



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
BUREAU OF INTERNAL REVENUE  
Quezon City

February 04, 2014

**REVENUE MEMORANDUM CIRCULAR NO. 14-2014**

**SUBJECT:** Publishing the Full Text of Executive Order No. 155 Dated December 18, 2013 by the President of the Philippines, Entitled (Amending Executive Order No. 160 (S. 2003), and for Other Purposes)

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

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For the information and guidance of all concerned, quoted hereunder is the full text of Executive Order No. 155 dated December 18, 2013 by the President of the Philippines:

“MALACAÑAN PALACE  
MANILA

**BY THE PRESIDENT OF THE PHILIPPINES**

**EXECUTIVE ORDER NO. 155**

**AMENDING EXECUTIVE ORDER NO. 160 (S. 2003), AND FOR OTHER PURPOSES**

**WHEREAS**, it is the policy of the present administration to eradicate corruption and improve the quality and efficiency of public service by continuously adopting institutional improvements and streamlining government bureaucracy;

**WHEREAS**, Executive Order No. 292, or the “Administrative Code of 1987,” provides that the Department of Finance (DOF) shall be primarily responsible for the sound and efficient management of the financial resources of the Government, its subdivisions, agencies and instrumentalities;

**WHEREAS**, the Bureau of Customs (BOC) is one of the revenue-generating agencies under the DOF;

**WHEREAS**, consistent with the reform measures being implemented in the BOC, there is a critical need to separate the functions of post-entry audit from the BOC in order to maintain independence and

impartiality of audit functions and to ensure efficiency and integrity in government service;

**WHEREAS**, the Fiscal Intelligence Unit (FIU) was created in the DOF to identify potential revenue sources and leakages by analyzing data from the BOC and other revenue-generating agencies attached to DOF and to monitor their revenue performance;

**WHEREAS**, as affirmed by the Supreme Court, the President has the power to reorganize the offices and agencies in the executive department in line with the constitutionally-granted power of control over executive offices and by virtue of previous delegation of the legislative power to reorganize executive offices under existing statutes; and

**WHEREAS**, as declared by the Supreme Court, under the general appropriations act, the President may direct organizational and staffing pattern changes in any department, bureau, and office in the Executive Branch.

**NOW, THEREFORE, I, BENIGNO S. AQUINO III**, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

**SECTION 1. Amendment of Executive Order (EO) No. 160 (s. 2003).** The DOF-FIU is hereby mandated to perform the following functions of the Post Entry Audit Group (PEAG) created under EO No. 160, and other tasks inherent or incidental thereto:

- a. Trade Information and Risk Analysis Office
  1. Set the framework and benchmarks for compliance measurements of industry groups;
  2. In coordination with Management Information System and Technology Group, direct the development of a computer aided risk management system using the data warehousing technology and other statistical tools;
  3. Implement the computer-aided risk management system to develop and establish audit selection parameters based on objective and quantifiable data;
  4. Establish and recommend audit targets to the Commissioner of Customs;
  5. Set policies, guidelines, manuals and standard operating procedures relating to the audit and continuously assess how audit performance can be improved by better and more fine-tuned policies and guidelines; and

6. Performs other related functions.
- b. Compliance Assessment Office
  1. Formulate an audit work plan for approved audit targets;
  2. Conduct audit examination, inspection, verification or investigation in accordance with the set policies, guidelines, manuals, and standard operating procedures;
  3. Prepare and submit audit reports;
  4. Develop and implement a customs compliance program; and
  5. Perform other related functions.

**SECTION 2. Winding-Up of the Operations and Disposition of Functions.** The winding-up of operations of PEAG, including the final disposition or transfer of their functions, assets and liabilities, shall be in accordance with the applicable provisions of the Rules and Regulations Implementing EO No. 72 (s. 2002), or “Rationalizing the Agencies Under or Attached to the Office of the President.” Affected officers and employees of PEAG shall be absorbed by the BOC, without prejudice to the rights and benefits granted them under existing laws, rules, and regulations.

The Department of Budget and Management, with the assistance of appropriate departments, agencies and instrumentalities, shall ensure the smooth and efficient implementation of the winding-up activities.

**SECTION 3. Separability.** Should any provision of this Order be declared invalid or unconstitutional, the other provisions unaffected thereby shall remain valid and subsisting.

**SECTION 4. Repeal.** All issuances, orders, rules and regulations, or parts thereof, which are inconsistent with this Order are hereby repealed, amended or modified accordingly.

**SECTION 5. Effectivity.** This Order shall take effect immediately upon publication in the Official Gazette or in a newspaper of general circulation.

**DONE**, in the City of Manila, this 18th day of December, in the year of Our Lord, Two Thousand and Thirteen.

By the President:

(Sgd) **PAQUITO N. OCHOA, JR.**  
Executive Secretary"

All concerned are hereby enjoined to be guided accordingly and give this Circular a wide publicity as possible.

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

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