



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

November 11, 2009

**REVENUE MEMORANDUM ORDER NO. 34-2009**

**SUBJECT** : BIR "SanTAX Claus" Project  
**TO** : All Internal Revenue Officers and Others Concerned

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**I. OBJECTIVES**

This Order is being issued to:

1. Improve tax awareness by encouraging the general public to demand habitually invoices for goods purchased and official receipts for services procured;
2. Enhance services to bazaar operators, commercial establishments, event organizers, vendors and privilege stores by coordinating with and communicating to them tax compliance requirements;
3. Promote voluntary compliance from taxpayers that will result in the generation of taxes;
4. Conduct monitoring during the Christmas shopping season on operations of bazaar / "tiangge" / event organizers and on "Privilege-Stores"/vendors, with respect to their compliance of requirements of the relevant provisions of the Tax Code and Revenue Regulations No. 16-2003, as amended by Revenue Regulations No. 24-2003, and other pertinent revenue issuances; and,
5. Expand the BIR's registration databank by inclusion of non-registered taxpayers ferreted out during the duration of this project.

**II. PROCEDURES AND GUIDELINES**

The "SanTAX Claus Project" (SCP) is hereby adopted under the following guidelines and procedures:

- A. Revenue District Offices (RDOs) shall:
1. Identify the holding of bazaars, exhibits and events in their particular jurisdiction by conducting ocular inspection in commercial

- establishments; monitoring upcoming events as promoted in the newspapers, internet websites, TV shows, radio programs and other medium of advertisements; verifying the upcoming events in established venues; and other pertinent activities.
2. Conduct a Taxpayer Compliance Verification Drive (TCVD) of participating vendors in the events venue, and shall secure the directory from the event organizers, together with a summary report of the rentals received or to be received by the event organizers arising from the sub-lease of the stalls or booths to the participating vendors.
  3. Verify whether the event organizers are registered in the BIR registration database and whether the admission tickets being sold by the event organizers have been duly registered with the BIR. If there is non-compliance, the RDO shall do the necessary measures to register or refer the matter to the other RDOs having jurisdiction over the non-compliant taxpayer.
  4. Create "SanTAX Claus" Teams, composed of revenue officers wearing "SanTAX Claus" outfits (see **Annex "A"** for the prescribed official uniform), to be deployed to targeted bazaars and trade events, to further promote the visibility of the SCP campaign.

B. "SanTAX Claus" Teams

The primary functions of the "SanTAX Claus" Teams shall include the following:

1. Visit the identified bazaars, "tiangges", and events to distribute "SanTAX Claus" flyers (See **Annex "B"**) to the participating vendors which shall serve as reminders to the taxpayers of the BIR registration requirements, printing and issuance of receipts/invoices, tax reportorial, filing and payment procedures applicable to the subject business establishments; and also to distribute another set of "SanTAX Claus" flyers (See **Annex "C"**) to the general public patronizing the bazaars, tiangges, and events to remind them of the obligation and advantage of demanding receipts/invoices when they make their purchases.
2. Post "SanTAX Claus" tarpaulins (see **Annex "D"**) in the premises where the bazaars, "tiangges", and events are being conducted to serve as reminders on demanding and issuance of receipts/invoices;
3. Observe whether the participating vendors are properly issuing registered receipts/invoices;

4. Conduct TCVD and inspection of the premises to ferret out the following violations:
  - 4.1 Failure to register with the BIR under Sec. 236 of the Tax Code but has commenced business transaction and failure to issue duly registered receipts or invoices;
  - 4.2 Registered with BIR but without required receipts or invoices; and
  - 4.3 Non-issuance of receipts/invoices;
5. In the event that the organizers and participating vendors are found to have committed any of the violations under the preceding paragraph, the SanTAX Claus teams shall allow the non-compliant taxpayers to operate provisionally provided they register with the SanTAX Claus teams on-the-spot, as follows:
  - 5.1 The "SanTAX Claus" Team shall hand out the Application for Registration Form(s), with pre-generated Taxpayer Identification Numbers to the applicant(s);
  - 5.2 The applicant(s) shall accomplish the form(s) on-the-spot and shall submit the form and pay the corresponding annual registration fee of Five Hundred Pesos (P500.00) to the "SanTAX Claus" Team. The accomplished form(s) shall then be referred to the RDO which has jurisdiction over the taxpayer applicant(s);
  - 5.3 If the taxpayer is found to be without BIR-registered invoices/receipts, the SanTAX Claus shall issue BIR Printed Receipts/Invoices (BPRs). As provided under RMO No. 13-03, the RDOs are authorized to print BPRs for use by taxpayers in their districts. The format and costing of the BPR as well as the information required to appear therein shall be in accordance with the prescribed guidelines under said RMO.
  - 5.4 Conduct random inventory check of the serial numbers' series of the invoices/official receipts in the possession of the participating vendors on an initial and on a subsequent date to ascertain if there has been a reasonable number of receipts/invoices issued for the period by the vendors. For this purpose, the teams shall use the report prescribed in **Annex "E"**. If the SanTAX Claus team shall ascertain that there are "unreasonable and minimal number of issued receipts/invoices," the team shall remind the particular

vendor(s) of this observation and the possibility that they will be subject to closer scrutiny.

### **III. PRE-MONITORING AND POST-MONITORING OF BAZAAR EVENTS**

1. The Office of the Senior Deputy Commissioner shall coordinate with the Department of Trade and Industry in compiling a list of upcoming bazaars, exhibits and events for the Christmas season. Said list shall be disseminated to the Regional Directors and the Revenue District Officers concerned.
2. "SanTAX Claus" teams shall accomplish the reports prescribed under RMO No. 09-06, particularly Annexes "H" to "M" thereof as applicable and submit the same to the Regional Director thru the RDO. These reports shall be consolidated by the Regional Director prior to submission to the Assistant Commissioner, Taxpayer Assistance Service (ACIR-TAS).
3. The ACIR-TAS shall monitor, consolidate and the submit a final report on the SCP to the Commissioner of Internal Revenue on January 31, 2010.

### **IV. PENALTIES**

The on-the-spot registration of a taxpayer under the "SanTAX Claus" program and the issuance of BPR to said taxpayer shall not relieve the latter from liabilities/penalties imposed under RMO 19-2007 and Sections 254, 275 and other pertinent provisions of the Tax Code, and shall be without prejudice to the right of the BIR to institute and initiate appropriate civil/criminal actions, including closure proceedings as may be necessary under the particular circumstances.

### **V. EFFECTIVITY**

This Order takes effect immediately and shall be in full force and effect until January 15, 2010.

### **VI. Repealing clause**

Provisions of all revenue issuances inconsistent herewith, are hereby revoked or modified accordingly.

(Original Signed)  
**JOEL L. TAN-TORRES**  
Senior Deputy Commissioner  
(Approved pursuant to the authority under  
Executive Order No. 827 Series of 2009)