

July 12, 2024

REVENUE MEMORANDUM ORDER NO. 032-2024

SUBJECT: Policies and Procedures in the Certification of Total National Tax Collections from Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) and the Corresponding Seventy - Five Percent (75%) Share of the Bangsamoro Government (BG)

TO : Revenue Region Nos. 8B, 15, 16 and 18 and Revenue District Office Nos. 44, 94, 95, 96, 102, 107, 108 and Revenue Accounting Division (RAD)

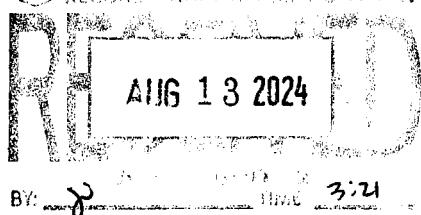
I. BACKGROUND

Republic Act (RA) No. 11054 or the Organic Law for the Bangsamoro Autonomous Region in Muslim Mindanao was approved on July 27, 2018. On January 21 and February 6, 2019, a plebiscite was conducted to ratify the Bangsamoro Organic Law (BOL) and replace the Autonomous Region in Muslim Mindanao (ARMM) with the BARMM as well as the scope of the said region.

The BARMM comprises of six (6) provinces namely: Basilan (11 municipalities and Lamitan City), Sulu (19 municipalities), Tawi-Tawi (11 municipalities), Lanao del Sur (39 municipalities and Marawi City), Maguindanao del Sur and Maguindanao del Norte (36 municipalities and Cotabato City), and eight (8) newly created municipalities in Special Geographic Area (SGA) of BARMM, namely Pahamuddin, Kadayangan, Nablawag, Old Kaabakan, Kapalawan, Malidegao, Tugunan and Ligawasa, which is composed of sixty-three (63) barangays in six (6) municipalities from the province of North Cotabato.

Pursuant to Section 10 Article XII of the said RA, the national taxes, fees and charges collected in the Bangsamoro Autonomous Region (BAR) shall be allocated as follows: a) twenty - five percent (25%) to the National Government (NG) to be accrued to the Bangsamoro Government (BG) for the first ten (10) years following the effectivity of this Organic Law, provided that upon petition of the BG, the NG may extend the period as it shall deem necessary and b) seventy - five percent (75%) to the Bangsamoro Government (BG).

Furthermore, Section 11 Article XII of the same RA specifies that tax collection shall be undertaken by the Bureau of Internal Revenue until such time that the Bangsamoro Revenue Office (BRO) is established and only then they will start collecting taxes regularly.



II. OBJECTIVES

This Order is issued to:

1. Prescribe policies and procedures in the issuance of certification of the total national collections from BARMM.
2. Delineate the responsibilities of the different offices of the Bureau for purposes of compliance with the abovementioned RA.

III. POLICIES

1. The RAD shall issue a monthly certification on the 75% BG and 25% NG share on all national taxes collected from registered taxpayers under BARMM made thru Authorized Agent Banks (AABs), Revenue Collection Officers (RCOs), manual and electronic Tax Remittance Advices (eTRAs) for transmittal to the Bureau of the Treasury (BTr) and Department of Budget and Management (DBM) on or before the 75th day at the end of the collection month.
2. The RDO Nos. 44 – Taguig City, 94 – Isabela City, Basilan, 95 – Jolo, Sulu, 96 – Bongao, Tawi-Tawi, 102 - Marawi City, Lanao del Sur, 107 - Cotabato City, Maguindanao and 108 – Kidapawan City, North Cotabato, shall issue a certification on all national taxes collected from registered taxpayers under BARMM made thru AABs, RCOs, manual TRA and eTRAs. These certifications shall be submitted to RAD on or before the 30th day of the following month.

IV. GUIDELINES AND PROCEDURES

1. The RDO Nos. 44, 94, 95, 96, 102, 107 and 108, through the Collection Section, shall:

1.1 For Payments Made Thru AABs

- a. Validate from all available records the monthly Summary of Collections Report made thru AABs transmitted by RAD and determine the total amount of all national government taxes, fees and charges collected in BARMM; and
- b. Prepare certification of tax collections from registered taxpayers under BARMM using the attached format (Annex "A") together with the supporting documents and transmit, thru the Regional Director (RD), to the Assistant Commissioner - Collection Service (ACIR-CS) Attention: The Chief, RAD on or before the 30th day of the following month.

1.2 For Payments Made Thru Manual TRA and eTRA

- a. Validate the total amount of eTRA collections under BARMM based on the Withholding Tax Report on National Government Agencies (NGAs) thru eTRA provided by Miscellaneous Operations Monitoring Division and determine the total amount of all national government taxes, fees and charges collected in BARMM; and

- b. Prepare certification of total amount of manual TRA and eTRA collections using the attached format (Annex "B") together with the supporting documents and transmit, thru the RD, to the ACIR-CS Attention: The Chief, RAD on or before the 30th day of the following month.

2. The Regional Finance Division (RFD) of RR Nos. 15, 16 and 18 shall:

2.1 For Payments Made Thru RCO

- a. Determine the total amount of national government taxes, fees and charges collected in BARMM from all available records and if the tax collections are actually deposited by the concerned RCOs with Authorized Government Depository Banks (AGDBs); and
- b. Prepare certification of total amount of RCO collections using the attached format (Annex "C") together with the supporting documents and transmit, thru the RD, to the ACIR – CS Attention: The Chief, RAD on or before the 30th day of the following month.

3. The Revenue Accounting Division (RAD) shall:

- a. Extract from Information Systems Development & Operations Service – Network-Attached Storage (ISDOS – NAS) the transmitted Monthly Collection Report per RDO from the Bureau of Internal Revenue - Integrated Tax System – Collections and Bank Reconciliation (BIR-ITS-CBR) every 15th day of the following month;
- b. Prepare the Summary of Collections Report made thru AABs and forward to concerned RDOs under BARMM via email within five (5) days after receipt of transmitted collection data from ISDOS – NAS for validation;
- c. Receive from the concerned RR Nos. 8B, 15, 16 and 18 the certification of tax collections from registered taxpayers under BARMM made thru AABs, RORs, manual TRA and eTRA together with supporting documents on or before the 30th day of the following month;
- d. Check the completeness of the submitted reports and its supporting documents;
- e. Validate the accuracy of the reports submitted by the concerned RDOs, and RFDs from the ITS-CBR)/ Internal Revenue Integrated System – Collection, Remittance and Reconciliation (IRIS-CRR), Statement Report of Collection and Deposits (SRCD) and Summary of TRAs with BTr – Journal Entry Vouchers (JEVs) Report;

In case there are noted discrepancies, communicate the same to the concerned RDOs/RFD for their appropriate action.

- f. Identify the BTr – JEV that correspond to the internal revenue tax collections from registered taxpayers under BARMM;

- g. Compute the 75% BG and 25% NG share on all national taxes collected from registered taxpayers under BARMM;
- h. Prepare the BIR-BTr Joint Certification on the National Taxes Collections/Remittances under BARMM together with the supporting schedules and the necessary transmittal letter;
- i. Forward the Joint Certification for signature by the ACIR – CS and Deputy Commissioner - Operations Group (DCIR - OG) and the transmittal letter for signature of the Commissioner of Internal Revenue (CIR);
- j. Receive the signed Joint Certification and transmittal letter from concerned offices for transmittal to BTr; and
- k. Transmit to BTr, copy furnish the Office of Regional Treasurer – BARMM, the signed Joint Certification and supporting schedules on or before the 75th day at the end of each collection month.

VI. EFFECTIVITY

This Order shall take effect immediately.




ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue

J3RAD- 24-07-1578

