

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

February 8, 2018

REVENUE MEMORANDUM ORDER NO. 15-2018

SUBJECT : Policies, Guidelines and Procedures on the Implementation of the Post Evaluation of the Cash Register Machines (CRM), Point-of-Sale (POS) Machines and Other Sales Receipting System Software, including the Extraction of Data from Electronic Sales (eSales) Journal and Z-Reading

TO : All Internal Revenue Officers, and Others Concerned

I. BACKGROUND:

Based on existing revenue issuances on the Accreditation and Registration of the CRM, POS Machines, and Other Sales Receipting System Software, such as Revenue Regulations (RR) No. 11-2004, Revenue Memorandum Order (RMO) No. 10-2005, as amended, and reiterated under Revenue Memorandum Circular (RMC) No. 68-2015 and RMC No. 91-2017, the Bureau of Internal Revenue (BIR) shall conduct a Post Evaluation of Cash Register Machines (CRM), Point-of-Sale (POS) Machines and other Sales Receipting Software, including the extraction of data from eSales Journal and Z-Reading from all the aforementioned machines/software and the detailed policies, guidelines and procedures on the aforesaid activity shall be provided herein.

II. OBJECTIVES:

1. To determine through the post evaluation of CRM, POS machines, and other sales receipting system software, including the extraction of data from the eSales Journal and Z-reading, if taxpayers have declared the correct amount of sales and paid the corresponding internal revenue taxes;
2. To prescribe uniform guidelines and procedures for a comprehensive and effective conduct of post evaluation of CRM, POS machines, and other sales receipting system software, including the extraction of data from the eSales Journal and Z-Reading, as well as prescribe reporting requirements as a result thereof;
3. To validate taxpayers' compliance on the invoicing as well as eSales reporting requirements under existing issuances relative to the use of CRM, POS machines, and other sales receipting system software;
4. To gather data through the post evaluation activity in relation to the investigation of income tax, value added tax, and other internal revenue tax liabilities of taxpayers; and

5. To raise awareness that the use of sales suppression software and/or devices is strictly prohibited.

III. POLICIES, GUIDELINES AND PROCEDURES:

The policies, guidelines and procedures stated herein must be implemented by all Revenue Officers who shall conduct the Post Evaluation on CRM, POS machines and other Sales Receipting System Software, including the extraction of data from the eSales Journal and Z-Reading. The same shall also serve as a reiteration of the policies and guidelines for all suppliers/software providers/distributors/pseudo-suppliers and taxpayer-users of the aforesaid machines/ software relative to the accreditation and use thereof.

1. The Revenue Officers shall conduct the Post Evaluation pursuant to a Mission Order (MO) (Annex "A"), Letter to Taxpayer (Annex "A-1") addressed to the Head Office and Branches and Revenue Special Order (RSO). The Mission Order/Letter to Taxpayer shall be distributed as follows:

Mission Order:

Original	- To be attached to the report (duly acknowledged by the taxpayer or his authorized representative)
Duplicate	- Investigating Office's/Division's File copy
TriPLICATE	- Issuing Office's File copy
Quadruplicate	- Taxpayer's copy

Letter to Taxpayer:

Original	- Taxpayer's copy
Duplicate	- Investigating Office's/Division's File copy duly acknowledged by the taxpayer or his authorized representative
TriPLICATE	- Issuing Office's File copy
Quadruplicate	- ACIR, LTS/Regional Director's copy

2. Each machine being used for business operations must be registered with the Bureau and must have a **Permit to Use (PTU)** that must be conspicuously attached thereto, showing the following information:

- a) Name, Address and TIN of the taxpayer-user with Branch Code;
- b) Machine Identification Number (MIN);
- c) PTU Number; and
- d) Brand/Model and Serial Number for CRM or POS Machine, Software license number for cloned machines; pursuant to RR No. 5-2005 dated February 17, 2005.

3. All POS machines being used must generate the corresponding eSales Journal while CRM must have the corresponding journal tapes installed on both rollers, including Sales Book, or its equivalent and capable of generating Z-reading;

4. The “Training Mode” or “No Sale Transaction Mode” of the CRM, POS and other machines being used in business operations should have been disabled;
5. All Certificates of Accreditation shall be valid and in effect based on its Date of Issuance with staggered implementation pursuant to RMC No. 55-2016, to wit:

DATE OF ISSUANCE ON THE CERTIFICATE OF ACCREDITATION	VALID UNTIL
Prior to July 31, 2013	July 31, 2018
August 1, 2013 to July 31, 2014	July 31, 2019
August 1, 2014 to July 31, 2015	July 31, 2020
August 1, 2015 onwards	Five-year validity shall commence.

Both primary and/or supplementary receipts/invoices must reflect the corresponding Date of Issuance and Validity Period as provided above.

6. All existing Final PTUs, including those Provisional PTUs that were converted on or before July 31, 2015 shall have a validity period of five (5) years effective August 1, 2015 pursuant to RMO No. 30-2015. Hence, no machine/software shall have a provisional PTU as of August 1, 2015. Any machines/software with provisional PTU are automatically considered as invalid for use by the taxpayer and warrants imposition of corresponding penalties. However, if the taxpayer is continuously using the machine beyond the above prescribed period, the same shall be subjected to the extraction of sales data (eSales Journal and Z-Reading) from August 01, 2015 up to the conduct of Post Evaluation on a quarterly basis following the taxpayer’s accounting period. The said machines shall be sealed and/or confiscated, and the data therein shall be used to determine the correct amount of sales for the applicable period upon discovery thereof;
7. All Permits to Use (PTU) issued prior to the expiration of the suppliers’ accreditation are valid for a period of five (5) years from the date of issuance thereof. Taxpayer/s who purchased from suppliers with expired accreditation are prohibited to use the machine/software; otherwise, they shall be subjected to penalty/ies in accordance with existing revenue issuances;
8. All receipts/invoices generated from CRM, POS and other Sales Receipting System Software must be in compliance with the provisions of Section 5 of RR No. 10-2015 as shown in Post-Evaluation Guide Form (Annex “B”) hereof. Taxpayers’ adherence to registration, bookkeeping and invoicing/receipting (manual receipting) requirements shall also be verified;
9. Registered machines may be withdrawn from use, either by retirement or by sale, upon approval of the application for cancellation of PTU by the concerned LTS Office/Revenue District Office (RDO) where taxpayer-user is registered. Machine with cancelled PTU must no longer be used in the business operation of the taxpayer-user.

Otherwise, corresponding penalties shall be imposed for the related violations and extraction of sales data shall be undertaken;

10. A taxpayer/user who has been issued a “Permit to Use Sales Machines” shall not have the machine undergo any major repairs, upgrade, change, modification, update, or removed from its specified location, without prior written notice and approval by the concerned LTS office/RDO where the machine is registered in accordance with Revenue Memorandum Order No. 10-2005;
11. All taxpayers using CRMs, POS machines and other Sales Receipting System Software enrolled in the eSales System, with or without sales transaction, are required to submit a Monthly Sales Report per machine pursuant to RMO No. 12-2012. This shall include a **Roving Machine** which is defined as CRMs, POS machines and other invoice/receipt generating machines controlled and managed by the taxpayer’s head office and transferred for use in any of its branches, as the need arises. Prior to its deployment, taxpayers using roving machine should have an approved authorization from the concerned LTS Office/RDO having jurisdiction of the taxpayer’s head office and shall likewise inform the RDO where the machine will be used;
12. Taxpayers with more than 999 branches with Permit to Use issued to machines registered as Roving Machines in accordance with the workaround procedures prescribed under RMO 18-2015 shall have notified the Chief of Office of the LTAD/ELTRD/LTD Cebu/LTD Davao via email or letter with the list of branches who have more than 999 TIN branch codes subject for registration of the machines. In the absence of such notifications, the corresponding penalty shall be imposed;
13. The concerned LTS Office/Other Requesting RDO shall coordinate the conduct of Post Evaluation with the Regional Director/RDO where the CRM/POS machines of LTS/RDO taxpayers are located. The host RD/RDO shall assist and provide the needs of the concerned requesting offices in the conduct of Post Evaluation including the Extraction of Data from eSales Journal and Z-Reading, as follows:
 - a) Additional Manpower requirements;
 - b) Technical Support from NODC/RDC;
 - c) Post Evaluation Kit;
 - d) Police/LGU assistance;
 - e) Service of Mission Order;
 - f) Report Compliance by Team Members; and
 - g) Other requirements necessary for the conduct.
14. The Business Intelligence Division (BID) shall provide the following thru the concerned LTS Office/RDO who will conduct the Post Evaluation:
 - a) Summary of Machine/Software with Statistical Data on Supplier, Software, Count of Machines with eSales per Regional Office and per RDO;
 - b) List of Suppliers with Accredited Machines/Software per RDO;

- c) List of Machines/Software with Final PTU;
- d) List of Machines/Software with Provisional PTU;
- e) List of Machines/Software for Special Purpose;
- f) List of Cancelled Machines;
- g) List of Machines with:
 - i. No eSales Report;
 - ii. eSales Report;
 - iii. Zero Sales;
 - iv. Amended eSales Report; and
- h) List of PTU/MIN for machines/software used by branches of the LTS taxpayers with address and located within the jurisdiction of the RR/RDO.

The above enumerated data shall be generated and released regularly (every 20th of the following month) to the concerned LTS Office/RDO.

15. Post Evaluation is categorized as follows:

- a) Nationwide Post Evaluation – Conduct of CRM/POS machines' Post Evaluation for the LTS taxpayer/s whose machines are located in more than one Revenue Region/RDO;
- b) Inter-region Post Evaluation – Conduct of CRM/POS machines' Post Evaluation of taxpayers with branches located in another region;
- c) Regional Post Evaluation – Conduct of CRM/POS machines' Post Evaluation within the Region; and
- d) District - Conduct of CRM/POS machines' Post Evaluation within the District.

16. The following reports are required to be submitted in hard and soft copies:

- a) Initial Report of Committed Violations (Annex "F")– refers to the identified violations from the duly accomplished Post Evaluation Guide (PEG) (Annex "B") including summary of encoded Z-Reading, front and backend report and other documents gathered during the conduct of Post Evaluation.

This shall also include a report on non-compliance by the taxpayer in submitting the Z-Reading, eSales Journal and other documents or data per Demand Letter (Annex "B-1"); and the corresponding recommendation for the issuance of SUBPOENA DUCES TECUM (SDT) under existing rules and regulations. The SDT shall be issued and served to the duly authorized representative. For this purpose, taxpayers' authorized representative shall pertain to the employee/personnel manning the establishment. This report together with all the attached documents shall be subject for consolidation by the Team Heads, Group Leaders, Regional Coordinator and Overall Coordinator and transmitted to the concerned group/office per Matrix of Activities (Annex "G") (responsible officer, timeline, required report) and Diagram of Responsible Officers marked as Annexes "G-1 to G-4" using Transmittal Sheet (Annex "H"); and

- b) Final Memorandum Report (Annex "I")- covers the summary of committed violations, the result of the data matching from the concerned Revenue Officers/Team Heads/Coordinators and the recommendation for review and approval of the Chairperson which shall serve as basis for issuance of Notice to Taxpayer (Annex "J") and Schedule of Findings on Post Evaluation and Compliance Validation (Annex "J-1") and/or further enforcement activity.
17. A committee shall be created to monitor the conduct, result of the Post Evaluation and maintain database for audit and for other enforcement activities. The Chairperson for the Nationwide, Region wide and Inter-Region Post Evaluation may create its own Technical Working Group (TWG) and Secretariat for the review, validation, confirmation of findings and preparation of notice to the taxpayer. The Chairperson shall be as follows:
- | | | |
|-----------------|---|------------------------------|
| 1. Nationwide | - | DCIR-OG/ACIR-LTS |
| 2. Inter-Region | - | Requesting Regional Director |
| 3. Region Wide | - | Regional Director |
| 4. District | - | RDO |
18. The Chairperson shall be in-charge of the following activities:
1. To set a policy direction for the overall conduct of Post Evaluation;
 2. To ensure effective implementation of the Post Evaluation including enforcement of penalties/sanctions as provided for by law;
 3. To resolve the issues/concerns elevated by the Coordinator/TWG; and
 4. To issue Notice to Taxpayer.
19. A Computer Assisted Audit Team (CAAT) shall be integrated in the Technical Working Group (TWG) which may include the members of the Computer Assisted Audit Tools and Techniques (CAATTs) Laboratory and its CAATTs satellite laboratory located within the regional offices as a support group for this purpose. Regions that do not have CAATTs Lab may seek assistance for the use of the laboratory nearest to their location;
20. For the initial implementation of this RMO, a training for Revenue Officers may be conducted by the Human Resource Development Service in coordination with the Client Support Service for the conduct of Post Evaluation, the Policies and Procedures and Compilation/Analysis of Electronic Sales Journal using BIR Audit Tools. Succeeding trainings may be conducted by the trained Revenue Officials in the Large Taxpayers Service/Revenue Regions/RDO;
21. The Human Resource Development Service (HRDS) shall facilitate the conduct of Post Evaluation and CAATTs training and process the issuance of RSO for the following:
- a) Revenue Officers as participants for the Post Evaluation/CAATTs training;
 - b) Trainers for the conduct of Post Evaluation/CAATTs training; and
 - c) Computer Assisted Audit Team.

22. The Information Systems Group through the following offices shall:

a) Business Intelligence Division (BID):

- i. Extract from the eAccReg System/eSales System the required data (Section III.13) of the Policies and Procedures per concerned LTS Office/RR/RDO;
- ii. Release on a regular basis the aforementioned data every 20th day of the following month to the concerned offices copy furnish the ACIR-LTS and RD;
- iii. Assist in the validation and reconciliation of machine registration; and
- iv. Provide the technical module for the eAccReg System and serve as Trainer for the Post Evaluation.

b) National Office Data Center (NODC)/Revenue Data Center (RDC) shall:

Assist in the conduct of Post Evaluation to handle technical issues/concerns in the sales data extraction (eSales Journal and Z-Reading).

23. The Regional Director shall provide the List of Revenue Officers within the Region who will assist in the conduct of Nationwide/Inter-Region Post Evaluation within three (3) days from the receipt of the letter request.

IV. THE PREPARATORY ACTIVITIES:

The preparatory activities for the implementation shall be accomplished by the following:

A. Client Support Service through the Taxpayer Service Programs & Monitoring Division (TSPMD)-Technical Working Group (TWG):

1. Receive the list of Revenue Officers recommended for the CRM/POS training from the Revenue District Offices/Revenue Regions/Concerned LTS Offices; and
2. Transmit the Consolidated list of Revenue Officers recommended for training shall be transmitted to the Training Management Division (TMD) for preparation of Revenue Special Order (RSO).

B. Human Resource Development Service through the Training Management Division (TMD) shall:

1. Prepare/Process RSO based on the submitted consolidated list of Revenue Officers recommended for Post Evaluation Training from Large Taxpayer Service/Client Support Service (CSS) including the identified Trainers from the Functional and Technical Group;
2. Prepare training module to be used in the seminar/training of ROs for the Post Evaluation of CRM/POS and other sales receipting system software; and

3. Prepare training materials, facilities/venue, logistics and other necessary requirements and provide training modules for the Trainor's training to be distributed to the Revenue Regions.

C. Business Intelligence Division (BID) shall comply with the responsibilities provided under Section III POLICIES, GUIDELINES AND PROCEDURES, Item No. 21(a) i-iv hereof.

V. DETAILED PROCEDURES:

The three (3) major stages that must be undertaken by the concerned Revenue Officers for the conduct of the Post Evaluation of the Cash Register Machines (CRM), Point-of-Sale (POS) Machines and Other Sales Receipting System Software, including the extraction of data from eSales Journal and Z-Reading are as follows:

- a) Preliminary;
- b) Actual; and
- c) Post-Conduct.

The following procedures and guidelines under the aforementioned stages shall be adhered strictly.

A. PRELIMINARY STAGE:

A.1 The LT Audit Division Chiefs/Revenue District Officers shall:

1. Gather information generated from the eAccReg System through BID and necessary data from other sources like the Registration Offices which shall not be limited to the following:
 - a) Registration data;
 - b) List of submitted request for CRM/POS machine cancellation;
 - c) List of machines with approved request for repair and pending request for repair approval;
 - d) List of machines of enlisted taxpayers still in the old RDO;
 - e) Summary List of Sales;
 - f) eSales Report;
 - g) VAT Return; and
 - h) Income Tax Returns.

Items **a** to **d** shall be transmitted to the requesting office by the Registration Offices/Client Support Section within five (5) days from receipt of request.

2. Identify the RDOs having jurisdiction of the branch/es of the taxpayers where the CRM/POS machines are located for the conduct of Post Evaluation. In case of shortage in manpower the LTS Offices/Regional Offices, may request assistance from concerned RDOs;

3. Submit the list of personnel, groupings and deployment including those coming from the host district/s who will handle the Post Evaluation to the DCIR-OG/ACIR-LTS/Regional Director;
4. Request for the issuance of the Revenue Special Order (RSO) through a Memorandum for approval of the Deputy Commissioner (DCIR), Operations Group (OG) and Resource Management Group (RMG) for the conduct of nationwide Post Evaluation. The Mission Order and the Letter to Taxpayer shall be prepared by the concerned office to be signed by DCIR-OG based on the approved RSO.

However, for the LTS/Regional/District conduct of Post Evaluation and data extraction from CRM/POS Machines, the LTS RSO/Regional Revenue Special Order (RRSO), Mission Order and Letter to Taxpayer shall be transmitted for approval by the ACIR-LTS/Regional Director/RDO within their respective jurisdiction;

5. Prepare Post Evaluation Kit which shall contain the following:

- a) Signed RSO;
- b) Apprehension Slip;
- c) Compilation of Revenue Issuances related to CRM/POS;
- d) Post Evaluation Guide Form (Annex "B");
- e) Cling wrap for sealing the machines;
- f) Schedule of Compromise Penalties for Registration, Invoicing (manual and CRM/POS), Bookkeeping and Compliance Requirements (Annex "C");
- g) Request Letter to the Police/Barangay Office (Annex "D"); and
- h) Other items necessary for the activity.

A.2 Host Regional Director/Host Revenue District Officers shall:

Oversee the conduct of Post Evaluation of LTS/other Regions' Taxpayers' machines which are located in more than one district within the Regional Office. The RDO shall administer the activity if the Post Evaluation is limited to the RDO's jurisdiction.

Ensure the accomplishments of events hereunder enumerated:

- a) Coordinate with the RDO and guarantee that the manpower for the Post Evaluation and other requirements are available (refer to item 13 of policies and procedures) during the activity;
- b) Prepare the Post Evaluation kit for the team;
- c) Prepare appropriate communication with the LGU and/or the police relative to the conduct of the activity (Annex "D"); and
- d) Coordinate with the LGU.

B. ACTUAL STAGE:

B.1 Chief of Concerned LTS Offices/ Revenue District Officer shall:

1. Conduct procedural briefing and strategies to be undertaken such as the guidelines/steps on the actual conduct of the Post Evaluation activity;
2. Issue the duly signed Mission Order and Letter to Taxpayer with attached data from BID/LTS Registration Offices and “Post Evaluation kit” to the concerned team or group of Revenue Officers, who shall conduct the Post Evaluation of the Cash Register Machines (CRM), Point-of-Sale (POS) Machines and Other Sales Receipting System Software, including the extraction of data from eSales Journal and Z-Reading, after the procedural briefing;
3. Oversee the Team in the Service of Mission Order and Letter to Taxpayer together with the police support;
4. Resolve/address issues and concerns that may arise during the conduct of Post Evaluation; and
5. Coordinate with all the Teams to ensure the plans are executed properly.

B.2 LTS Coordinator(Branch/District/Regional/National)/Group Head shall:

1. Ensure that all the necessary documents, “Post Evaluation kit” and duly signed Mission Order from concerned Chief of LTS Office/Revenue District Officer are available prior to deployment;
2. The following steps may be accomplished as part of the strategy:
 - i. Make a courtesy call to the Mayor of the City/Municipality within his/her area of coverage to apprise him of the official activity; and
 - ii. Serve the request letter to the Police/Barangay Official for the needed assistance, if necessary.
3. Serve the Mission Order and letter to the taxpayer/representative and immediately identify where the machines and records for verification/validation are located;
4. Immediately conduct the Post Evaluation of the Cash Register Machines (CRM), Point-of-Sale (POS) Machines and Other Sales Receipting System Software, including the extraction of data from eSales Journal and back end report in soft copy, front and back end Z-Reading (if applicable, in hard and soft copies) using the lists of information from the eAccReg System as provided by BID, other sources and any machines within the business premises;

5. Ensure that the eSales Journal obtained from the taxpayer are provided in a text file format readable by the BIR audit tools, and submitted in CDR or DVDR duly signed by the taxpayers' representative;
6. Secure a duly notarized Sworn Statement (Annex "E") that shall be executed by the taxpayer as to the correctness of the data submitted;
7. Properly accomplish the Post Evaluation Guide (PEG) Form based on the available data acquired during the conduct of Post Evaluation. Indicate the date, name/s of the RO/s and sign the PEG Form in three (3) copies during the Post Evaluation. Provide a separate copy for the Taxpayer/Taxpayer's Representative or employee within the premises who shall acknowledge the same by signing **ALL** the pages of the PEG Form. In case of refusal to at least acknowledge the form, the findings/observations of the Revenue Officer/Group of Revenue Officers shall not be invalidated and the rule on constructive service shall apply where two witnesses from the Barangay/Police will sign the Post Evaluation Guide Form;
8. Seal or confiscate and issue apprehension slip for unauthorized machines used in business after generating the Z-Reading/s and extraction of sales data such as but not limited to the following:
 - a) Without Permit to Use (PTU);
 - b) Cancelled Machines;
 - c) With Provisional Permits;
 - d) Use under training mode or no transaction mode;
 - e) With sales suppression gadgets;
 - f) Machines registered in another branch;
 - g) Special Purpose Machines (SPM) used for issuance of receipt/invoice;
 - h) Unauthorized use of Roving Machines i.e. expired authority to use the machine, deployed in business establishment different from the one specified in the authority, registered as SPM but used as invoicing/receipting software or vice versa; and
 - i) Others

B.3 National Office Data Center (NODC)/ Revenue Data Center (RDC) shall:

- a) Render technical assistance in the conduct of Post Evaluation;
- b) Handle technical matter/procedure/concerns in the extraction of sales data (eSales Journal and Z-Reading)/ backend report from the machines/server/consolidator; and
- c) Submit report on the result of data extraction as specified above including other technical observation.

C. POST-CONDUCT STAGE:

The matrix of detailed activities (persons responsible, time frame, etc.) on the submission of reports under Section III POLICIES, GUIDELINES AND PROCEDURES,

Item No. 15 hereof, shall be followed by the Revenue Officers in the accomplishment of the activities specified under each group.

C.1 Revenue Officers/Team Members shall:

1. Consolidate all the Post Evaluation Guide per taxpayer per branch per machine;
2. Encode and summarize the quarterly sales by deducting the ending accumulated sales from the beginning accumulated sales, Z-Reading (front-end and backend, whichever is applicable);
3. Prepare and consolidate the Initial Report of Committed Violations by Taxpayer and the Corresponding Compromise Penalties (Annex "F"); and
4. Submit the hard and soft copy of the consolidated Initial Report to the Team Head as specified in the aforementioned matrix using the transmittal sheet.

C.2 Team Head/Group Leader shall:

1. Receive and check if all the reports per branch are submitted; and
2. Summarize all the duly signed consolidated initial reports including all the documents acquired during the Post Evaluation (hard and soft copies) and transmit to the Concerned Office/Group.

C.3 Coordinator – LTS Regional Coordinator, Host RR (Regional Coordinator) and Overall Regional Coordinator shall:

1. Receive consolidated reports from concern Group/Office;
2. Consolidate, collate, summarize and transmit reports/documents to the TWG;

C.4 Technical Working Group (TWG) shall:

A. Functional (Members and Secretariat)

1. Receive, consolidate and summarize all Consolidated Initial Reports/Documents;
2. Match the data/record gathered for possible discrepancy such as but not limited to the following:
 - i. Z-Reading vs eSales Journal vs eSales Report;
 - ii. eSales Report vs monthly/quarterly VAT Return; and
 - iii. Z-Reading/eSales Report/eSales Journal vs. Summary List of Sales.
3. Determine the discrepancy as basis for issuance of findings and penalty imposition;

4. Recommend the conduct of surveillance and/or conduct of audit if warranted;
5. Coordinate with the CAATTs National Office Laboratory and satellite laboratory located within the nearest Revenue Region who shall do the system matching based on the CAATTS;
6. Prepare the Final Memorandum Report (Annex “I”) to be submitted to the concerned LTS TWG/RDO/Regional Director/ACIR-LTS/DCIR-OG based on the result of the Post Evaluation, record/data submitted by taxpayer, data matching and CAAT report; and
7. Prepare Notice to the Taxpayer based on the Final Memorandum Report.

B. CAAT shall:

1. Establish data integrity by matching the control totals provided by the taxpayers against the totals from the actual interrogated data;
2. Perform the compilation of data and matching of results against taxpayer’s tax declaration per return/other compliance requirements using BIR audit tools; and
3. Validate the results as to the correctness of matched data. Any discrepancy based on the result of matched data shall be considered as preliminary basis for the preparation of report of discrepancy/findings to be submitted to the concerned LTS Office/RDO for evaluation and possible issuance of Letter of Authority together with all the data gathered during the conduct of Post Evaluation from the taxpayer in the form of CDR or DVDR. The CAAT report shall be transmitted to the Head-TWG.

C.5 The LTS Head TWG (Nationwide) or TWG/Overall Regional Coordinator-TWG (Inter-Region) shall:

1. Receive the Report on Post Evaluation from the concerned Team Heads/Coordinator including all the attachments/documents gathered/secured/generated in relation to the conduct of Post Evaluation;
2. Facilitate the review/reconciliation of the reports submitted by the Post Evaluation team and the CAAT before finalizing the findings;
3. Provide feedback to the CAAT as to the result of the validated/reviewed data/findings;
4. Transmit report of permit/machine discrepancy/ies to the Chief, BID for validation and reconciliation;

5. Prepare the corresponding notice/s of discrepancy, findings, violations and/or observations to the taxpayer for transmittal to the Chairperson; and
6. Recommend for enforcement of collection/compliance of the identified deficiency/ies per issued notice, if findings were contested by the taxpayer through issuance of Letter of Authority.

C.6 Business Intelligence Division shall:

Validate and reconcile determined discrepancies in the permit/machines per evaluation of reports and documents gathered as compared to eAccReg records.

C.7 ACIR-LTS/Regional Director shall:

Serve as the Chairperson to oversee/monitor the overall result of the conduct of activity. Review, confirm and recommend and/or approve the Final Report and issue Notice to Taxpayer for the tax deficiency/ies and/or penalties due to non-compliance.

Allow the use of the sealed machines and release confiscated machines upon payment of the corresponding penalties on findings or violations by taxpayer/representative. In case of unauthorized machine/s such as cancelled, without permits or with provisional permits such shall be withdrawn from the business premises and shall no longer be used for invoicing/receipting purposes.

VI. GUIDELINES AND INSTRUCTIONS:

In order to accomplish the objectives of the nationwide/Inter-region Post Evaluation, the Office of the following Deputy Commissioners shall:

A. Operations Group

1. Approve issuance of Revenue Special Order (RSO) for the conduct of nationwide/inter-region Post Evaluation and issue the corresponding Mission Order and Letter to Taxpayer; and
2. Act as the Chairperson for the Nationwide Post Evaluation, issue Subpoena and approve the Final Report and Notice to Taxpayer.

B. Resource Management Group

1. Approve RSO for the Conduct of Post Evaluation Trainings and the nationwide/inter-region Post Evaluation Activity; and
2. Approve budget requirement for the training and Post Evaluation activities and other budgetary requirements such as airfare/ transportation, etc.

VII. REPEALING CLAUSE:

All revenue issuances and/or portions thereof that are inconsistent herewith are hereby repealed, modified or amended accordingly.

VIII. EFFECTIVITY:

This Order shall take effect immediately.

(Original Signed)
CAESAR R. DULAY
Commissioner of Internal Revenue

D-