

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

June 14, 2017

REVENUE MEMORANDUM ORDER NO. 26-2017

SUBJECT : Guidelines on the Assignment and Re-assignment of Revenue Officers Involved in Excise Tax Functions to Establishments Where Articles Subject to Excise Tax are Produced or Kept

TO : All Revenue Officials, Employees and Others Concerned

I. BACKGROUND

Section 16 of the National Internal Revenue Code of 1997, as amended provides that the Commissioner shall employ, assign, or reassign internal revenue officers involved in excise tax functions, as often as the exigencies of the revenue service may require, to establishments or places where articles subject to excise tax are produced or kept. Provided, "That an internal revenue officer assigned to any such establishment shall in no case stay in his assignment for more than two (2) years, subject to rules and regulations to be prescribed by the Secretary of Finance, upon recommendation of the Commissioner of Internal Revenue".

II. OBJECTIVES

With the ever growing number of excise taxpayers and its production plants, warehouses and/or depots requiring supervision and monitoring by a limited number of internal revenue officers involved in excise tax functions, this Order is therefore issued to prescribe guidelines in the assignment or re-assignment of internal revenue officers involved in excise tax functions to establishments to ensure the following:

- a. Equitable deployment of Revenue Officers On Premise (ROOPs) based on their individual performance and expertise; and
- b. Optimum distribution of ROOPs to establishments, particularly those whose operations require effective supervision and strict monitoring which are crucial to the Bureau's efficient collection of excise taxes.

III. DEFINITION OF TERMS

1. REVENUE OFFICER ON PREMISE (ROOP) - shall refer to a revenue officer assigned to monitor and supervise the business operations of an establishment/s engaged in the manufacture/importation/export of excisable products where he/she is assigned. For purposes of this Order, ROOPs shall refer to both those assigned in Zones as well as Excise Tax Areas (EXTAs).

2. ZONEs - shall refer to areas covering Revenue Region No. 4 –San Fernando, Pampanga, Revenue Region No. 5 – Caloocan, Revenue Region No 6 – Manila, Revenue Region No. 7 – Quezon City, Revenue Region No. 8 – Makati City and Revenue Region No. 9- San Pablo City which are under the immediate jurisdiction of Excise LT Field Operations Division (ELTFOD) for purposes of monitoring and supervising excisable establishments registered and located within these areas. The coverage of the zones are as follows:

Zone No.	Areas Covered
I	Marikina, Pasig, Antipolo, Cainta, Angono, Rizal, Pateros, Makati, Taguig
II	Caloocan, Malabon, Valenzuela, Quezon City
III	Manila, Mandaluyong, San Juan, Pasay City
IV	Paranaque, Cavite, Muntinlupa
V	Laguna 1, Calamba, Cabuyao, San Pedro, Los Banos
VI	Laguna 2, Sta. Rosa & all other parts of Laguna except those mentioned in Zone VI
VII	Batangas 1, Nasugbu, Lian, Tuy, Quezon
VIII	Batangas 2, Sto. Tomas, Tanauan, Malvar, Lipa, Tabangao
IX	Batangas 3, Calaca, Bauan, San Pascual & Mabini & other nearby areas not mentioned in Zones 7 and 8
X	Bulacan
XI	Pampanga, Tarlac
XII	Bataan, Subic

3. ZONE-IN-CHARGE (ZIC) - shall refer to a revenue officer designated as a supervisor of all the ROOPs assigned at excisable establishments located within a zone.
4. EXCISE TAX AREAs (EXTAs) - shall refer to areas in Revenue Regions outside of Revenue Region Nos. 4 to 9 which are under the jurisdiction of Excise Tax Area Offices for purposes of monitoring and supervising excisable establishments registered and located within these areas. The coverage of the EXTAs are as follows:

EXTA NO.	Areas Covered
I	RR 1 - Calasiao, Pangasinan, RR 2 - Cordillera Administrative Region & RR 3 - Tuguegarao, Cagayan
II	RR 11 – Iloilo, RR 12 – Negros Island Region
III	RR 13 – Cebu City, RR 14 – Tacloban City; RR 10- Legaspi City
IV	RR 16 – Cagayan De Oro, RR 17 – Butuan City
V	RR 15 – Zamboanga City, RR 18 – Koronadal City, RR 19 – Davao City

5. EXCISE TAX AREA / (EXTA) OFFICES - shall refer to an extension/satellite offices of ELTFOD outside of Revenue Region Nos. 4 to 9 tasked to monitor and supervise excisable establishments located within Excise Tax Areas. The EXTA Offices are operationally under the jurisdiction of ELTFOD but administratively under the jurisdiction of Revenue Regional Offices.

6. EXTA HEAD – shall refer to a revenue officer designated as a head to monitor and supervise the overall operation of the covered excise tax areas under its jurisdiction.
7. AREA SUPERVISOR - shall refer to a revenue officer designated as a supervisor of all the ROOPs assigned at excisable establishments located within a specific region/ province under the jurisdiction of an EXTA.
8. EEMIEP – is the acronym for “Establishment Engaged in the Manufacture/Importation/Export of Excisable Products”. For ease and brevity, the word “Establishment” may be used in lieu thereof for purposes of this Memorandum Order.

IV. POLICIES AND GUIDELINES

1. There shall be assignment/re-assignment of ROOPs in EEMIEP every two (2) years thru a Revenue Special Order (RSO) issued by the Commissioner based on criteria set under this Revenue Memorandum Order (RMO).
2. The following criteria shall be considered in assigning/reassigning ROOPs to establishments:
 - a. Individual Performance Commitment and Review (IPCR) rating for the last two (2) semesters.
 - b. Industry Exposure
 - c. Involvement in Projects
 - d. Other Factors which includes report of discrepancy/finding which ripened into assessment and or collection.
3. For purposes of optimizing ROOP distribution, establishments shall be classified according to type of taxpayers (whether manufacturer, importer, trader/dealer, etc.) and then prioritized and ranked according to the following:
 - a. Amount of annual excise tax payments based on removals for the last three (3) years
 - b. Average growth rate on excise tax payments based on removals for the last three (3) years.
4. In selecting ROOPs to be assigned in a particular establishment, ROOPs previously assigned in establishments belonging to same industry shall be preferred over other ROOPs.
5. Establishments engaged in the manufacture of excisable products shall be given priority over those establishments engaged in the importation, trading and/or storage of tax paid excisable articles. *Provided, however*, that in the case of establishments engaged in the importation, trading and/or storage of tax paid excisable articles in a given zone, ROOP may be concurrently assigned thereat, in addition to his/her assignments in the manufacturing establishments

6. No ROOP shall be reassigned back to his last two (2) consecutive assignments in Zones except in meritorious cases. In the case of EXTAs, however, a ROOP may be allowed to be re-assigned to an establishment engaged in the manufacture of excisable products where he/she was previously assigned prior to his present place of assignment, only when deemed necessary.
7. As a general rule, the re-assignment of ROOPs and ZICs deployed in Zones I to XII shall be limited to establishments located within the areas of Zones I to XII. Likewise, re-assignment of ROOPs and Area supervisors of EXTA shall be limited to establishments located within the jurisdiction of a particular EXTA. *Provided, however,* that when the exigencies of the revenue service so require, ROOP, Area Supervisor assigned in Zones I to XII may be deployed to EXTA or vice- versa.
8. All newly hired Revenue Officers-Excise (ROs-E) shall undergo training and familiarization of excise tax functions for every excisable industry at the Excise Large Taxpayers Field Operations Division/Excise Large Taxpayers Regulatory Division (ELTFOD/ELTRD) within six (6) months prior to assignment or being deployed as ROOP.
9. In the case of special projects undertaken by the BIR in a particular industry which require sustained or prolonged training and familiarization both on the part of the pilot establishment/s and the ROOP/s assigned thereat, the Commissioner may allow assignment of ROOPs for more than two (2) years upon recommendation of the Assistant Commissioner of Internal Revenue (ACIR), Large Taxpayers Service (LTS).
10. To ensure smooth transition, the ZIC or Area Supervisor, as the case maybe, shall oversee the turn-over of official records and other relevant files and documents of BIR offices within the EEMIEP premises by the outgoing to incoming ROOP/s.
11. Conduct of spot checking of ROOPs in their respective place of assignment shall be done regularly to monitor their attendance and physical presence in the premises. The results of Spot checking shall be considered in the re-assignment of ROOPs.
12. There shall be a regular review of the list of EEMIEPs to be subjected to assignment of ROOP/s, as well as the number to be assigned thereat. If after review, it was determined that additional ROOP/s is/are necessary or if an establishment requires close monitoring, ROOPs may be transferred to ensure that collection of taxes are monitored.

V. PROCEDURES

The following procedures shall be observed:

A. The SECTION CHIEF CONCERNED/ EXTA HEAD shall:

1. Prepare the list of excisable establishments engaged in the manufacture/importation of excisable products under their jurisdiction, classified and ranked based on the criteria provided for under Item IV of this Order;

2. Determine the number of ROOPs to be assigned in each excisable establishment engaged in the manufacture/importation of excisable products taking into consideration the size/area of establishment and operations;
3. Rank the ROOPs based on the criteria provided for under Item IV of this Order;
4. Prepare the list based on ranked excisable establishments vis-a-vis ranked ROOPs; and
5. Submit the list to the Chief, ELTFOD.

B. The CHIEF, ELTFOD shall:

1. Review and evaluate the lists submitted by the concerned Section Chiefs;
2. Taking into consideration the lists submitted by the Section Chiefs or EXTAs Heads, prepare matrix identifying EEMIEPs with proposed ROOPs based on selected criteria using point system.
3. Cause the preparation of the corresponding Revenue Special Order (RSO);
4. Submit the RSOs to the Head Revenue Executive Assistant (HREA) – Excise Group for review and consideration.

C. HREA- Excise Group shall:

1. Review the RSO and the matrix to ensure fairness and impartiality.
2. Recommend RSO to ACIR-LTS

D. The ACIR-LTS shall:

1. Review and recommend RSO for approval by the Commissioner thru the Deputy Commissioner-Resource Management Group.

VI. REPEALING CLAUSE

All revenue issuances or portions thereof inconsistent herewith are hereby repealed or amended accordingly.

VII. EFFECTIVITY

This Order shall take effect immediately.

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