



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

August 9, 2010

REVENUE MEMORANDUM CIRCULAR NO. 68-2010

SUBJECT : Guidelines and Procedures in Granting the Request of Large Taxpayers for Extension in Complying with the Requirements Provided under Revenue Regulations No. 9-2009 Particularly on the Mandatory Use of Computerized Accounting System (CAS) and/or Components Thereof

TO : All Concerned Large Taxpayers Service Officials and Employees and Others Concerned

Revenue Regulations (RR) No. 9-2009 defines the requirements and responsibilities of large taxpayers (LTs), classified as such under RR No. 1-98, insofar as electronic record keeping and maintenance of electronic books of accounts, and other accounting records are concerned. The regulations make it mandatory for LTs to maintain and/or adopt a Computerized Accounting System (CAS) and/or components thereof, in accordance with Revenue Memorandum Order No. 29-2002. Consequently, all LTs currently maintaining books of accounts and accounting records in manual form are required to register their CAS and/or components thereof not later than December 31, 2009.

Due to time and budgetary constraints, some LTs have requested for a reasonable window to comply beyond the set deadline. Hence, this Circular is being issued to provide uniform policies, guidelines and procedures in evaluating the request by some LTs for extension of time within which to comply with the above requirements.

I. POLICIES AND GUIDELINES:

A. Large taxpayers covered under this Circular shall include the following:

1. Those using an excel program in their recordkeeping or maintaining their books of accounts and other accounting records in manual form;
2. Those already using computerized accounting system (CAS) and/or components thereof, whether off-the-shelf or customized system, without securing the required Permit to Use/Adopt CAS and/or Components thereof, from the Large Taxpayers Service; and

3. Those using computerized accounting systems and/or components thereof and were issued permit to use such system prior to taxable year 2002, but are required to apply for revalidation of existing permit on or before December 31, 2010.
- B. Large Taxpayers who failed to comply within the prescribed deadline for the registration of their CAS and/or components thereof, for reasons cited in item I (A) above, shall submit a letter addressed to the Assistant Commissioner, Large Taxpayers Service (ACIR-LTS), Attention: Chief, Large Taxpayers Assistance Division (LTAD) or Chief, Large Taxpayers District Office (LTDO), as the case may be, requesting for an extension of time within which to comply with the requirements set forth under RR No. 9- 2009. Said letter shall be accompanied by a Sworn Statement, duly signed by the authorized signatory, attesting to the following:

 1. For LTs covered under item I (A) (1) above:

 - That the company is currently maintaining, in manual form, its books of account and other accounting records;
 - The compelling reason or justification for failing to comply with the requirements provided under RR No. 9-2009;
 - The specific timeline within which to effect the registration of its CAS and/or components thereof.
 2. For LTs covered under items I (A) (2) and (3) above:

 - The compelling reason or justification for failing to comply with the requirements provided under RR No. 9-2009;
 - The specific timeline within which to effect the registration of its CAS and/or components thereof.
- C. The Chief of LTAD or LTDO, as head of the Computerized System Evaluation Team (CSET) shall evaluate the propriety of the request for extension by the taxpayer and recommend to the ACIR-LTS, the approval or disapproval of such request. Accordingly, all letter-reply to the request for extension shall be signed by the ACIR- LTS.
- D. A report on the List of LTs that were granted extension within which to comply with RR No. 9-2009 shall be prepared by LTAD/LTDO and submitted by ACIR-LTS to the Commissioner every fifteenth (15th) of the following month. Such report shall indicate the : Name of the taxpayer, reason for the Extension, period of extension granted.
- E. The ‘Grace Period’ that may be granted to the taxpayer shall not be later than December 31,2010.

II. PENALTY CLAUSE

As provided under Section 12 of RR No. 9-2009, all large taxpayers that will not be able to comply with the aforesaid requirements within the prescribed deadline shall, upon conviction, be held liable for penalties provided under Section 255 of the National Internal Revenue Code, as amended, in addition to any other penalties otherwise payable.

All internal revenue officials and employees and others concerned are hereby enjoined to give this Circular as wide a publicity as possible.

(Original Signed)

KIM S. JACINTO-HENARES
Commissioner of Internal Revenue