



Bringing In Revenues
for Nation-Building

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



FEB 25 2025

REVENUE REGULATION NO. 011-2025

SUBJECT : Implementing Sections 237 and 237-A of the National Internal Revenue Code of 1997 (Tax Code), as Amended by Republic Act No. 12066

TO : All Internal Revenue Officials, Employees and Others Concerned

SECTION 1. SCOPE. – Pursuant to Sections 244 and 245 of the National Internal Revenue Code of 1997, as amended (Tax Code), in relation to Sections 12, 13, and 32 of Republic Act (RA) No. 12066, these Regulations are hereby promulgated to implement Sections 237 and 237-A of the Tax Code, particularly on the issuance of electronic invoices, electronic sales reporting and additional allowable deduction related thereto.

SECTION 2. DEFINITION OF TERMS. – In applying the provisions of these Regulations, the following terms shall be defined as follows:

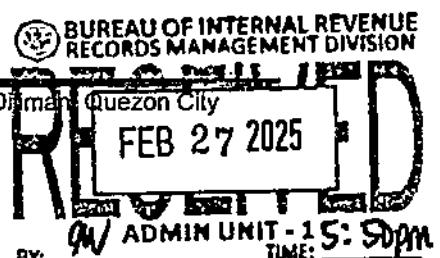
1. **Electronic Invoice.** – It is a written account evidencing the sale, exchange or transfer of goods, properties, services and/or lease/use of properties, issued in the ordinary course of trade or business, using an accounting/invoicing software or system with invoice management tools that is registered/accredited with the Bureau of Internal Revenue (BIR), containing the vital information as prescribed in the existing rules and regulations. It is a system-generated invoice issued to the buyers electronically in a digital/electronic format (e.g. via email as Portable Document Format (PDF) attachments or email content or through electronic viewing in mobile or system application) or subsequently printed: *Provided that*, it is system-generated in a structured invoice data which can be easily extracted electronically from the invoice and its data can be readily transmitted electronically to the BIR for electronic sales reporting.

A photo or scanned copy (in any file format) of a paper invoice (physical/manual copy) is not an electronic invoice.

2. **Electronic Invoicing.** – This refers to the automated process of generating an electronic invoice in a structured invoice data which can be easily extracted electronically from the invoice allowing for automated electronic data processing. It involves the electronic exchange of an electronic invoice that records a transaction between a seller and a buyer. This can be a one-way electronic exchange where the seller sends the electronic invoice to the buyer.

3. **Electronic Sales Reporting System.** – This refers to the electronic reporting or process of storing, transmitting and/or receiving the electronic invoice data, through direct system-to-system data transfer without manual entry, to the BIR in a structured electronic format [e.g. JavaScript Object Notation (JSON) file format or Extensible

BIR National Office Bldg., Senator Miriam Defensor-Santiago Avenue, Diliman, Quezon City
Website: www.bir.gov.ph
Trunkline: 8981-7000 ; 8929-7676



Markup Language (XML) and such other format as may be prescribed by the BIR] and not in PDF or image format, etc. The electronic invoice data contains sales information from sellers to buyers and may also contain payment information made by the buyers.

4. **Electronic Commerce (E-commerce).** – This refers to any commercial transaction conducted through electronic, optical, and similar medium, mode, instrumentality and technology. The transaction includes the sale or offer for sale, purchase of physical or digital goods and services, or lease or offer for lease of the same, between individuals, households, businesses, and governments conducted over computer-mediated networks through the Internet, mobile phones, electronic data interchange (EDI), or other electronic channels through open or closed networks. These may be digitally ordered, digitally delivered or platform-enabled transactions.

For purposes of these Regulations, internet transactions shall also refer to e-commerce.

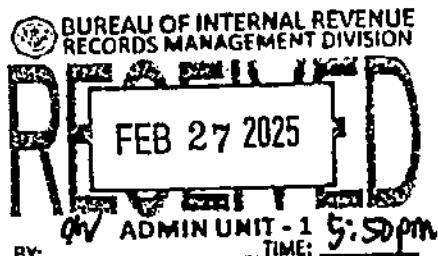
5. **Internet Transaction.** – This refers to the sale or offer of sale, or lease or offer for lease, of digital or non-digital goods and services over the internet.

SECTION 3. POLICIES AND GUIDELINES. – All taxpayers mandated to comply with these Regulations shall observe the policies and guidelines set forth herein. A separate revenue issuance shall be provided for the details and specific requirements hereof.

- A. **Issuance of Electronic Invoice.** The following taxpayers are mandated to issue electronic invoices in a structured invoice data which can be easily extracted electronically from the invoice and can be readily transmitted to the BIR for electronic sales reporting:

1. Taxpayers engaged in electronic commerce (e-commerce) or internet transactions;
2. Taxpayers under the jurisdiction of the Large Taxpayers Service (LTS);
3. Taxpayers classified as Large Taxpayers under RA No. 11976 (Ease of Paying Taxes Act) and RR No. 8-2024;
4. Taxpayers using Computerized Accounting System (CAS), and Computerized Books of Accounts (CBA) with Accounting Records (with electronic invoicing) and other invoicing software; and
5. Upon the establishment by the BIR of a system capable of storing and processing the required data to be transmitted to it, the following taxpayers are mandated to issue electronic invoices:
 - i. Taxpayers engaged in the export of goods and services pursuant to Sections 106 and 108 of the Tax Code, except those falling under Section 3(A)(4) hereof;
 - ii. Registered Business Enterprises availing of Tax Incentives under Section 304(D) of the Tax Code, as amended, except those falling under Section 3(A)(4) hereof;
 - iii. Taxpayers using Point-of-Sales (POS) System; and
 - iv. Other taxpayers as may be required by the Commissioner.

In case the above taxpayers or business activities are registered as a Branch Office, the taxpayers' Head Office and all its Branch Offices shall also be mandated to issue electronic invoices.



All CAS, CBA with Accounting Records (with electronic invoicing), or other invoicing software shall be mandated to generate a system-generated invoice in a structured invoice data that can be easily extracted electronically and can be readily transmitted electronically to the BIR for electronic sales reporting.

Invoices generated by a CAS, and CBA with Accounting Records (with electronic invoicing), Cash Register Machines (CRM), POS System, or other invoicing software and subsequently printed on paper for issuance to buyers, without the capability or readiness to electronically report the sales and invoice data, shall not qualify as electronic invoices. Instead, they shall be classified as traditional, manually issued invoices.

- B. Electronic Sales Reporting Requirements** (as defined in Section 2(3) of these Regulations). Upon establishment by the BIR of a system capable of storing and processing the required data to be transmitted to it, the following taxpayers shall be covered by the Electronic Sales Reporting System requirement under Section 237-A of the Tax Code, as amended:

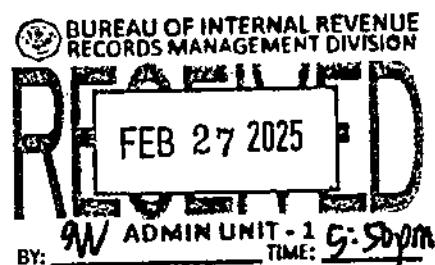
1. Taxpayers engaged in electronic commerce (e-commerce) or internet transactions, classified as Small, Medium and Large Taxpayers;
2. Taxpayers under the jurisdiction of the Large Taxpayers Service (LTS);
3. Taxpayers classified as Large Taxpayers under RA No. 11976 (Ease of Paying Taxes Act) and RR No. 8-2024;
4. Taxpayers using CAS, and CBA with electronic invoicing and other invoicing software;
5. Taxpayers engaged in the export of goods and services pursuant to Sections 106 and 108 of the Tax Code;
6. Registered Business Enterprises availing of Tax Incentives under Section 304(D) of the Tax Code, as amended;
7. Taxpayers using POS System; and
8. Other taxpayers as may be required by the Commissioner.

Said taxpayers are required to electronically report their sales data to the BIR, subject to the rules and regulations to be issued by the BIR for this purpose.

In case the above taxpayers or business activities are registered to a Branch Office, the taxpayers' Head Office and all its Branch Offices shall also be covered by electronic sales reporting.

- C. Taxpayers Engaged in E-commerce.** For purposes of these Regulations, taxpayers engaged in e-commerce shall cover persons, whether natural or juridical, who are engaged in the following trade or business in the Philippines, including but not limited to:

1. E-commerce or online businesses, whether formal or informal, including sale, procurement, or availment of physical or digital goods (including virtual items in online games), digital content/products, digital financial services, entertainment services, social commerce, on-demand labor and repair services, and property and space rentals;
2. Operation of digital platforms, including e-marketplace platforms;



3. Sale and/or lease of goods and services through digital platforms;
 4. Digital content creation and streaming that are income generating including online advertising, blogging/vlogging, subscription or commission;
 5. E-retailing of goods and services;
 6. Sale of creative or professional services, on-demand or freelance services or digital services supplied over the internet;
 7. On-demand Services over the internet, available whenever a customer request them, rather than being provided on a fixed schedule such as, but not limited to, ride-sharing, food delivery, grocery delivery, home services (like cleaning or repairs), and streaming entertainment;
 8. Transport and Delivery Services contracted through an online platform, application, website, webpage or other similar platform operated by the provider, regardless of whether the provider is authorized to engage in e-commerce in the Philippines; and
 9. Other form of businesses other than those mentioned above which are conducted online.
- D. Additional Allowable Deductions for Taxpayers using Both Electronic Invoices and Electronic Sales Reporting System.** – All taxpayers required under Section 3(A) and 3(B) of these Regulations, including those taxpayers who voluntarily complied both with the issuance of electronic invoice and electronically report their sales data to the BIR, shall be granted the following deduction from their taxable income amounting to certain percentage of the total cost for setting up an electronic sales reporting system, in addition to the allowable deduction under Section 34(A)(1) of the Tax Code, as amended:

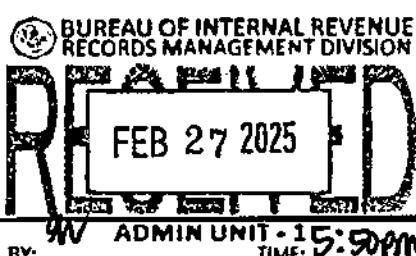
Taxpayer Classification	Allowed Additional Deductions from Taxable Income
1. Micro and Small Taxpayers	100% of the total cost for setting up an electronic sales reporting system
2. Medium and Large Taxpayers	50% of the total cost for setting up an electronic sales reporting system

The foregoing allowable deduction shall be availed of only once within the taxable year the electronic sales reporting system has been completed or final payment has been made. The importation of such electronic sales reporting system shall also be exempt from taxes.

SECTION 4. EXEMPTION FROM THE MANDATORY REQUIREMENTS TO ISSUE AN ELECTRONIC INVOICE. – In line with the Ease of Doing Business and Ease of Paying Taxes, all taxpayers classified as Micro Taxpayers under Section 3(A)(1), 3(A)(4), 3(A)(5)(i), 3(A)(5)(ii), 3(A)(5)(iii) and 3(A)(5)(iv) of these Regulations, shall be exempted from the mandatory requirement to use and issue electronic invoice. However, this exemption does not preclude Micro Taxpayers who are already using electronic invoices, if any, or those who choose to voluntarily use them.

In the absence of an electronic invoice, Micro Taxpayers shall issue a registered manual invoice. They may also use CAS, CRM, and POS System, in lieu of electronic invoices.

SECTION 5. PENALTY PROVISIONS. – Any violation of or non-compliance with these Regulations shall be subject to the penalties as defined in Sections 264 and 264-A of the Tax Code.



SECTION 6. TRANSITORY PROVISIONS. – Taxpayers covered under Section 3(A)(1) to (3) have a period of one (1) year from the effectivity date of these Regulations to comply with the electronic invoicing requirements (issuance of electronic invoice).

Upon the establishment of a system capable of storing and processing the required data by the BIR, all taxpayers covered under Sections 3(A)(5)(i), 3(A)(5)(ii), 3(A)(5)(iii) and 3(A)(5)(iv) and 3(B) of these Regulations shall be mandated to comply with the issuance of electronic invoice and Electronic Sales Reporting System requirements. A separate Revenue Regulations shall be issued for this purpose.

SECTION 7. SEPARABILITY CLAUSE. – If any of the provisions of these Regulations is subsequently declared invalid or unconstitutional, the validity of the remaining provisions hereof shall remain in full force and effect.

SECTION 8. REPEALING CLAUSE. – All other issuances and rules and regulations or parts thereof which are contrary to and inconsistent with the provisions of these Regulations are hereby repealed, amended or modified accordingly.

SECTION 9. EFFECTIVITY. – These Regulations shall take effect fifteen (15) days following its publication in the Official Gazette or the BIR Official Website, whichever comes first.

RALPH G. RECTO
Secretary of Finance

FEB 26 2025



Recommending Approval:



ROMEO D. LUMAGSI, JR.
Commissioner of Internal Revenue

