



Bringing In Revenues
for Nation-Building

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

National Office Building
Quezon City



July 17, 2025

REVENUE MEMORANDUM ORDER NO. 036-2025

SUBJECT: Further Amending Revenue Memorandum Order No. 6-2023,
Prescribing the Updated and Consolidated Policies, Guidelines and
Procedures for BIR Audit Program

TO : All Internal Revenue Officials/Officers and Others Concerned

I. OBJECTIVES

1. To prescribe cases subject to mandatory audit that shall be covered by an electronic Letter of Authority (eLA);
2. To prescribe policies for mandatory cases covered by an eLA; and
3. To amend certain provisions of Revenue Memorandum Order (RMO) No. 6-2023, as amended by RMO Nos. 8-2023, 1-2024 and 17-2024, concerning the issuance of Tax Clearance Certificate of Liabilities (TCL) for business closure, cessation of business registration due to death, and for corporations undergoing merger/consolidation/split-up/spin-off and other types of reorganizations.

II. AMENDMENTS

1. Item No. III of RMO No. 6-2023, as amended, is hereby further amended to read as follows:

"III. INVESTIGATION/VERIFICATION OF TAXPAYERS"

Xxx xxx xxx

A. *Mandatory Cases – xxx...*

1. *To be covered by eLAs-*

Selection Code

1.1 xxx...

1.2 xxx...

1.3 xxx...

1.4 xxx...

1.5 xxx...

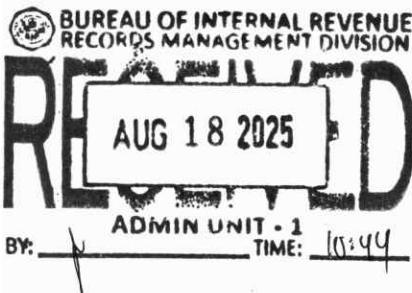
1.6 xxx...

1.7 *Taxpayers with VAT returns reflecting erroneous input tax carry-over*

ITCO

1.8 *Taxpayers with a Mission Order (MO) where preliminary findings indicate that the taxpayer has an understatement of sales by 30% or more for tax purposes and that the veracity of its accounting records is not reliable*

MO



Selection Code
SEOI

**1.9 Occurrences of non-compliance with tax obligations
arising from Spontaneous Exchange of Information**

**1.10 Policy cases/industry issues under the directive of the
Commissioner**

MCIR"

2. To facilitate the timely issuance of TCL to taxpayers who are retiring from business, or undergoing merger/consolidation/split-up/spin-off and other types of corporate reorganizations, and are subject to mandatory audit pursuant to either electronic Letter of Authority (eLA)/Tax Verification Notice (TVN), the policy stated in Item No. IV.D.2 of RMO No. 6-2023, as amended, is hereby further amended to read as follows:

"2. A Termination Letter (TL), following the herein template (Annex "A"), on all paid cases or cases with no findings/discrepancy shall be prepared by the Assessment Division of the Regional Office/concerned Large Taxpayers Audit Division of the Large Taxpayers Service (LTS) upon approval of audit reports by the Regional Director/Assistant Commissioner-LTS. The said TL shall then be forwarded to the taxpayer by the office responsible for its preparation.

For regional cases where eLA/TVN was issued pursuant to Item III.A.1.2 and III.A.2.1 hereof, whichever is applicable, the Assessment Division shall furnish the concerned RDO where the taxpayer is registered, with a copy of the TL together with the approved memorandum report recommending the closure/cessation of business registration. This is to ensure that TCL shall only be issued upon full settlement of any deficiency tax assessments.

The Assessment Division/Office of the Head Revenue Executive Assistant of the LTS shall cause the immediate transfer of the case custody in the IRIS-CMS-A to the Administrative and Human Resource Management Division of the Regional Office/Records Division of the National Office for appropriate closure of the case status in the IRIS-CMS-A."

III. SUPPLEMENTAL POLICIES

1. The audit of the mandatory ITCO cases shall be conducted by the VAT Audit Section (VATAS) of the Assessment Division. However, in Regional Offices where VATAS has not yet been institutionalized, the audit shall be carried out by the Revenue District Office (RDO) that has jurisdiction over the taxpayer's registration.
2. Based on the result of surveillance activities conducted pursuant to an MO, the eLA to be issued shall cover the taxable year immediately preceding the period of the enforcement operations.

IV. Repealing Clause

All other issuances inconsistent herewith are hereby modified or repealed accordingly.

V. Effectivity

This Order shall take effect immediately.



ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue

I-1