

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

7 January 2009

REVENUE MEMORANDUM ORDER No. 2-2009

SUBJECT : Re-institutionalization of the Management Committee (MANCOM) and Definition of its Functions and Duties

TO : All Internal Revenue Officials and Employees

The growth and evolution of taxation over the past decades has made tax administration an increasingly complex and multi-faceted aspect of governance. In this regard, the need for effective collaboration and coordination between the various function groups of the Bureau of Internal Revenue, particularly in the indispensable aspect of decision-making, assumes a new and more urgent importance. The formal institutionalization of a collegial body within the BIR that shall carry out such responsibilities is therefore necessary.

I. OBJECTIVES:

This Order is being issued for the following purposes:

1. To re-institutionalize the Bureau of Internal Revenue Management Committee (hereinafter referred to as MANCOM); and
2. To define the scope of MANCOM's duties and responsibilities, in such a manner as to enable the performance of the various functions of MANCOM to:
 - a. Enhance the process flow among the six (6) major Function Groups of the BIR;
 - b. Promote and encourage a consultative and consensus-building environment in the decision-making process, by underscoring the significance of the respective areas of expertise of each MANCOM Member; and
 - c. Discuss and resolve structural, organizational and/or policy differences, if any, between Function Groups, through the improvement and enhancement of communication channels among the six (6) Function Groups of the BIR.

II. POLICIES AND GUIDELINES

A. Creation and Composition of MANCOM

1. In accordance with Section 7 of the National Internal Revenue Code of 1997 relative to the authority of the Commissioner of Internal Revenue (hereinafter referred to as the "Commissioner") to "delegate the powers vested in him under the pertinent provisions of [the] Code", the Bureau of Internal Revenue Management Committee, which shall hereinafter be known as MANCOM, is hereby created.
2. MANCOM shall be composed of the Commissioner as Chairman, and the six (6) Deputy Commissioners / Acting or OIC-Deputy Commissioners of the BIR's Function Groups as its Members, to wit:
 - Deputy Commissioner – Operations Group
 - Deputy Commissioner – Resource Management Group
 - Deputy Commissioner – Legal and Inspection Group
 - Deputy Commissioner – Information Systems Group
 - Deputy Commissioner – Tax Reform Administration Group
 - Deputy Commissioner – Special Concerns Group
3. Documentation of the regular and special MANCOM Meetings shall be the responsibility of the MANCOM Secretariat, whose composition shall be as follows:

Chair : Asst. Commissioner (Policy & Planning Service)

Members : Chief of Staff – Office of the Commissioner
At least two (2) Technical Assistants – Office of the Commissioner

B. Conduct of the MANCOM Meetings

1. MANCOM shall convene, *en banc*, every Monday following the Weekly Flag Ceremony.
2. The Commissioner, in his capacity as Chair of MANCOM, may call for a Special MANCOM Meeting, on his own accord or upon the request of any MANCOM Member, for the discussion of particularly urgent issues requiring MANCOM deliberation.
3. The presence of the Commissioner, as Chair of MANCOM, or his designated representative, together with at least four (4) MANCOM Members, shall constitute a quorum for purposes of convening MANCOM, *provided that all MANCOM Members shall have received an official Notice of Meeting for the convening of MANCOM.*
 - 3.1. The Commissioner shall have the authority to designate any MANCOM Member to act as Chair in his absence, and such designation shall be duly reflected

in the Notice of Meeting to be issued by the Commissioner for the particular MANCOM Meeting in which he shall be represented by his designated representative.

4. MANCOM shall endeavor to arrive at a consensus in all matters raised to the Committee for its decision.
 - 4.1. In the event that a consensus cannot be reached by MANCOM, the Commissioner, in his capacity as Chair of MANCOM, shall render a decision on the issue under discussion.
 - 4.2. In cases when a 3-3 vote has been reached, the Commissioner shall cast the deciding vote to break the tie, and thereby allow MANCOM to arrive at a decision on the matter at hand.
5. A MANCOM Member may submit agenda items that he/she wishes to elevate to MANCOM for discussion.
 - 5.1. Agenda items for a particular MANCOM Meeting must be submitted to, and received by, the MANCOM Secretariat *on or before 12:00 Noon on the Friday immediately preceding the regular MANCOM Meeting where the said Agenda items shall be discussed.*
 - 5.2. A list of Agenda items submitted to the MANCOM Secretariat must be supported by necessary documentation pertinent to all issues enumerated in said list.
6. The MANCOM Secretariat shall prepare the official Notice of Meeting for both regular and special MANCOM Meetings, which Notice shall be signed by the Commissioner, as Chair of MANCOM.
7. The Minutes of a MANCOM Meeting shall be prepared by the MANCOM Secretariat, and must be approved by all MANCOM Members prior to submission to the Commissioner.
 - 7.1. The Minutes of the MANCOM Meetings shall form part of the official records of the BIR, and may be used as reference documents for any decision / resolution reached by MANCOM.
8. Any decision/resolution reached by MANCOM shall be strictly implemented by the concerned BIR office(s).
 - 8.1. Clarifications, queries or grievances involving any MANCOM decision/resolution shall be referred directly to MANCOM for its consideration and response. *On no account shall any revenue official or employee introduce modifications or amendments to any*

*document, procedure, issuance or proclamation of
MANCOM.*

III. FUNCTIONS AND DUTIES OF MANCOM

A. Approval of Offers of Compromise and Service Contracts

1. MANCOM, sitting *en banc* in its capacity as the National Evaluation Board (hereinafter referred to as the "NEB"), shall, in accordance with Section 6 of Revenue Regulations (RR) No. 30-2002 (dated December 16, 2002) deliberate and render decisions on offers of compromise within the jurisdiction of the National Office.
 - 1.1. In the event that an offer of compromise is less than the compromise rates provided in Section 4 of RR No. 30-2002, the same shall always be subject to the approval of MANCOM, sitting as the NEB.
 - 1.2. An offer of compromise may only be approved by a majority of all members of the MANCOM. *All decisions of MANCOM, sitting in its capacity as the NEB, that are favorable to, or have granted the request of, the concerned taxpayer, must have the concurrence of the Commissioner, as Chair of the NEB.*
2. All Resolutions of the BIR's Bids and Awards Committee (BAC) concerning the procurement of goods and/or services valued at TWENTY MILLION PESOS (₱20,000,000.00) or more, regardless of the mode of procurement utilized, shall be elevated to MANCOM for final deliberation and approval.
 - 2.1. All BAC Resolutions for the adoption of the Alternative Modes of Procurement, including procurement from government agencies and instrumentalities

B. Operational and Legal Matters

1. MANCOM shall advise and/or recommend to the Commissioner the accreditation, non-accreditation, or imposition of sanctions on BIR's Authorized Agent Banks, if the need arises.
2. MANCOM shall, following appropriate deliberations, recommend to the Commissioner the issuance of the following revenue issuances, as the need arises:
 - Revenue Memorandum Orders (RMOs) concerning the implementation or modification of existing operational policies and procedures; and,
 - Revenue Regulations prescribing policies and guidelines for the implementation of tax legislation.

C. Resource Management Issues and Concerns

1. MANCOM shall deliberate and advise the Commissioner on the following issues pertinent to the BIR's human and financial resource management programs and activities:
 - 1.1. The acquisition and allocation of major capital assets, including but not limited to: land, buildings, office space, Information Technology equipment and related resources, and service vehicles.
 - 1.2. Any issue(s) involving two (2) or more Function Groups, as well as any other matters the Commissioner may, on his own initiative, elevate to MANCOM for discussion and resolution.

D. Access to Information and Official BIR Records

1. MANCOM shall have the privilege, and the right, to be informed of any of the following:
 - 1.1. The BIR's monthly, quarterly, semestral, and annual collection performance, at both the Regional and District Office levels;
 - 1.2. All proposed tax legislation emanating from the Legal and Inspection Group;
 - 1.3. Any legal action raised by third parties to question the legality of any revenue issuance;
 - 1.4. Any issue(s) involving the performance, reputation and image of the BIR as a public service agency;
 - 1.5. Any legislation or Court decision that shall affect – whether in a negative or a positive light – the operational policies and processes of the BIR; and
 - 1.6. Any other matters as may be referred to MANCOM by the Commissioner or any MANCOM Member.

IV. EFFECTIVITY

This Order shall take effect immediately, and shall repeal any and all revenue issuances, or provisions thereof, that are inconsistent herewith.

(Original Signed)
SIXTO S. ESQUIVIAS IV
Commissioner of Internal Revenue

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