



Republic of the Philippines
Department of Finance
BUREAU OF INTERNAL REVENUE
Quezon City

September 4, 2018

REVENUE MEMORANDUM ORDER NO. 46-2018

SUBJECT : **Procedures in the Decentralized Processing and Issuance of Tax Clearance for Bidding Purposes Required under Republic Act No. 9184 and Executive Order No. 398**

TO : All Internal Revenue Officers and Others Concerned

I. BACKGROUND

Prior to the issuance of Revenue Regulations (RR) No. 18-2018, the Accounts Receivable Monitoring Division (ARMD) was the Office exclusively authorized to process the application and issue the Tax Clearance for Bidding Purposes in accordance with the requirements under Republic Act (RA) No. 9184 and Executive Order (EO) No. 398. However, due to the Bureau's mandate to extend its utmost and unequivocal service to its stakeholders and its commitment to the mechanisms of "Ease of Doing Business" in this country, the processing and issuance of the said Tax Clearance shall now be with the concerned Revenue Regional Offices and Large Taxpayers Service (LTS) where the taxpayer-applicant is currently and duly registered.

II. OBJECTIVES

This Order is issued to:

1. Amend certain policies, guidelines and procedures in the application and issuance of Tax Clearance for Bidding Purposes to effectively implement its decentralized processing;
2. Define the duties and responsibilities of designated Bureau of Internal Revenue (BIR) officials and offices in the issuance of the Tax Clearance for Bidding Purposes;
3. Ensure that only tax compliant entities are allowed to enter into contracts with government, its departments, agencies and instrumentalities, for the supply of goods and services; and
4. Properly monitor the compliance of taxpayer-applicant with the prescribed criteria after the issuance of Tax Clearance.

III. DEFINITION OF TERMS

For purposes of this Order, the following words and/or phrases shall be defined as follows:

1. **"Accounts Receivable/Delinquent Account (AR/DA)"** – refers to an outstanding tax liability of a taxpayer arising from a tax assessment or any unpaid delinquent account which is considered final, executory, and demandable. This may result from, among others, any of the following:

- 1.1 Taxpayer failed to pay the tax due per return within the time prescribed for its payment;
- 1.2 Tax payment made thru bank draft or check but was denied by drawee-bank due to drawer-taxpayer's insufficiency of funds in his/its bank accounts, accounts closure, or for other reasons of dishonor under the Negotiable Instruments Law;
- 1.3 An assessment which has been established to be final, executory, and demandable due to, among others, the following grounds:
 - 1.3.1 Failure of the taxpayer to file a valid protest or request for reinvestigation/reconsideration within thirty (30) days from receipt of the Formal Letter of Demand and Final Assessment Notice (FLD/FAN);
 - 1.3.2 Failure to submit documents in support for the request for reinvestigation within sixty (60) days from filing of request;
 - 1.3.3 Failure to appeal to the Court of Tax Appeal (CTA) within thirty (30) days from receipt of the decision denying the request for reinvestigation/reconsideration, or in case of inaction on the part of the Bureau, after the lapse of the one hundred eighty (180) days from the submission of the required documents.
 - 1.3.4 Failure to appeal CTA's decision on the case with the higher court as a result of which the decision became final and executory.
 - 1.3.5 Failure of the taxpayer to receive any assessment notices because it was served in the address indicated in the BIR's registration database and the taxpayer transferred to a new address or closed/ceased operations without updating and transferring its BIR registration or cancelling its BIR registration, as the case may be, under the procedure prescribed in pertinent issuances.
 - 1.3.6 Decision/Resolution by the CTA/Supreme Court in favor of the BIR, which became final and executory.
2. **"Latest Income Tax Return (ITR)"** – refers to the ITR for the preceding taxable year, be it on a calendar or fiscal year. For new establishments which have no annual ITR yet, this refers to the most recent quarter's ITR.
3. **"Latest Business Tax Returns"** – refers to the Value Added Tax (VAT) and/or Percentage Tax Returns covering the previous six (6) months. For those with less than six (6) months of operations, this refers to the monthly/quarterly business tax returns filed to date.
4. **"Tax Clearance (Pursuant to Executive Order No. 398)"** – is a certification that the taxpayer-applicant/prospective bidder has satisfied with the BIR-prescribed criteria/requirements for its issuance. It also contains the prospective bidder's name, registered address, and Taxpayer Identification Number (TIN).
5. **"Head Office (HO)"** – refers to the declared specific or identifiable principal place/head office of business as stated in the Articles of Incorporation/Articles of Partnership/Articles of Cooperation/DTI Certificate of Registration, as the case may be, or, in the absence thereof, the place where the complete books of accounts are kept. It is the fixed place of business, whether rented or owned, and whether or not the products/services being sold are

actually located or displayed thereat. For persons who conduct business in a nomadic or roving manner, such as peddlers, “tiangges”, mobile stores operators, common carriers/school bus operators without designated garages/terminals, etc., their place of residence shall be considered as the HO.

6. **“Branch”** – means a separate or distinct establishment or place of business where sales transactions are conducted independently from the Head Office (HO).
7. **“Cannot Be Located (CBL) Taxpayer”** – is a taxpayer included in the BIR’s database of registered taxpayers but whose address and/or whereabouts have become doubtful and/or undetermined during ocular inspection and/or service of Letters of Authority, Assessment Notices (PANs/FANs), Demand Letters, Collection Notices and such other BIR correspondences; that despite exertions of all possible efforts to locate the taxpayer, the same remains futile; and that such failure to locate or unreasonable absence of the taxpayer in the registered address or place of business has been duly certified by the Barangay Chairman having jurisdiction over the place of business and any one (1) of the concerned government offices or non-government organizations with direct knowledge on the taxpayer’s business operations such as, but not limited to, Business Permits and Licensing Division of Local Government, City or Municipal Assessor’s Office, Securities and Exchange Commission, Department of Trade and Industry, Philippine Constructors Association, Homeowner’s Association, Building Administrator, etc. Provided, however, that a delinquent taxpayer who has properties registered under his name, or with current transactions with other persons based on the Bureau’s third-party information database, cannot be considered a “CBL taxpayer”.

This taxpayer is one which have been tagged as “Cannot Be Located” by the concerned BIR office through the publication of its/his/her name in a newspaper of general circulation.

8. **“e-filing”** – means the process of electronically filing tax returns, including attachments, specifically through the Bureau’s electronic Filing and Payment System (eFPS)
9. **“e-payment”** – means the process of electronically paying a tax due or tax liability through eFPS and electronic payment facilities of Authorized Agent Banks (AABs).
10. **“Electronic Filing and Payment System (eFPS)”** – refers to the system developed and maintained by the BIR for electronically filing tax returns, including attachments, and paying taxes due thereon, specifically through the internet.
11. **“Stop-File”** – refers to system created case when a taxpayer fails to file a return for a required tax type for a taxable period (i.e., Income Tax, VAT/ Percentage Tax, Withholding Tax on Compensation, Expanded Withholding Tax, Final Withholding Tax, Excise Tax, etc.) which is required to be filed regularly (monthly/quarterly/annually/upon removal from place of production, etc.).
12. **“Resident Alien (RA)”** – is an individual whose residence is within the Philippines and who is not a citizen thereof as evidenced by his/her Alien Certificate of Registration Identification Card (ACR I-Card) issued by the Bureau of Immigration.
13. **“Non-Resident Alien (NRA)”** – is an individual whose residence is not in the Philippines and who is not a citizen thereof and hereby referred to as Foreign Individual. This is categorized into two (2) as stated below:
 - a. Engaged in Trade or Business within the Philippines (NRA-ETB) – a non-resident alien who stayed in the Philippines for more than one hundred eighty (180) days; and

- b. Not Engaged in Trade or Business within the Philippines (NRA-NETB) – a non-resident alien who stayed in the Philippines for less than one hundred eighty (180) days.
- 14. **“Corporation”** – is an artificial being created by operation of law, having the right of succession and the powers, attributes and properties expressly authorized by law or incident to its existence.
- 15. **“Foreign Corporation”** – is a corporation created or organized in a country other than Philippines.
- 16. **“Resident Foreign Corporation (RFC)”** – refers to foreign corporation engaged in trade or business within the Philippines.
- 17. **“Non-Resident Foreign Corporation (NRFC)”** – refers to foreign corporation not engaged in trade or business within the Philippines.
- 18. **“Authorized Representative”** – is a person authorized by the Board of Directors or governing body of the domestic or foreign corporation, partnership, association, etc. or by the individual to represent them in their behalf in securing the Tax Clearance to be used for public bidding with a Philippine Government entities. For a foreign corporation or foreign individual, the person authorized shall be clearly specified in the Special Power of Attorney (SPA) as authenticated by the Philippine Consul in the country where the business of the foreign entity is located.

IV. POLICIES

1. All prospective government bidders (individuals, partnerships, corporations, cooperatives, associations, whether taxable or non-taxable, etc.), except Non-Resident Foreign Corporation (NRFC), Non-Resident Alien Not Engaged in Trade or Business (NRA-NETB) and large taxpayers, are required to secure Tax Compliance Verification Sheet (TCVS) (*Annex “A”*) from the Collection Section of the Revenue District Office (RDO) where the individual or non-individual taxpayer is currently and duly registered.
2. The following criteria must be satisfied by the taxpayer-applicant before the TCVS and Tax Clearance for Bidding Purpose is issued:

For the issuance of TCVS/Tax Clearance for Bidding Purposes:

- 2.1 No unpaid annual registration fee (ARF).
- 2.2 No open valid “stop-filer” cases.
- 2.3 A regular user of the BIR’s Electronic Filing and Payment System (eFPS) from the time of enrollment up to the time of filing of the renewal of Tax Clearance for those with previously issued Tax Clearance for Bidding Purposes. The regular usage of eFPS shall not apply to new applicants. The submission of the new applicant’s latest income tax and business tax returns not filed and paid through the Bureau’s eFPS shall suffice.
- 2.4 Not tagged as “Cannot Be Located (CBL)” taxpayer.
- 2.5 No Accounts Receivable/Delinquent Account (ARDA) as defined hereof. However, applicants with delinquent accounts may still be issued TCVS and Tax Clearance for Bidding purposes, provided the tax liabilities involved were the

subject of a pending application/s for compromise settlement and/or abatement of penalties pursuant to Section 204 of the Tax Code. Provided, further, that the applicant has fully paid the amount offered for payment upon filing of the application for compromise settlement or abatement of penalties

Additional Condition for the Issuance of Tax Clearance for Bidding Purposes:

- 2.6 No pending criminal information filed in any court of competent jurisdiction arising from any tax or tax-related cases.
3. The TCVS shall be processed by the concerned Revenue District Office (RDO) within twenty-four (24) hours from receipt of the application.
 4. The Daily List of Issued TCVS (*Annex "B"*) shall be submitted by the Collection Section of the RDO to the concerned Collection Division of the Revenue Regional Offices and ARMD to armd_tcs@bir.gov.ph, the official e-mail address, the following working day.
 5. All applications for the issuance of Tax Clearance for Bidding Purposes shall be manually filed with the following offices:
 - 5.1 Collection Division of the Revenue Regional Office for non-large taxpayers;
 - 5.2 Large Taxpayers Division (LTD)-Cebu, LTD-Davao and Large Taxpayers Collection Enforcement Division (LTCED) for other large taxpayers not under the LTD-Cebu and Davao; and
 - 5.3 ARMD for NRA-NETB, NRFC, and other entities authorized by the CIR.
 6. All applications for tax clearance for bidding purposes shall be processed and released within two (2) working days from the receipt of the application with complete documentary requirements prescribed hereof (e.g. Application received on August 22, 2018 shall be released on August 24, 2018).
 7. Only duly accomplished Application Form for Tax Clearance (*Annexes "C", "C.1", and "C.2"*) with complete documentary requirements shall be accepted by the BIR-processing office. The said form shall be accomplished and signed by the applicant himself/herself for individuals, or by any one of the partners, or by any responsible and ranking officer of the entity whose authority to act as such is contained in a Board Resolution, as shown by a Secretary's Certificate of the minutes/contents of said Board Resolution for corporations, cooperatives, associations and other non-individuals' taxpayer-applicants. In the case of a Non-Resident Foreign Corporation (NRFC), the application shall be accomplished by any responsible and ranking officer whose authority is expressly provided in the Special Power of Attorney authenticated by the Philippine Consul in the country where the address of the NRFC is located.
 8. The documentary requirements that shall be attached / submitted to the BIR-processing office are as follows:

A. For Local Applicants (Individual and Non-individual):

1. TCVS together with appropriate supporting documents, if applicable, issued by the concerned RDO with a validity period of ninety (90 days) from the date of issuance. TCVS is not applicable for taxpayer-applicant under the jurisdiction of the Large Taxpayers Service;

2. Two (2) pieces of loose documentary stamp tax worth P30.00 each;
3. Print-out of certification fee worth P100.00 paid thru eFPS with payment confirmation. However, in case eFPS is not available as per Advisory issued by the Deputy Commissioner-ISG, Revenue Official Receipt issued for such payment is sufficient;
4. Valid and properly accomplished authorization letter with photocopies of any government-issued Identification Cards with three (3) specimen signatures of the applicant and the authorized representative, if applicable; and
5. Copy of original unexpired Tax Clearance for Bidding Purposes – in case of renewal application.

B. For Branch Office of an Individual/Corporation:

1. TCVS together with appropriate supporting documents, if applicable, issued by the RDO having jurisdiction over the branch and the taxpayer's head office with a validity period of ninety (90 days) from the date of issuance. TCVS is not applicable for taxpayer-applicant under the jurisdiction of the Large Taxpayers Service;
2. Two (2) pieces of loose documentary stamp tax worth P30.00 each;
3. Print-out of certification fee worth P100.00 paid thru eFPS with payment confirmation or Revenue Official Receipt issued for such payment in case of unavailability of the eFPS;
4. Valid and properly accomplished authorization letter with photocopies of any government-issued Identification Cards with three (3) specimen signatures of the applicant and the authorized representative, if applicable; and
5. Copy of original unexpired Tax Clearance for Bidding Purposes – in case of renewal application.

C. For Non-Resident Foreign Corporation (NRFC)/Non-Resident Alien Not Engaged in Trade or Business (NRA-NETB):

1. Two (2) pieces of loose documentary stamp tax worth P30.00 each;
2. Original unexpired Tax Clearance for Bidding Purposes, for renewal;
3. Copy of BIR Form No. 1904 received by RDO No. 39- South Quezon City;
4. Unexpired and certified true copy of Non-Registration Certificate issued by Securities and Exchange Commission for NRFC or Department of Trade and Industry for NRA-NETB;
5. Authorization letter originally signed by the Authorized Representative/applicant himself with photocopies of valid Identification Card (Company ID and any government issued ID) with three (3) specimen signatures of both the authorized representative and the signatory in the Application Form, if applicable;

“Certified True Copy” of the documents shall mean that the certification must be made by the proper custodian of the document. The original copies of the documents may be required for purposes of comparison; and

6. Original copy of the Official Receipt of the Certification fee of One Hundred Pesos (P100.00) paid to the Bureau of Internal Revenue, through the General Services Division in the National Office.
9. The required Application Form together with the complete documentary requirements identified hereof shall be placed in a folder accurately labelled and sequentially filed in the same order as they appear in the sworn application in order to facilitate the verification of the documentary requirements being submitted.
10. The Tax Clearance for Bidding Purposes (*Annex “D”, Annex “D.1”, and Annex “D.2”*), with a validity period of one (1) year from date of issuance, unless sooner revoked for valid reasons, shall be signed / approved by the following BIR officials:
 - 10.1 Chief, Collection Division of the Revenue Regional Office – for taxpayers under the jurisdiction of regional offices;
 - 10.2 Chief, LTD- Cebu/Chief, LTD- Davao/Chief, Chief-LTCED – for large taxpayers; and
 - 10.3 Chief, ARMD – for NRA-NETB, NRFC, and other entities authorized by the CIR.

In the absence of the aforesaid officials, the next in rank shall sign / approve the Tax Clearance.

11. The Tax Clearance shall be prepared in triplicate to be distributed as follows:

Original Copy – to the Applicant/Taxpayer/prospective bidder
Duplicate Copy – to be attached to the application together with the required documentary requirements to be forwarded to ARMD; and
Triplicate Copy – to be retained to Tax Clearance Issuing Office for record purposes.

The Tax Clearance-Issuing Office shall maintain a database of all its issued Tax Clearances with corresponding registered Tax Clearance Control Number for monitoring and record purposes.

12. The Daily List of Issued Tax Clearances for Bidding Purposes (*Annex “E”*), including those with ground for revocation (*Annex “E1”*), as the case may be, shall be submitted by the Collection Division of the Revenue Regional Office/LTD-Cebu/LTD-Davao/LTCED of LTS to ARMD, Attention: Tax Clearance Section through e-mail at e-mail address: **armd_tcs@bir.gov.ph** the following working day for posting to the BIR Portal/Website;
13. Tax Clearances for Bidding Purposes shall only be valid after the same have been posted in the BIR Website. The information that shall be posted in the BIR website shall only include the taxpayer’s name, TIN, the RDO where the taxpayer is registered, the Tax Clearance’s Control Number and the Date of Issuance.
14. Tax Clearances issued for Bidding Purposes shall be verified for authenticity from the List of Tax Clearances Issued through the Bureau’s website **www.bir.gov.ph/index.php/tax-clearance/released-tax-clearance.html**.

15. Tax Clearances which have been revoked for valid reasons shall likewise be posted in the BIR website, by indicating in the previously posted Tax Clearance the remark “Revoked effective (specify the date)”, under the “Remark” column.
16. Post-evaluation of all taxpayers who have been issued Tax Clearance shall be conducted by the ARMD periodically by accomplishing the prescribed form (*Annex “F”*), on the basis of the presented documents by the taxpayer-applicant forwarded by the Revenue Regional Offices and LTS Offices on or before the first working day following the end of the week, available data from the Bureau’s Integrated Tax System, eFPS, Accounts Receivable Management System (ARMS) or the manually-maintained database of ARDA, CBL List/System, and data that shall be provided regularly by the Audit Information and Tax Exemption and Incentives Division, Prosecution Division, Legal Divisions and other concerned offices to ARMD. This periodic compliance verification shall be conducted on a monthly basis, or as often as may be deemed necessary.
17. Tax Clearance may be revoked based on any of the following grounds:
 - 17.1 The application for Compromise Settlement and Abatement of penalties have been disapproved.
 - 17.2 The taxpayer-applicant was found to have submitted spurious documents as attachments to his/her/its application.
 - 17.3 The taxpayer-applicant was found to be non-compliant with the prescribed criteria.
 - 17.4 The taxpayer-applicant had made misrepresentation to the government procuring agency or to the Tax Clearance-issuing office.
18. Taxpayers who have been issued a Tax Clearance and found to be non-compliant with the prescribed criteria, shall be issued a Preliminary Notice of Revocation (PNR) (*Annex “G”*), by the ARMD.
19. The PNR shall state the criterion/criteria that the taxpayer is no longer compliant with, and a provision that the same must be complied within thirty (30) days from receipt of the PNR.
20. Notice of Revocation (NR) (*Annex “H”*) shall be issued to taxpayers who have not complied with the PNR, and those who have submitted spurious documents and made misrepresentation, without prejudice to the taxpayer’s filing of another application for the issuance of Tax Clearance for Bidding Purposes when the circumstances that lead to the cancellation or revocation of the previously issued Tax Clearance for Bidding Purposes are no longer existing, or the taxpayer has already been cleared of any criminal charges relative to the submission of spurious documents.
21. The name/s of the taxpayers who shall be found to have submitted spurious Tax Clearance/s to any procuring government unit/office shall be forwarded to the concerned Regional Investigation Division (RID) for non-large taxpayers and National Investigation Division (NID) for large taxpayers for preliminary investigation.
22. Criminal charges against taxpayers presenting spurious Tax Clearances and documentary requirements shall be filed by the Bureau thru its Legal Division for taxpayers under the Revenue Regional Offices and the Prosecution Division for taxpayers under the LTS after the conduct of preliminary investigation.
23. Issued Tax Clearance for Bidding Purposes may be renewed upon filing of a subsequent Application Form for Tax Clearance for Bidding Purposes, under the same requirements and procedures provided herein. Otherwise, Tax Clearance issued shall be deemed revoked or cancelled upon its expiration. The new Tax Clearance for Bidding Purposes shall be

valid for another period of one (1) year from the date of its issuance, unless sooner revoked or cancelled.

V. PROCEDURES

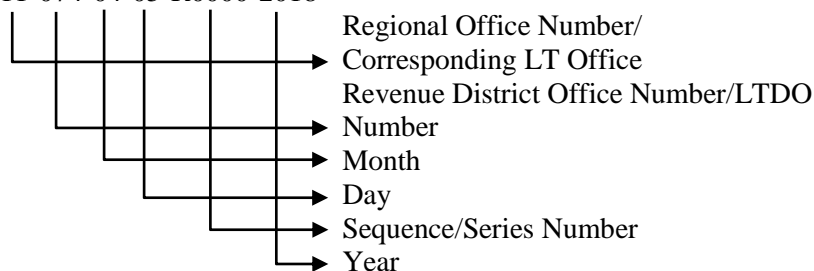
A. Collection Section of the Revenue District Office shall:

1. Receive application for TCVS from taxpayer-applicant;
2. Verify and validate if the taxpayer-applicant satisfied the criteria set forth under IV.2 of this Order;
3. Issue the corresponding TCVS (*Annex "A"*) within twenty-four (24) hours from receipt of the application signed by the Revenue District Officer or any of his authorized representative as shown by a Delegation Order issued by the said Revenue District Officer in which a copy shall be forwarded to the concerned Collection Division of the Revenue Region for monitoring purposes.
4. Advise taxpayer-applicant to proceed to the Regional Office's TCS/RACES of the Collection Division for the issuance of Tax Clearance for Bidding Purposes; and
5. Record all issued TCVS and submit the Daily List of Issued TCVS to the concerned Collection Division of Revenue Regional Offices and ARMD using the prescribed format (*Annex "B"*) to **armd_tcs@bir.gov.ph**, the official e-mail-address, the following working day.

B. Tax Clearance Section (TCS) of the Collection Division of the Regional Office/LTD-Cebu/LTD-Davao/LTCED of LTS shall:

1. Receive the completely accomplished and notarized Application Form for Tax Clearance for Bidding Purposes from taxpayer-applicant;
2. Check if the same has been signed by the taxpayer/authorized officer for non-individual, and evaluate the veracity and completeness of the information supplied in the duly accomplished Application Form for Tax Clearance for Bidding Purposes and the required supporting documents;
3. Validate if the taxpayer-applicant satisfied all of the criteria set forth under IV.2 of this Order;
4. Issue a claim stub (*Annex I*) to the taxpayer-applicant if he/she/it submitted the complete documentary requirements and satisfied the criteria. In case the taxpayer-applicant fails to complete and satisfy the requirements and criteria set forth herein, the Revenue Officer shall not accept the application and inform the concerned taxpayer-applicant of the lacking requirements and criteria using the prescribed format (*Annex J*) and require the taxpayer-applicant to submit compliance thereof before the same may be accepted and processed;
5. Issue the Tax Clearance within two (2) working days from the date of receipt of the Application Form with complete supporting documents using the prescribed format hereto attached (*Annex "D", "D.1", "D.2"*) with control number following the sequence numbers as follows:

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6. E-mail to ARMD the Daily List of Issued Tax Clearances for Bidding Purposes (*Annex "E"*) the following working day at email address **armd_tcs@bir.gov.ph** for posting to the BIR Portal/Website;
7. Forward to ARMD the duplicate copies of the weekly issued Tax Clearances together with the duly accomplished Application Form for Tax Clearance and the complete documentary requirements identified hereof organized in a folder;
8. Validate the authenticity of the Tax Clearance for Bidding Purposes, and in case of official request of any government procuring agency, prepare the letter reply using the *Annex "K"*. If found spurious, the name of the taxpayer (bidder) using *Annex "L"* shall be forwarded to the Regional Investigation Division for taxpayers under the Regional Office and Prosecution Division for taxpayers under the LTS, for the filing of appropriate criminal charges, copy furnish the ARMD;
9. Attend any court hearings and other inquiry meetings/conferences to be held by competent Offices and agencies relevant to the issued Tax Clearances within its jurisdiction.

C. Tax Clearance Section of the Accounts Receivable Monitoring Division shall:

1. Receive and process application for Tax Clearance with complete documentary requirements from NRFC and NRA-NETB and other entities authorized by the CIR.
2. Receive the Daily List of Issued TCVS (*Annex "B"*) sent by e-mail to **armd_tcs@bir.gov.ph** from the concerned Collection Section of RDOs.
3. Receive the Daily List of Issued Tax Clearance for Bidding Purposes (*Annex "E"*) sent by e-mail to **armd_tcs@bir.gov.ph** from the concerned Collection Division of Revenue Regional Offices, LTD-Cebu, LTD-Davao and LTCED of LTS.
4. Validate the existence of any outstanding tax liability (OTL) from the manually-maintained ARDA Database and ARMS before posting to the BIR portal/website the received List of Tax Clearances issued by the concerned offices.
5. Receive duplicate copies of the weekly issued Tax Clearances from Collection Division of Revenue Regional Offices, LTD-Cebu, LTD-Davao and LTCED of LTS together with the duly accomplished Application Form for Tax Clearance and the complete documentary requirements identified hereof organized in a folder;

6. Conduct post and periodic evaluation and verification of the compliance of taxpayers with issued Tax Clearances for Bidding Purposes with the criteria set forth in this Order.
7. Notify the concerned taxpayer in case of any findings of non-compliance with any of the criteria set forth in this Order, through the issuance of the PNR (*Annex "G"*) signed by the Chief, ARMD copy furnished the Collection Division of the concerned Revenue Regional Office, LTD-Cebu, LTD-Davao and LTCED of LTS.
8. Revoke the issued Tax Clearance, through the issuance of a Notice of Revocation (NR), if it is found out that there is/are material misrepresentation/s in the documents submitted by the taxpayer/bidder in applying for Tax Clearance for Bidding Purposes, or the taxpayer failed to comply with the criteria it failed to satisfy upon post or periodic evaluation within the period provided in the PNR.
9. Send the PNR or NR by registered mail to the registered address of the taxpayer-applicant, with instruction to the postmaster to return the mail to the sender after ten (10) days, if undelivered. The registry receipt issued by the post office containing sufficiently identifiable details of the transaction shall constitute sufficient proof of mailing.
10. Maintain a Master List of Issued Tax Clearances for Bidding Purposes, for records and monitoring purposes. The list shall be updated for each newly issued and revoked Tax Clearance for Bidding Purposes; and
11. Update the BIR Portal in case the taxpayer's issued Tax Clearance for Bidding Purposes is revoked.
12. Transmit to concerned RID/NID the copies of alleged spurious/fake Tax Clearance submitted by any government procuring agency or spurious documents submitted by the taxpayer-applicant, for preliminary investigation.

D. Regional Investigation Division shall:

1. Receive from ARMD or other Tax Clearance Processing offices the list of taxpayers who was found to have misrepresented and submitted spurious documents;
2. Conduct preliminary investigation on the received list of taxpayers who have misrepresented and submitted spurious documents; and
3. Submit the list of taxpayers who have been verified after the preliminary investigation conducted to have misrepresented and submitted spurious documents to the Legal Division copy furnished ARMD for the filing of appropriate charges.

E. National Investigation Division (NID) shall:

1. Receive reports/documents from LTCED/ARMD on alleged spurious/fake Tax Clearance for Bidding Purposes submitted by Large Taxpayers to any government procuring agency;
2. Conduct preliminary investigation on the existence of alleged spurious/fake Tax Clearance referred by ARMD; and
3. If Tax Clearance is found to be spurious/fake, forward the same to Prosecution Division copy furnished ARMD for filing of appropriate criminal charges against Large Taxpayers.

F. Audit Information Tax Exemption and Incentives Division

1. Update the List of taxpayers tagged as CBL posted in the BIR website; and
2. Provide ARMD with the updated List of taxpayers tagged as “CBL”, on or before the fifteenth (15th) day following the close of the month.

G. Regional Legal Division shall:

1. Receive the list of taxpayers from the RID after the conduct of preliminary investigation by the latter;
2. File criminal charges to taxpayers who have misrepresented and submitted spurious documents based on the preliminary investigation done by the RID; and
3. Submit on a monthly basis (*Annex “M”*), not later than the fifteenth (15th) day following the close of the month, the list of taxpayers with pending criminal information filed in any court of competent jurisdiction arising from any tax or tax-related cases, as well as those which have been closed, to the RDOs and Regional Collection Division, copy furnished the ARMD.

H. Prosecution Division shall:

1. Receive reports on results of preliminary investigation from the NID on the alleged spurious/fake Tax Clearance for Bidding Purposes;
2. File appropriate criminal charges against Large Taxpayers who have submitted spurious Tax Clearance to concerned government procuring agencies or have submitted any documents with material misrepresentations;
3. Prepare and send the List of Large Taxpayers with Criminal Charges (*Annex “M”*) to the concerned office under LTS/LTCED as a basis for the non-issuance of Tax Clearance, and to ARMD as a basis for the revocation and non-uploading of Tax Clearance, if applicable; and

4. Coordinate with the concerned Legal Division of Revenue Regions for monitoring of cases filed in relation to the spurious/fake Tax Clearance and/or misrepresentation/s on the submitted documents by the taxpayer-applicant.

VI. TRANSITORY PROVISIONS:

1. All Tax Clearance Certificates for Bidding Purposes issued by the ARMD prior to the effectivity of this Order shall remain valid until their expiry dates as indicated therein.

Holders thereof are required to file their applications for renewal of Tax Clearance for Bidding Purposes to their corresponding Revenue Regional Offices/LTS at least two (2) months prior to the expiry date indicated therein. This is to ensure the smooth and orderly transfer of the processing and issuance of Tax Clearance from ARMD to Revenue Regional Offices/LTS, and to avoid disruptions in the business operations of prospective bidders.

2. Applications for Tax Clearance for Bidding Purposes already received by the ARMD and pending as of the effectivity date of Revenue Regulations No. 18-2018 shall still be processed by ARMD. However, applications with lacking requirements and those which did not satisfy the prescribed criteria, shall already be re-filed with the concerned offices as prescribed herein.
3. The ARMD may still process the application for tax clearance of those who had already secured the TCVS and Delinquency Verification Certificate from concerned offices until its expiry dates.
4. The Collection Division of Revenue Regional Office and LTS shall refer to the Bureau's website for the list of valid Tax Clearance for purposes of processing the future renewal applications of taxpayer-applicant.

VII. REPEALING CLAUSE:

All issuances which are inconsistent herewith are hereby amended, modified or repealed accordingly.

VIII. EFFECTIVITY:

This Order shall take effect immediately.

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