Filed together with the photocopy/ies of tax return/s filed to the RDO for signature.

6.6.   Release to the concerned Case Officer the Certification on Return/s Filed duly signed by the RDO, for his appropriate action; and

6.7.   Officially inform the Chief, Taxpayer Service Section in the RDO on the need to end-date the registration of covered tax/form type immediately upon uploading of the return/payment data to the ITS, in appropriate cases pursuant to the applicable policies in Section III.12 of this Order.

For Non-Computerized RDOs

1.   The **RDO** shall:

1.1.   Request from the concerned RDC a List of Registered Taxpayers under its jurisdiction. Validate the RDC-generated list, and submit to the RDC the list of registered taxpayers that are not yet included thereat for necessary uploading to the ITS under existing revenue issuance, for purposes of updating the database of existing registrants;

1.2.   Identify the TAMP taxpayers, based on the RDC-generated list of taxpayers and the RDO's list of business taxpayers that are not yet included in the ITS registration database;

1.3.   Prepare and submit to the RDC the list of identified TAMP taxpayers for necessary updating/uploading;

1.4.   Maintain an updated Taxpayer Ledger/Index Card containing information on taxpayer's registration, returns filed and payments made. This ledger/card may be kept by utilizing *simple Office automation using excel format* to facilitate the preparation of relevant management reports;

1.5.   Perform the following procedures to ensure that the registration information of the taxpayers under the jurisdiction of the district Office are periodically updated in the ITS and the completeness of the taxpayer base in determining the real stop-filers:

1.5.1.   Submit to the concerned RDC every fifth (5th) day of the month the Monthly List of New Registrants and/or Taxpayers with Cancelled Registration for the previous month for uploading/updating in the ITS –Registration System;

1.5.2.   Receive from the concerned RDC every twenty fifth (25th) day of the month the Monthly List of New Registrants and/or Taxpayers with Cancelled Registration;

1.5.3. Forward to the TSS the List of Registered Taxpayers and the Monthly List of New Registrants and/or Taxpayers with Cancelled Registration for the updating of the taxpayer information in the Taxpayer Ledger/Index Card and/or creation of the Taxpayer Ledger/Index Card of new registrants; and

1.5.4. Forward to the Chief, Collection Section a copy of the List of Registered Taxpayers and the Monthly List of New Registrants and/or Taxpayers with Cancelled Registration for distribution to the concerned collection agents having jurisdiction over the registered taxpayers.

1.6. Ensure that all the relevant information on the collections and deposits made by the Revenue Collection Officers (RCOs) are timely encoded in the Payment Data Encoding System (PDES) and the same are immediately transmitted to the RDC for uploading in the ITS-CBR;

1.7. Receive the List of Stop-filers for the current month prepared by the Chief, Collection Section;

1.8. Conduct random verification of the accuracy of the List of Stop-filers prepared by the Collection Section;

1.9. Assign immediately to the Chief, Collection/Assessment Section the List of Stop-filers for appropriate action;

1.10. Perform all the activities of the RDO under the computerized districts enumerated in Section IV Items 1.8. to 1.20., 1.23., 1.25. and 1.26. of this Order; and

1.11. Submit to the CPD, copy furnished the concerned Regional Director and the Chief, Regional Collection Division, the stop-filer reports prescribed under Section II.2. of this Order.

2. The **Chief, Assessment Section** shall:

2.1. Receive from RDO the list of assigned stop-filer cases for the current month;

2.2. Assign to the Case Officer/Group Supervisor the list of stop-filer cases for appropriate action;

2.3. Perform the activities of the Chief, Assessment Section under the computerized districts enumerated in Section IV Items 2.3. to 2.5. and 2.7. of this Order; and

2.4. Forward to the RDO the consolidated stop-filer reports for appropriate review and approval.

3. The **Chief, Collection Section** shall:

3.1. Receive from the RDO the List of Registered Taxpayers and the Monthly List of New Registrants and/or Taxpayers with Cancelled registration;

3.2. Distribute the lists of taxpayers under Item 3.1. above to the RCOs/Collection Agents covering the taxpayers under their respective jurisdiction, for monitoring purposes;

3.3. Receive from the RCOs/Collection Agents the PDES files on the reported tax payments made by Taxpayers and the remittances made by the RCOs/Collection Agents to the Authorized Government Depository Banks (AGDBs);

3.4. Review the accuracy and completeness of the entries in the PDES files submitted by the RCOs/Collection Agents;

3.5. Transmit the validated PDES files to the concerned RDC for necessary uploading to the ITS-CBR;

3.6. Cause the posting of the relevant information on the returns filed by taxpayers and/or the corresponding tax payments received by the RCOs/Collection Agents to the Taxpayer Ledger/Index Card;

3.7. Monitor closely the compliance by the RCOs/Collection Agents on the timely encoding of all the relevant tax collection/remittance information in the PDES and the immediate transmission thereof to the concerned RDC;

3.8. Review and consolidate the List of Stop-filers for the current month submitted by the RCOs/Collection Agents and forward the same to the RDO for necessary assignment to the case Officer/s;

3.9. Perform the activities of the Chief, Assessment Section under the non-computerized districts enumerated in Section IV Items 2.2. and 2.3. of this Order, in cases where the Collection Section was authorized by the RDO to handle the resolution of stop-filer cases; and

3.10. Review and consolidate the reports submitted by the Case Officers under the Collection Section on the stop-filers handled, and forward the same to the Chief, Assessment Section for the preparation of the necessary district stop-filer reports.

4. The **Revenue Collection Officer/Collection Agent** shall:

4.1. Receive from the Chief, Collection Section the List of Registered Taxpayers and the Monthly List of New Registrants and/or Taxpayers with Cancelled Registration under his/her jurisdiction;

4.2. Encode immediately all the relevant information on the tax collections/remittances made thru the PDES and transmit the same to the Chief, Collection Section RDC for uploading to the ITS-CBR;

4.3. Prepare the monthly list of stop-filers for the current month by performing the following procedures :

4.3.1. Identify the taxpayers who are required to file the necessary tax returns and pay the taxes due thereon based on the updated list of active business taxpayers under his/her jurisdiction;

4.3.2. Compare the lists of taxpayers who filed the requisite tax returns and/or pay the corresponding tax for the given month that were submitted to the Collection Section Chief with the list of taxpayers identified under Item 4.5.1. above. This procedure shall be done on a per registered-tax/form-type basis; and

4.3.3. Prepare the list of taxpayers who failed to file the requisite tax return and/or pay the taxes due thereon as of the date of the preparation of the manually identified stop-filer report.

4.4. Forward the list of identified stop-filers to the Chief, Collection Section for appropriate review and preparation of the monthly consolidated stop-filers report.

5. The **Case Officer** shall:

5.1. Perform the activities of the Case Officer under the computerized districts enumerated in Section IV Items 4.1. to 4.2. and 4.3.1. of this Order;

5.2. Verify and match taxpayer's TIN, branch code, tax type, form type and return period against the district's registration records in the Taxpayer Ledger/Index Card being maintained at the TSS;

If error exists in the registration information:

5.3. Perform the activities of the Case Officer under the computerized districts enumerated in Section IV Items 4.3.3. to 4.3.5. of this Order.

If a tax return is actually filed and/or a tax payment was made by the taxpayer:

5.4. Verify whether the case included in the "List of Stop-filers" is actually a valid stop-filer case due to non-filing of tax return or non-payment of tax due:

  a. Verify from the TSS if the return/payment information are already posted in the Taxpayer Ledger/Index Card;

  b. Secure from the Collection Section a certification that the tax return was actually filed by the taxpayer duly signed by the RDO and a certified photocopy of the tax return filed, if any; and

  c. Secure from the Collection Section, a certification duly signed by the RDO that the payment has been made and included in the BCS submitted by the AABs (if payment is thru AABs) or the RCOs (if payment is thru RCOs).

5.5. Perform the activities of the Case Officer under the computerized districts enumerated in Section IV Items 4.3.8. and 4.3.11. to 4.3.26. of this Order;

5.6. Prepare a report on the handling of the assigned stop-filer cases. The said report must indicate the amount collected from the identified stop-filers, the number of cases acted upon, the reasons for closure/non-closure of the case/s and/or other actions undertaken, and the cumulative inventory of pending case assignments as of the end of each month; and

5.7. Submit the stop-filer accomplishment report to the Chief, Assessment/ Collection Section.

6. The **Chief, Taxpayer Service Section** shall**:**

6.1. Receive from the RDO the "List of Registered Taxpayers" and "List of New Registrants and/or Taxpayers with Cancelled Registration for Month" for the updating of taxpayer information and/or preparation of Taxpayer Ledger/Index Card of new registrants;

6.2. Update the taxpayer's registration information in the Taxpayer Ledger/Index Card. For this purpose and in order to expedite the preparation of reports relative to stop-filers, the taxpayer's ledger/index cards may be maintained thru the use of excel file;

6.3. Perform the functions of the Chief, TSS under the computerized districts enumerated in Section IV Items 5.1. and 5.2. of this Order; and

6.4. Update the Taxpayer Ledger/Index Card on the end-dating of the taxpayer's tax/form type that was manually effected.

3.2. Revenue Regional Office

1. The **Collection Division** shall:

    1.1. Receive the stop-filer reports per RDO in excel format from the concerned RDC (for computerized RDOs) and from the RDOs (for non-computerized RDOs);

    1.2. Analyze the stop-filer reports on a per RDO basis to determine the efficiency of the RDOs in handling stop-filer cases as well as identify areas in the Bureau's Stop-Filer Management Program that needs improvement/enhancement;

    1.3. Prepare and submit to the Regional Director, copy furnished the ACIR, Collection Service, the necessary reports on the results of the analysis, including the recommendations for improvements/enhancements to the Stop-Filer Management Program; and

    1.4. Prepare and submit to the Regional Director, copy furnished the ACIRs, Collection Service and Inspection Service, the recommendation for imposition of appropriate administrative sanctions against the concerned district personnel for continued inaction on assigned stop-filer cases, if warranted.

2. The **Chief**, **Legal Division** shall:

    2.1. Receive from the Regional Director the RDO's recommendation to institute the necessary legal action on taxpayers who habitually refuse to file the necessary tax returns and/or /pay the taxes due thereon;

    2.2. Evaluate the merits of the recommendation by the concerned RDO;

    2.3. Initiate the institution of the appropriate legal actions against the erring taxpayers; and

    2.4. Prepare and submit to the Regional Director, copy furnished the concerned RDO, DCIRs Operations Group and Legal and Inspection Group, a quarterly report on the status of the legal cases being handled relative to erring stop-filers.

3. The **Regional Director** shall:

3.1. Receive the following reports/documents from the concerned Offices :

a. Monthly Stop-Filer reports from the RDC (for computerized RDOs) and RDOs (for non-computerized RDOs);

b. Reports from the Collection Division on the results of its analysis of the RDOs' efficiency in the handling of stop-filer cases, including the recommendations for the improvement/enhancement that may be introduced to the Stop-Filer Management Program;

c. The recommendation from the Collection Division for the imposition of appropriate administrative sanctions against the concerned district personnel for continued inaction on assigned stop-filer cases, if warranted;

d. The recommendation from the RDO for the institution of necessary legal action against taxpayers who habitually refuse to file the necessary tax returns and/or /pay the taxes due thereon;

e. The recommendation from the RDO for the issuance of LAs for the conduct of audit of top taxpayers identified as stop-filers or to known persons with material taxable undertakings; and

f. The recommendation from the RDO for the institution of judicial action and/or closure of business establishment; and

g. The list of taxpayers recommended for the cancellation of the registration and invoicing privileges of any taxpayer already tagged as CBL and failed to contact the Bureau within the specified period from the RDO/LTDO Chief.

3.3. Sign the final reminder letters addressed to stop-filers or delegate the signing thereof to the concerned RDO, if deemed necessary;

3.4. Issue/Sign the LAs to top taxpayers identified as stop-filers or to known persons with material taxable undertakings upon approval of the recommendation from the RDO;

3.5. Evaluate the reports received from the RDC and the Collection Division to determine the level of efficiency of each RDO in the handling, closure and monitoring of stop-filer cases;

3.6. Ensure that the RDOs' capability to manage their respective stop-filer cases to acceptable levels are fully maximized;

3.7. Determine the areas in the Stop-filer Management Program that need improvements and make the appropriate recommendations therefor to top management;

3.8. Review and evaluate the recommendation for cancellation of registration and invoicing privileges from RDO/LTDO Chief, and forward the same to DCIR, Operations Group after approval thereof; and

3.9. Evaluate the merits of the recommendations made by the RDOs and the Legal Division on cases involving institution of administrative sanctions and/or legal actions against erring taxpayers and regional personnel and make timely action thereon.

3.10. **Large Taxpayers Service**

1. The **Chief, Large Taxpayers Collection Enforcement Division (LTCED)** **s**hall**:**

   1.1. Perform the activities of the RDO under the computerized districts enumerated in Section IV, Items 1.1. to 1.3. and 1.6. of this Order;

   1.2. Forward to the Chief, Collection Monitoring Section the system-generated stop-filer reports for appropriate action;

   1.3. Perform the activities of the RDO under the computerized districts enumerated in Section IV, Items 1.8. and 1.9., 1.14. to 1.17., and 1.22. to 1.33. of this Order;

   1.4. Act immediately on the written recommendation to LTAD/ETRD for the updating of registration records and/or end-dating of tax and/or form types of concerned taxpayers, in case the stop-filer case was created due to erroneous registration of tax/form type or the taxpayer is already inactive or has no operations;

   1.5. Approve/Sign the Reminder Letters to taxpayer/s who failed to file/pay the necessary returns/taxes;

   1.6. Monitor the activities of the concerned LTS Offices in resolving the issues pertinent to stop-filer cases that were referred to them for appropriate action; and

   1.7. Prepare and submit to the ACIR-LTS a monthly consolidated report bearing on the stop-filer cases handled, as well as the analysis of the performance of the different Offices under the LTS responsible in the

resolutions of the open stop-filer cases, the resolutions of which are considered critical for an effective stop-filer management.

2. The **Section Chief, LTCED** shall**:**

2.1. Receive from the Chief, LTCED the system-generated Lists of Stop-Filer Reports from ISOS-DC for resolution by the Case Officer/Group Supervisor;

2.2. Perform activities of the Section Chief, Assessment Section under the computerized districts enumerated in Items 2.2. and 2.4. of this Order;

2.3. Receive. review and consolidate the stop-filer report submitted by the case Officer/s and forward to the Head of Office for approval;

2.4. Receive and review the written request to LTAD/ETRD prepared by the Case Officer for the updating of the registration records and/or end-dating of tax and/or form types of concerned taxpayers;

2.5. Review the Reminder Letters to taxpayers who failed to file/pay the necessary returns/taxes and forward to Chief, LTCED for approval;

2.6. Evaluate and submit to the Chief, LTCED the monthly consolidated report bearing on the stop-filer cases handled, including the analysis of the performance of the division, as well as the other concerned LTS Offices, relative to stop-filer management;

2.7. Review the recommendation for the issuance of the DRF submitted by the Case Officer/Group Supervisor, and forward the same to the Chief, LTCED for necessary review and approval;

2.8. Review and forward to the Chief, LTCED the request to LTDPQAD for an account adjustment, in case an error was committed by the taxpayer in the filing of the required tax return, for necessary review prior to approval thereof by the ACIR-LTS;

2.9. Recommend the transmission to the Chief, LTRAD I/II/III/LTEAD I/II the copy of the list of taxpayers tagged as valid stop-filer for three consecutive periods for a particular tax type, and those taxpayers with open real/actual stop-filer cases who failed to respond to the Preliminary/Final Notices, together with the copy of the referral memorandum requiring the latter's appropriate action on the cases of the taxpayers included in the said list;

2.10. Prepare and submit to the Chief, LTCED the consolidated list of taxpayers recommended for inclusion to the published list of taxpayers

with CBL status and/or for cancellation of registration and invoicing privileges, if applicable, for submission to the AITEID; and

2.11. Prepare and submit to the ACIR-LTS the recommendation to institute the necessary legal action against taxpayers who habitually refuse to file the necessary tax returns and/or pay the taxes due thereon.

3. The **Case Officer, LTCED** shall:

3.1. Receive from the Chief, Collection Monitoring Section the assigned List of Taxpayers with Open Stop-filer Case/s; and

3.2. Perform the activities of the Case Officer under the computerized districts enumerated in Section IV, Items 4.3.1. and 4.3.2. of this Order.

If error exists in the registration information:

3.3. Perform the activities of the Case Officer under the computerized districts enumerated in Section IV, Items 4.3.3. and 4.3.4. of this Order.;

3.4. Prepare and submit to Chief, Collection Monitoring Section, the written request to LTAD/ETRD for the updating of the pertinent taxpayers' registration data; and

3.5. Prepare DRF and forward to Chief, Collection Monitoring Section for appropriate review prior to the approval of the Chief, LTCED.

If a tax return is actually filed and/or a tax payment was made by the taxpayer:

3.6. Verify whether the case included in the List of Stop-filers is actually a valid stop-filer case due to non-filing of tax return or non-payment of tax due:

3.6.1. Verify in the Integrated Tax System (ITS) and in the Electronic Filing and Payment System (eFPS) if the return has been filed and/or the tax was paid; and

3.6.2. Request from the LTDPQAD a certification that the tax return was actually filed and the payment has been made but the postings of the return and payment transactions to the RPS and CBR have been suspended.

3.7. Tag the stop-filer case as "INVALID" and indicate the reason/s in the remarks portion of the "List of Stop-filers";

3.8.   Advise the taxpayer who manually filed the tax returns, in cases of eFPS downtime, to e-file the same in order to update their records in the ITS-RPS;

3.9.   Request the LTDPQAD to immediately resolve the CBR suspended case; and

3.10.   Prepare and submit to the Chief, Collection Monitoring Section the request to LTDPQAD for an account adjustment, in cases, an error was committed by the taxpayer in the filing of the required tax return (e.g. a taxpayer filed two original returns for the same return period instead of two different return periods, use of erroneous tax forms in filing monthly or quarterly returns, etc.), for appropriate review.

If no tax return was filed and/or no tax was paid:

3.11.   Perform the activities of the Case Officer under the computerized districts listed in Section IV, Item 4.3.11. of this Order**.**

If the case was already tagged as real/actual stop-filer case:

3.12.   Perform the activities of the Case Officer under the computerized districts enumerated in Section IV, Items 4.3.12. and 4.3.13., 4.3.18., 4.3.21. and 4.3.22. of this Order;

3.13.   Prepare and submit to the Chief, Collection Monitoring Section the written request to the Chief, LTRAD I/II/III/LTEAD I/II, together with the list of taxpayers tagged as valid/real stop-filers for three consecutive periods for a particular tax type, and those taxpayers with open real/actual stop-filer cases who failed to respond to the Preliminary/Final Notices, for the conduct of the necessary ocular inspection and/or further audit;

3.14.   Prepare and submit to the Chief, Collection Monitoring Section, on a quarterly basis, for submission to the Chief, AITEID. a consolidated list of taxpayers recommended for inclusion to the published list of taxpayers with CBL status and/or cancellation of registration and invoicing privileges, for appropriate review prior to the approval of the Chief, LTCED; and

3.15.   Prepare a monthly report on the handling of assigned top-filer cases and submit the same to the Section Chief for review on or before the tenth (10th) day of the month immediately following the stop-filer generation month.

4. The **LT - Document Processing & Quality Assurance Division (LT-DPQAD**) shall:

4.1. Receive from the ISOS-DC the Monthly List of CBR-RPS Suspension;

4.2. Take appropriate action to immediately resolve the reason/s for the suspension in the posting to the CBR-RPS of the transactions included in the said list;

4.3. Receive from the LTCED all manually filed returns with or without payments submitted by taxpayer/s that were originally tagged as stop-filer/s;

4.4. Inform the concerned taxpayer, thru mail, e-mail or fax message to e-file all the manually filed tax returns;

4.5. Prepare and submit to LTCED the requested certification on tax returns actually filed and payments made by the concerned taxpayer;

4.6. Receive from the LTCED the request for account adjustment and all the prescribed supporting documents;

4.7. Verify the necessity/propriety of the requested account adjustment, based on the documents submitted by the taxpayer; and

4.8. Effect the necessary account adjustment based on the approved request of the LTCED, if found appropriate upon verification.

5. The **Chief, LTAD/ETRD** shall**:**

5.1. Receive from the ACIR-LTS the duly approved request for updating of the registration data or the end-dating of the tax/form type/s of the concerned taxpayers under their jurisdiction;

5.2. Effect the end-dating of the tax and/or form type and/or update the registration records of the concerned taxpayers;

5.3. Prepare and submit to ACIR-LTS, copy furnished all concerned divisions under the LTS, the monthly report on cancelled registrations and the effected end-dating of the tax and/or form type/s;

5.4. Cancel the registration and invoicing privileges of the taxpayer with CBL status immediately upon receipt of the approval by the Commissioner; and

5.5. Reactivate immediately the registration of taxpayers with "end-date status" on the applicable tax and/or form type upon receipt of the verified information of their present whereabouts, or when they have resumed the filing of the tax returns and/or payment of the taxes due.

6. The **Chief, LTRAD I/II/III/LTEAD I/II** shall:

6.1. Receive from the Chief, LTCED the written request for the conduct of further ocular inspection, audit/investigation, or any other appropriate action of taxpayers tagged as valid stop-filer for three (3) consecutive periods for a particular tax type, and those taxpayers with open real/actual stop filer cases who failed to respond to the Reminder Letter, together with all the pertinent documents relevant to the referred stop-filer cases;

6.2. Assign the stop-filer case to a Revenue Officer thru the Section Chief/Group Supervisor;

6.3. Perform activities of the RDO under the computerized districts enumerated in Section IV, Items 1.9. and 1.11. to 1.13. of this Order;

6.4. Review the report submitted by the Section Chief/Group Supervisor bearing on the results of the verification of the stop-filer case, affix signature thereon and forward the entire docket to the concerned HREA and the ACIR-LTS for final review and/or approval;

6.5. Prepare and submit to the ACIR-LTS the recommendation for the institution of judicial action and/or closure of business establishment after the conduct of the requested ocular inspection/audit verification/investigation;

6.6. Require all case Officers to submit monthly reports on the status of all referred stop-filer cases;

6.7. Prepare and submit to the ACIR-LTS, copy furnished the Chief, LTCED, the monthly consolidated performance on the resolution of the stop-filer cases referred by LTCED;

6.8. Receive and consolidate the list of taxpayers recommended for inclusion to the list taxpayers with CBL status for publication. Forward the same to the LTCED for appropriate action; and

6.9. Consolidate and submit to the ACIR- LTS the list of taxpayers recommended for the cancellation of the registration and invoicing privileges that were submitted by the concerned Section Chiefs.

7. The **Section Chief, LTRAD I/II/III /LTEAD I/II** shall**:**

7.1. Receive from the Chief, LTRAD I/II/III /LTEAD I/II the list of taxpayers tagged as valid stop-filers referred by the Chief, LTCED, together with all the pertinent documents, for the conduct of ocular inspection, audit/investigation, or any other appropriate action;

7.2. Perform the activities of the Section Chief, Assessment Section under the computerized RDOs enumerated in Items 2.2., 2.4. to 2.6. of this Order;

7.3. Review the report/docket bearing on the results of the ocular inspection/audit verification/investigation of the stop-filer case submitted by the Case Officer/Revenue Officer and affix initial/signature thereon;

7.4. Forward the entire docket of the stop-filer case to the Chief, LTRAD I/II/III /LTEAD I/II for further review prior to the approval by the ACIR-LTS;

7.5. Prepare the consolidated list of taxpayers recommended for inclusion to the published list of taxpayers with CBL status and forward the same to the Chief, LTRAD I/II/III /LTEAD I/II, for further review prior to transmission to the ACIR-LTS for final approval; and

7.6. Prepare and submit to the Chief, Chief, LTRAD I/II/III /LTEAD I/II the list of taxpayers recommended for the cancellation of the registration and invoicing privileges, for necessary review prior to transmission to the ACIR-LTS.

8. The **Revenue Officer/Case Officer LTRAD I/II/III /LTEAD I/II** shall**:**

8.1. Receive from the Section Chief the Referral Letter of the Chief, LTRAD I/II/III /LTEAD I/II, together with all the pertinent documents, for the conduct of ocular inspection of stop-filers that cannot be located that were referred by the Chief, LTCED for appropriate action; and

8.2. Perform activities of the Case Officer under the computerized districts enumerated in Items 4.3.15. to 4.3.21. and 4.3.23. to 4.3.26. of this Order.

9. The **ACIR-LTS** shall:

9.1. Receive the following reports/documents from the concerned Offices:

a. Monthly consolidated report bearing on the stop-filer cases handled, as well as the analysis of the performance of the different Offices under the LTS from the Chief, LTCED;

b. Monthly report on cancelled registrations and the effected end-dating of the tax and/or form type/s from the Chief, LTAD/ETRD;

c. Recommendation for the updating of the registration data or the end-dating of the tax/form type/s of concerned taxpayers from the Chief, LTCED;

d. Recommendation for the institution of necessary legal action, including the closure of the business establishment/s, against taxpayers who habitually refuse to file the necessary returns and/or pay the taxes due thereon from the Chief, LTCED/ LTRAD I/II/III /LTEAD I/II;

e. List of taxpayers recommended for inclusion to the list taxpayers tagged with CBL status for publication in the web or newspapers of general circulation;

f. The list of taxpayers recommended for the cancellation of the registration and invoicing privileges from the Chief, LTCED;

g. The report bearing the results of ocular inspection/verification of the stop-filer case referred by the Chief, LTCED from the Chief, LTRAD I/II/III /LTEAD I/II;

h. Reminder/warning letter if the LTS performance level on stop-filer resolution fell below the set target from the DCIR-OG;

i. Recommendation for the issuance of LA/TVN to stop-filers upon conduct of ocular inspection from the Chief, LTRAD I/II/III /LTEAD I/II;

j. Recommendation to introduce improvements/enhancements to the Stop-filer Management Program from the Chief, LTCED; and

k. Quarterly report on the status of stop-filer cases referred by the LTS to the Legal Group from the Chief, Prosecution Division and the Chief, Litigation Division.

9.2. Monitor closely the activities of all concerned LTS Offices to ensure speedy resolution of the issues and concerns pertinent to stop-filer cases;

9.3. Review and evaluate the reports/recommendations enumerated in Items 9.1.c. to 9.1.g. and 9.1.i. and 9.1.j. above, and forward the same to the concerned Offices after approval thereof; and

9.4. Evaluate the reports/communication enumerated in Items 9.1.a., 9.1.b., 9.1.h. and 9.1.k. above to in order to properly and timely assess the underlying reasons for the positive or negative performance of the LTS Offices involved in the resolution of the stop-filer cases. For this purpose, an internal mechanism or strategy can be adopted within the LTS to improve its manner in handling stop-filer cases.

E. National Office

Information System Group

1. The **Chief, Quality Assurance Division (QAD) of the Information Planning and Quality Service (IPQS)** shall**:**

   1.1. Receive from the SMSD the request for quality checking and approval of newly created script/s;

   1.2. Forward to SMSD the script that has passed quality checking;

   1.3. Receive from the RDO/Chief. LTS Office the request to change the number and/or composition of TAMP taxpayers for stop-filer purposes;

   1.4. Evaluate the request for the change in the number and/or composition of TAMP taxpayers;

   1.5. Prepare and forward the recommendation on the RDO's/ LTS Office Chief's request to the DCIR-ISG, thru channels; and

   1.6. Receive from the DCIR-ISG the approved/disapproved recommendation and forward the same to the concerned RDC for necessary updating of the RDO's/LTS Office's TAMP taxpayers, copy furnished the concerned RDO/LTS Office and the CPD.

2. The **Chief**, **Security Management Division (SMD) of the Information Planning and Quality Service (IPQS)** shall**:**

   2.1. Conduct audit trails on RCS closure upon request by the concerned RDO/LTS Office and other concerned Offices;

   2.2. Generate the audit logs/reports and provide the requesting Office the same copy/ies;

   2.3. Coordinate with the concerned Offices the conduct of immediate investigation of security breaches/incidents, if warranted;

   2.4. Receive the validated/signed BIR Form No. 0044 and/or Request for Revocation of Access Form (BIR Form No. 0037) *(Annex "J")* from the concerned RDC, ISOS-DC or the Chief of Office (National Office);

   2.5. Evaluate and process the systems access request based on security and access matrix and/or request for revocation or suspension of access/account;

   2.6. Sign/approve the request form/s and forward to System Administrator for implementation; and

   2.7. Check on-line if the request for system access is properly implemented.

3. The **System Administrator of the ISOS** shall:

   3.1. Receive from SMD the signed approved request form/s for systems access and/or revocation/ suspension of system access; and

   3.2. Implement the request for system access and/or revocation/suspension of system access.

4. The **Chief, SOD** shall:

   4.1. Generate the Monthly Stop-filer KPI Report, Consolidated Regional and Nationwide Monthly Report on Stop-filer of the RDOs and the Offices under the LTS; and

   4.2. Convert the Monthly Stop-filer KPI Report to a document file and transmit the same to the CPD not later that the 20th of each month.

5. The **Chief, SMSD** shall:

   5.1. Receive from the Commissioner or other authorized revenue officials the duly approved Memorandum/request for datafix that requires mass

closure/update due to system errors and/or dataload of updated TAMP list that were logged by the concerned RDC Help Desk in the Issue Management Log (IML), if any;

5.2. Validate the details of the request for datafix/dataload;

5.3. Verify if the script for a particular case is already existing

5.3.1. Request migration of script to production for execution of authorized personnel, if the script already exists; and

5.3.2. Create the necessary script to close the case, if the needed script is not yet existing;

5.4. Request QAD to conduct the necessary quality checking and approval of the created script; and

5.5. Forward the duly approved data fix/dataload request form/s to the Database Administration (DBA) for migration/execution to production.

6. The **Database Administrator** shall:

6.1. Receive the approved data fix request form/s from SMSD; and

6.2. Implement the necessary datafix request in production.

7. The **ACIR, IPQS** shall:

7.1. Review the recommendation regarding the RDO's/LTS Office Chief's request to change the number and/or composition of TAMP taxpayers for stop-filer purposes; and

7.2. Approve and sign recommendation.

8. The **DCIR-ISG** shall**:**

8.1. Receive from the Chief, QAD the recommendation on the RDO's/LTS Office Chief's request to update/change the number and/or composition of TAMP taxpayers; and

8.2. Approve/Disapprove the recommendation by the QAD on the abovementioned RDO's/LTS Office Chief's request.

Operations Group

1. The **Chief, Collection Programs Division** shall**:**

   1.1.   Receive from the RDC (for computerized districts/LTS Offices) and the RDOs (for non-computerized districts) the monthly stop-filer reports enumerated under Section III.2. of this Order;

   1.2.   Analyze and evaluate the stop-filer reports to determine the following:
   a.   The reasons for the accumulation of stop-filers and the possible solutions to address the problem;

   b.   The contribution of the Stop-Filer Program in relation to the total collection efforts of the Bureau;

   c.   The aspects in the Returns Compliance System and other pertinent sub-systems in the ITS that may require improvements/enhancements;

   d.   The performance of the RRs/RDOs/LTDOs and other concerned Offices under the LTS in handling stop-filer cases; and

   e.   The amount of collections generated by RDO from Stop-filer cases.

   1.3.   Monitor the accurate and timely submission of stop-filer reports by the RDCs (for computerized districts/LTS Offices) and RDOs (for non-computerized districts) and immediately inform the concerned Offices on the levels of their non-compliance;

   1.4.   Receive the following reports from the concerned Offices:

   a.   Report on the results of the stop-filer analysis, including the recommendation for improvement/enhancement to the Stop-filer Programs from the CS;

   b.   Recommendation by the Collection Division/ACIR, LTS for the imposition of appropriate administrative sanctions against concerned district personnel for continued inaction on assigned stop-filer cases from the Collection Service;

   c.   Monthly Stop-filer KPI Report for computerized   RDOs/LTS Offices from SOD; and

d.   Report on the recommendation made by the Chief, Collection Division/ACIR, LTS for improvement/enhancement of the Stop-filer Program.

1.5.   Check the accuracy of the KPI reports transmitted by SOD with the RDC- generated stop-filer reports under Section II.2 of this Order;

1.6.   Test-check the accuracy of the stop-filer reports submitted by the non-computerized RDOs, in accordance with the methodology formulated for the purpose;

1.7.   Compute the KPI of the non-computerized RDOs based on the reports submitted using the formula indicated in Section III.6. of this Order;

1.8.   Prepare and submit to the DCIR-OG, thru the ACIR-CS, the following reports on or before the 20th day of the month immediately following the stop-filer generation month;

    a.   Consolidated Monthly Stop-Filer KPI Report of the Non-Computerized Districts *(Annex "K-1")* (Individual Taxpayers); *(Annex "K-2")* (Non-Individual Taxpayers) and *(Annex "K-3")* (All Taxpayers);

    b.   Monthly Report of Collection from Stop-filer Cases covered by TAMP *(Annex "L-1")* (Individual Taxpayers); *(Annex "L-2")* (Non-Individual Taxpayers) and *(Annex "L-3")* (All Taxpayers);

    c.   Monthly Report of Collection from Stop-filer Cases not covered by TAMP *(Annex "L-4")* (Individual Taxpayers); *(Annex "L-5")* (Non-Individual Taxpayers) and *(Annex "L-6")* (All Taxpayers);

    d.   Monthly Cumulative Report of Collection from Stop-filer Cases covered by TAMP *(Annex "L-7")* (Individual Taxpayers); *(Annex "L-8")* (Non-Individual Taxpayers) and *(Annex "L-9")* (All Taxpayers);

    e.   Monthly Cumulative Report of Collection from Stop-filer Cases not covered by TAMP *(Annex "L-10")* (Individual Taxpayers); *(Annex "L-11")* (Non-Individual Taxpayers) and *(Annex "L-12")* (All Taxpayers); and

    f.   Report bearing on the results of the evaluation and analysis of stop-filer reports indicated under Item 1.2 above.

1.9. Conduct own study the existing capabilities of the RCS and prepare recommendations/proposals for process improvement;

1.10. Evaluate/study the recommendations for improvement/enhancement to the Stop-Filer Programs that were received from all concerned Offices in the Bureau;

1.11. Coordinate with the Information System Development Service (ISDS) on any proposal to introduce new application systems and/or make enhancements to the existing ITS systems that will impact the RCS;

1.12. Prepare and submit to the ACIR-CS the consolidated report bearing on the results of its own the study and/or the evaluation of the LTS/regional recommendations on the RCS enhancements/improvements, for further evaluation and review prior to its submission to the DCIR, OG and the Commissioner;

1.13. Prepare reminder/warning letters to the concerned regional and district Officers, including LTS Offices, if their respective performance levels in the handling of stop-filer cases are below the set targets;

1.14. Forward the copies of the reminder/warning letters to the DCIR-OG, thru the ACIR-CS;

1.15. Coordinate with the Collection Division on the performance of the district personnel who were recommended for administrative sanctions;

1.16. Receive from the QAD a copy of the duly approved/disapproved recommendation on any change in the number and composition of the RDOs TAMP taxpayers, for monitoring purposes and future reference.

2. The **Chief, Audit Information, Tax Exempt and Incentive Division** shall:

2.1. Receive from the RDO/Chief LTDOs/Chief LTCED the list of all taxpayers with CBL status for publication;

2.2. Publish the list of taxpayers with CBL status in the BIR website and in at least two (2) newspapers of general circulation;

2.3. Receive the list of taxpayers whose registrations and invoicing privileges were duly authorized by the Commissioner pursuant to Section III.12. of this Order; and

2.4. Publish the list of taxpayers with cancelled registrations and invoicing privileges in the BIR website and in at least two (2) newspapers of general circulation.

3. The **ACIR, Collection Service (CS)** shall**:**

    3.1.   Receive the following reports/documents from the concerned Offices:

        a.   Consolidated report on the handling of stop-filer cases of all RDOs/ LTDOs/other Offices under the LTS, the Stop-filer KPI report, together with the analyses of these reports from the CPD;

        b.   Recommendation for improvement/enhancement to the Stop-filer Program from the Regional Director/ACIR LTS/other concerned Offices;

        c.   The consolidated report bearing on the results of its own the study and/or the evaluation of the LTS/regional recommendations on the RCS enhancements/improvements from the CPD;

        d.   Recommendation for the imposition of appropriate administrative sanctions against concerned RDO/LTS personnel for continued inaction on assigned stop-filer cases; and

        e.   Reminder/warning letters to all the concerned Offices whose performance levels in the handling of stop-filer cases are below the set targets.

    3.2.   Forward to the CPD the recommendations submitted by the Regional Director/ACIR, LTS/other concerned Offices for improvement/enhancement of the Stop-filer Program for further study/evaluation; and

    3.3.   Review and evaluate the above reports, with the exception of Items 3.1.b. and 3.1.d., and forward the same to DCIR-OG for appropriate action.

4. The **DCIR-OG** shall:

    4.1.   Receive from the ACIR-CS all the stop-filer related reports and communications;

    4.2.   Receive and review the recommendation from the concerned Regional Director/ACIR-LTS for the cancellation of registration and invoicing privileges of any taxpayer already tagged as CBL and failed to contact the Bureau within the specified period, and forward the same to the Commissioner for further review and approval;

4.3.   Receive from Legal Service a quarterly report on the status of the legal cases being handled relative to erring stop-filers;

4.4.   Monitor closely the resolution of the stop-filer cases referred to the Legal Group in the National and Regional Offices to ensure their speedy disposition;

4.5.   Evaluate the propriety of the submitted recommendations pertaining to stop-filers;

4.6.   Approve/Sign the reviewed/evaluated proposals/recommendations and forward the same to the Commissioner for approval and/or policy direction, if necessary; and

4.7.   Approve/Sign the reminder/warning letters to the concerned Offices whose performance levels on stop-filer management fell below the set targets.

Legal and Inspection Group

1.   The **Chief, Prosecution Division** shall:

1.1.   Receive from the Regional Director/ACIR-LTS the recommendation for the institution of appropriate legal action against taxpayers who habitually refuse to file the necessary tax returns and/or /pay the taxes due thereon;

1.2.   Review and evaluate the referred case/s and make sure that these are properly documented and substantiated to ensure successful prosecution thereof under the provisions of the Tax Code of 1997, as amended;

1.3.   Initiate the institution of the filing of criminal cases against the erring taxpayers; and

1.4.   Prepare and submit to the ACIR, Legal Service, copy furnished the concerned RDO/LTS Office, Regional Director, and DCIR Operations Group a quarterly report on the status of the criminal cases being handled relative to erring stop-filers.

2.   The **Chief, Litigation Division** shall:

2.1.   Receive from the Regional Director/ACIR-LTS the recommendation for the institution of appropriate legal action against taxpayers who

habitually refuse to file the necessary tax returns and/or /pay the taxes due thereon;

2.2. Review and evaluate the referred case/s and make sure that these are properly documented and substantiated to ensure successful prosecution thereof under the provisions of the Tax Code of 1997, as amended;

2.3. Initiate the institution of the filing of civil cases against the erring taxpayers; and

2.4. Prepare and submit to the ACIR, Legal Service, copy furnished the concerned RDO/LTS Office, Regional Director, and DCIRs Operations Group a quarterly report on the status of the civil cases being handled relative to erring stop-filers.

3. The **ACIR, Inspection Service** shall:

3.1. Receive from the heads of concerned revenue Offices the recommendation for the imposition of appropriate administrative sanctions against erring revenue personnel for continued inaction on stop-filer cases;

3.2. Initiate the institution of the appropriate administrative sanctions against erring revenue personnel and make timely action thereon; and

3.3. Forward to the DCIR, LIG, on a quarterly basis, a report on the status of administrative cases being handled relative to erring revenue personnel.

4. The **ACIR-Legal Service** shall:

4.1. Receive from the Prosecution Division, the Litigation Division and Regional Legal Division, the quarterly report on the status of the legal cases being handled relative to erring stop-filers;

4.2. Monitor if the referred stop-filer cases are being acted upon by the Prosecution Division, the Litigation Division and/or the Regional Legal Division to ensure the prompt disposition of these cases; and

4.3. Forward to the DCIR, LIG, on a quarterly basis, a report on the status of criminal and civil cases being handled relative to stop-filer.

5. The **DCIR-LIG** shall:

  5.1. Receive from the ACIRs, Inspection /Legal Service a report on the status of the legal cases being handled relative to erring taxpayers/revenue personnel;

  5.2. Monitor closely the resolution of the cases reported by ACIR- Legal and Inspection Service to ensure immediate action thereon; and

  5.3. Act immediately on the recommendations made by subordinate Offices relative to the cases involving errant taxpayers as well as revenue personnel.

Office of the Commissioner

1. The **Commissioner** shall*:*

  1.1. Receive from the DCIR-OG the recommendation for the cancellation of the registration and the invoicing privileges of the duly identified errant stop-filer and evaluate the merits thereof; and

  1.2. Approve/disapprove the above recommendation and forward the same to the recommending Office for immediate implementation.

V. REPEALING CLAUSE

All issuances or portions thereof inconsistent with the provisions of this Order are hereby amended, modified or repealed accordingly.

VI. EFFECTIVITY

This Order shall take effect immediately.

(Original Signed)
KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

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