

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

March 8, 2017

REVENUE MEMORANDUM ORDER NO. 25-2017

SUBJECT : PRESCRIBING THE GUIDELINES, POLICIES AND PROCEDURES IN THE TRANSFER OF DATA AND RECORDS IN THE INTEGRATED TAX SYSTEMS (ITS)/ ELECTRONIC TAX SYSTEM (e-TIS), AND OTHER ADMINISTRATIVE AND REPORTORIAL REQUIREMENTS FOR COMPLIANCE BY NEWLY-ENLISTED/TRANSFERRED LARGE TAXPAYERS AS APPROVED BY THE COMMISSIONER OF INTERNAL REVENUE

TO : All Internal Revenue Officers and Employees and Others Concerned

I. BACKGROUND

In line with the thrust of the new administration to expand the Bureau's registry of large taxpayers, a roster of large taxpayers newly-enlisted under the Large Taxpayers Service (LTS) was approved by the Commissioner of Internal Revenue. The expansion of the large taxpayers registry was also complemented by the implementation of Revenue Administrative Order (RAO) No. 2-2016 which mandated the renaming of LTD-Makati to LTD-Davao. This resulted to the transfer of LTD-Makati taxpayers to other LTS Audit Divisions as well as the transfer of existing large taxpayers from LTD-Cebu and other LTS Audit Divisions to LTD-Davao. To facilitate the transfer of taxpayer's ITS/eTIS data and records from the RDO/LTS Division where the enlisted taxpayers are previously registered, and to define the basic administrative and reportorial requirements and responsibilities of newly-enlisted large taxpayers, the herein guidelines, policies and procedures are hereby prescribed.

II. OBJECTIVES

This Order is issued to:

1. Prescribe a uniform set of policies, guidelines and procedures in handling the transfer of ITS/eTIS data and other records of taxpayers for enlisting to LTS/transferred within LTS;
2. Ensure the efficient and effective handling of ITS/eTIS data and other records of enlisted/transferred large taxpayers;

3. Delineate the administrative/reportorial requirements that need to be complied as newly-enlisted large taxpayers.

III. POLICIES, GUIDELINES AND PROCEDURES

A. REGISTRATION RECORDS

1. The transfer of the ITS/e-TIS registration records of enlisted/transferred taxpayers shall be handled by the Information Systems Development and Operations Service (ISDOS) upon receipt of the List of Taxpayers for Enlisting/Transferred as approved by the Commissioner.
2. Taxpayers are required to completely accomplish and submit BIR Form No. 1905 (*Application for Registration Information Update*) for eTIS purposes.
3. Once the transfer has been effected, LTAD/ELTRD/LTDs Cebu and Davao shall generate the new Certificate of Registration (COR) and ensure receipt of the same by the taxpayers upon presentation of the previously issued COR.
4. Upon effective date of transfer, all books of accounts and other accounting records, reports, schedules, documents or information required to be registered/submitted shall be registered/submitted to LTAD / ELTRD / LTDs Cebu or Davao. However, if the concerned taxpayers have already registered/submitted these records/reports to the “old” RDO/LTS Office, such shall be considered substantial compliance. These submitted records/reports shall be transmitted to the “new” LTS office/LTD by the “old” RDO/LTS office within sixty (60) days from the effective date of the transfer.
5. All pending applications/letters of taxpayer (e.g. Authority to Print, Permit to Use/Adopt Computerized Accounting Systems and Components Thereof, witnessing of inventory destruction, cancellation of permit to use CRM/POS machines, accreditation of CRM/POS systems, etc.) with the “old” RDO/LTS Office/LTD as of effective date of transfer shall be processed/handled/acted upon by the “new” LTS Office/LTD concerned. Accordingly, all documents pertaining to such application/letter which were received by the “old” RDO/LTS Office/LTD shall be forwarded to the “new” LTS Office/LTD concerned.
6. All newly-enlisted large taxpayers shall enroll with the Electronic Filing and Payment System (eFPS) within thirty (30) days from receipt by the taxpayer of the notification as large taxpayer.
7. Any concerns / issues / queries of newly-enlisted taxpayers shall be addressed by the “new” LTS Office/LTD.

B. FILING OF RETURNS AND PAYMENT OF TAXES

1. All returns of the newly-enlisted/transferred large taxpayers shall be filed with the “new” LTS Office having jurisdiction over the said taxpayers using the eFPS facility.
2. The newly-enlisted large taxpayers not yet enrolled with the eFPS shall submit their application for enrollment with the eFPS together with the required documents at the LTS Office having jurisdiction over the said taxpayer.
3. During the transition period, newly-enlisted large taxpayers not yet enrolled in the eFPS shall be allowed to manually file their tax returns and pay the taxes due thereon at the Authorized Agent Banks (AABs) near the large taxpayers head office address, until such time that they are enrolled with eFPS.
4. In case there is an announcement by BIR that the eFPS is encountering technical problem or the system is down during deadlines for filing of tax returns, the Collection Service shall issue Bank Bulletin directing all AABs to accept manual payment of LTs under the jurisdiction of RDO Nos. 116, 121, 123, 124, 125, 126 and 127. The newly-enlisted large taxpayers shall do the following upon filing of their tax returns and upon payment of taxes that may be due thereon:
 - 4.1. Accomplish applicable eBIRForm which is downloadable from various sites (Please refer to Revenue Memorandum Circular Nos. 16-2015 and 35-2016).
 - 4.2. Pay manually/over-the-counter thru the nearest AABs.
5. After receiving payments made by LTs, AABs shall prepare a separate Batch Control Sheet (BCS) for large taxpayers and shall submit the same together with the received returns to the RDO having jurisdiction over the collecting AAB. The concerned RDO shall transmit the BCS, within five (5) days from receipt thereof, together with the returns received, to the Large Taxpayers Document Processing and Quality Assurance Division (LTDPQAD).
6. If the location of the large taxpayer has no AABs, the large taxpayer may pay the tax due thru the Revenue Collection Officer (RCO) assigned at the municipality. The RCO shall issue the corresponding eROR generated from the Mobile Revenue Collection Officers System (MRCOS) and at the end of the day generate the BCS and prepare the Total Collection Report. A separate list for out-of-district collections received from large taxpayers (RDO Nos. 116, 121, 123, 124, 125, 126, and 127) shall be prepared by the RCO. The list shall follow the format of the BCS No. generated from MRCOS which shall be reflected in such list. Such list, together with the received tax returns shall be forwarded to the RDO of the RCO.

7. The RDO concerned shall then transmit the BCS, together with the tax returns received to the Large Taxpayers Document Processing and Quality Assurance Division (LTDPQAD).

C. AUDIT CASES

1. Taxpayers under investigation, including refund claims, pursuant to Letters of Authority (LAs)/Letter Notices (LNs) issued prior to the effective date of transfer shall be continued by the issuing office. Collection from such audit shall be credited to the Office that conducted/concluded the audit upon notification to LTS for proper crediting by LTDPQAD. Thereafter, all LAs/LNs regardless of taxable year shall be issued by the “new” LTS Office/LTD.
2. All deficiency tax assessments issued against transferred/newly-enlisted taxpayers, e.g. Preliminary Assessment Notice (PAN), Formal Letter of Demand (FLD), Final Assessment Notice (FAN), Final Decision on Disputed Assessment (FDDA) shall be handled by the “old” RDO/LTS Office that issued such assessment until settlement/termination of the case. Any collection therefrom shall be credited to the “old” RDO/LTS Office/LTD upon notification to LTS for proper crediting.

D. STOP-FILER CASES

1. The open Returns Compliance System (RCS) cases shall be transferred to the “new” LTS Office from the “old” RDO/LTS Office/LTD.
2. Suspended RCS open cases on cases pending completion of audit shall be closed by the Assessment Section of the old RDO/LTS Office/LTD after termination of the audit.
3. A list of open RCS cases of newly-enlisted LTs shall be generated by the RDC/NO-DC and endorsed to the “new” LTS Office concerned (LTD/LTCED) within thirty (30) days from the effective date of transfer of taxpayer registration.
4. The LTS Office/LTD/LTCED shall be provided with special access on the following systems: Registration System, Returns Processing System, Collection and Bank Reconciliation System, Case Monitoring System, Taxpayer Accounting System including eFPS facility in the “old” RDO/LTS Office to view, inquire and validate the cases of the newly-enlisted/transferred large taxpayers.
5. After validation, Reminder Letters shall be prepared and issued by the “new” LTS Office/LTD/LTCED for the valid stop-filer cases.
6. The “new” LTS Office/LTD/LTCED shall pursue contact with taxpayers who have not complied with the Reminder Letter until full compliance is effected.

E. ACCOUNTS RECEIVABLE CASES

1. All dockets bearing on the outstanding accounts receivable cases of transferred taxpayers as of the effective date of the transfer shall be turned over by the old RDO/LTS Office to the new LTD office having jurisdiction over the said taxpayers for the handling, collection and pursuit of summary remedies.
2. Each account receivable docket shall be covered by a status report to serve as reference for the Revenue Officer tasked to handle the case.
3. All applications for compromise settlement / abatement that are not yet evaluated / recommended by the evaluators as of the effective date shall be indorsed to the “new” LTS Office/LTD.

F. TCC UTILIZATION

1. All applications and documentary requirements for TCC utilization including TCCs with outstanding balances, as of effective date of the transfer of newly-enlisted and transferred large taxpayers shall be filed with “new” LTS office having jurisdiction over such taxpayer.
2. Suspended TDM payments on TCC utilization processed by the “new” LTS Office/LTD shall be resolved by the error handlers of the “new” LTS Office/LTD.

IV. TRANSITORY PROVISIONS

1. Collection from tax payments of newly-enlisted large taxpayers shall be credited to the Large Taxpayers Service upon effectivity of enlisting.
2. Proper reconciliation of collection shall be carried out by the Revenue Accounting Division (RAD) in coordination with LTDPQAD/LTD to effect adjustment of the collection performance of the LTS Offices concerned.
3. As required by Revenue Regulations (RR) No. 9-2009, all large taxpayers are mandated to adopt Computerized Accounting System (CAS) and all Books of Accounts and accounting records shall be kept in electronic format.

Newly-enlisted large taxpayers must have adopted and secured the Permit To Use Computerized Accounting System and/or components thereof within six (6) months after having been officially notified, in writing, of their status as LTs. Those large taxpayers that will not be able to comply within the prescribed deadline may submit a letter request for extension to comply with this requirement stating therein its reason(s) for not being able to comply therewith. Such request shall be evaluated by the concerned LTS Office, subject to the approval/disapproval of the ACIR-LTS. Otherwise, penalty provision for non-compliance to this requirement pursuant to Revenue Regulations No. 9-2009 shall apply.

4. All applications for Authority to Print (ATP), Permit to Adopt/Use Computerized Accounting System and/or Components thereof and other secondary registration received by the “old” RDO/LTS Office/LTD shall be processed by the “new” LTS Office/LTD concerned. However, the docket/documents must be endorsed to the “new” LTS Office/LTD with a memorandum stating the status of the application.

As regards the application for Permit to Use/Adopt Computerized Accounting System and Components thereof/accreditation of CRM/POS systems, where a complete systems walkthrough has already been undertaken by the “old” RDO/LTS Office concerned, the permit/certificate for accreditation shall be issued by the “old” RDO/LTS Office concerned.

5. With respect to the applications for certification on inventory destruction filed by the enlisted/transferred taxpayers that were filed and/or where the physical destruction of inventory was already witnessed by the RDO/LTS Office/LTD concerned but the processing of Certificate of Deductibility thereof was held in abeyance pending the determination for deductibility of inventory destroyed shall be issued by the “new” LTS Office/LTD concerned. However, the docket together with a status report shall be endorsed by the “old” RDO/LTS Office/LTD to the “new” LTS Office/LTD concerned.

V. EFFECTIVITY

This Order shall take effect immediately.

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