



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

February 7, 2014

REVENUE MEMORANDUM ORDER NO. 11-2014

SUBJECT : Policies, Guidelines and Procedures in the Periodic Clean-Up of Accounts Receivable / Delinquent Accounts.

TO : All Internal Revenue Officers and Others Concerned

I. OBJECTIVES. - This Order is issued to:

1. Prescribe the policies, guidelines and procedures in the clean-up of the Bureau's Accounts Receivable/Delinquent Accounts (ARs/DAs) for purposes of:
 - a. Ascertaining the Bureau's correct inventory of ARs/DAs, as well as the accuracy of the details thereof, and update their respective status in the Accounts Receivable Management System (ARMS), computer-aided AR/DA files and/or manually-kept records, such as individual index cards or ledgers, logbook, etc., whichever is applicable;
 - b. Establishing the AR/DA profile by classifying each and every AR/DA case according to specific source; and
 - c. Determining the levels of collectability of AR/DA cases to harmonize the same with the Bureau's key performance indicator under the Performance Governance System;
2. Define the duties and responsibilities of all concerned Offices relative to the periodic clean-up of ARs/DAs; and
3. Prescribe the necessary reporting requirements in the periodic clean-up of AR/DA cases for review and monitoring purposes.

II. DEFINITION OF TERMS. – In applying the provisions of this Order, the terms herein provided are defined as follows:

1. **Accounts Receivable/Delinquent Account (AR/DA)** - refers to the amount of tax due from a taxpayer who failed to pay the same within the time prescribed for its payment.

This unpaid amount may arise from:

- a. self-assessed tax liability, as defined under Item II.20 hereof; or
- b. deficiency assessment issued by the Bureau, which became final and executory due to any of the following applicable instances:

- b.1 Failure to file a request for reinvestigation/reconsideration within thirty (30) days from receipt of the Final Assessment Notice (FAN);
 - b.2 Failure to submit documents in support of the request for reinvestigation within sixty (60) days from filing of the request;
 - b.3 Failure to appeal to the Court of Tax Appeals (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, from the lapse of the one hundred eighty (180) days from the submission of the required documents;
 - b.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; and
 - b.5 Decision/Resolution by the CTA/Supreme Court (SC) in favor of the BIR which became final and executory.
2. **AR/DA Case-** refers to a tax liability by the taxpayer determined on a per tax type and per taxable period basis. For this purpose, an AR/DA docket may consist of more than one (1) AR/DA case.
3. **AR/DA Docket-** is a compilation of documents pertaining to the taxpayer's tax liability including, but not limited to, the Final Assessment Notice (FAN) and Formal Letter of Demand (FLD) emanating from field audit, pre-audit, no-contact audit, or assessments arising from third-party information (e.g., RELIEF LN, TRS LN, etc.); Collection/Reminder Letter/Tax Return showing the amounts of the unpaid tax liability involved, and such other pertinent documents in support of the tax arrears.
4. **AR/DA History Sheet (AHS)**(formerly called Case History Sheet) – a document showing the actions taken on the case by the concerned Revenue Officer (RO) handling the AR/DA case (Annex "A"). This is regularly updated by the concerned RO handling the AR/DA docket/case every time an enforcement action has been undertaken thereon to provide easy reference in the preparation of the Monthly AR/DA Status Report.
5. **ARs/DAs for Write-Off-** refers to an accounts receivable or delinquent account where write-off or cancellation may be effected due any of the following circumstances;
- a. The five-year prescriptive period for the collection of the AR/DA case has already prescribed and such fact has been confirmed by the Committee on Prescribed Assessment/Collection cases that was created for this purpose;
 - b. The taxpayer has been declared insolvent by a competent Court in a final and executory judgment;
 - c. The individual taxpayer is deceased and no distrainable or leviable assets could be found;

- d. The taxpayer is a corporation which was verified to have permanently ceased operations, or dissolved, either through voluntary or involuntary dissolution, with no distrainable or leviable properties found, and its subscribed shares of stock have been fully paid.
- e. The taxpayer has availed of the benefits of the Tax Amnesty Law under Republic Act No. 9480 with a Certification of Compliance issued by the Deputy Commissioner for Operations, as recommended by the Task Force on Tax Amnesty, pursuant to Operations Memorandum No. 11-12-005 dated December 20, 2011.
- f. A decision was rendered by a competent Court that the AR/DA case is uncollectible and the same has become final and executory;
- g. The taxpayer is a general partnership and individual partners are declared insolvent; and
- h. The taxpayer is a general partnership and the individual partners are deceased with no distrainable and leviable properties.

In the event, however, that there are properties registered under the name of individual taxpayer's spouse, the AR/DA case could not be automatically classified as candidate for write-off unless thorough verification has been undertaken and it was determined that the properties are the exclusive properties of the spouse.

For long outstanding AR/DA cases not specifically falling under any of the above-enumerated instances but the costs to be incurred for the collection of these accounts are considered higher than the unpaid values of these AR/DA cases may be written-off pursuant to the guidelines and policies that will be covered in a separate revenue issuance upon completion of the AR/DA clean-up process and the determination of the AR/DA inventory profiles of each and every RDO/Office.

- 6. **Authority to Cancel Assessment (ATCA)** – refers to a document issued and approved by a duly authorized revenue official as proof of the cancellation of the delinquent account of the taxpayer due to any of the following:
 - a. Assessments which have been declared null and void by a competent court in a final and executory judgment or covered by a final administrative decision by duly authorized revenue official, after the conduct of a thorough evaluation of the factual and legal bases therefor, as defined under Revenue Regulations No. 12-99;
 - b. AR/DA cases which are covered by the taxpayer's valid availment of the benefits of Tax Amnesty;
 - c. Tax liabilities which were the subject of approved applications for abatement of penalties or compromise settlement pursuant to existing policies and guidelines;
 - d. Prescribed collection cases as determined by the Committee on Prescribed Collection Cases;

- e. Tax liabilities considered uncollectible and approved for write-off; and
 - f. Other circumstances requiring the issuance of the said document as defined under Section II.5 of this Order.
7. **Cannot Be Located Taxpayer (CBL)** - are taxpayers included in the BIR's database of registered taxpayers but whose addresses and/or whereabouts have become doubtful and/or undetermined during ocular inspection and/or service of 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 the 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".
8. **Closed AR/DA Case**- a tax liability which has already been settled through any of the following modes, where the corresponding case docket has been transmitted to the Records Division or the Regional Administrative Division for safekeeping and reflected as closed in the Updates of AR/DA (Annex "B" of Operations Memorandum No. 3-2013 dated April 15, 2013):
- a. Full payment of the total amount due inclusive of all applicable penalties incident to delinquency;
 - b. Partial payment of the total amount due with an approved Authority to Cancel Assessment (ATCA) signed by authorized Official under Revenue Delegation Authority Order (RDAO) No. 6-2001 arising from:
 - b.1 Duly approved application for abatement of penalties; or
 - b.2 Duly approved application for compromise settlement pursuant to Section 204 of the Tax Code.
 - c. Availment of the Tax Amnesty Law under Republic Act (RA) No. 9480 with a Certification of Availment issued by the Deputy Commissioner for Operations, as recommended by the Task Force on Tax Amnesty, pursuant to Operations Memorandum No. 11-12-005 dated December 20, 2011 and the corresponding ATCA has already been issued and approved by the duly designated approving authority;

- d. Full cancellation of the total tax liabilities due to an approved recommendation to write-off the same because of the prescription of the Bureau's right to collect under the Statute of Limitation and for such other reasons stated under II.5 hereof;
 - e. Full cancellation of the total tax liabilities due to an adverse decision by a competent court which became final and executory and an ATCA has already been issued and approved; and
 - f. Full cancellation of the tax liabilities due to a ruling that is final and executory declaring the assessment as "null and void" under the existing rules and regulations (i.e. Revenue Regulations No. 12-99, etc.) and an ATCA has already been issued and approved.
9. **Dishonored Checks** –refers to a check drawn by the taxpayer and used for the payment of tax liability but was subsequently denied payment by drawee-bank due to taxpayer's insufficiency of funds in his/her/its bank accounts, accounts closure, or for any other reason for non-acceptance thereof.
10. **Execution of Warrant of Distraint and Levy**- this refers to the implementation of the administrative and judicial remedies in the enforcement of collection of delinquent tax liabilities by a duly authorized Revenue Officer/Official of the Bureau.

For this purpose, a WDL is considered executed when the Seizure Agent (SA) has served any or all of the following notices to the concerned person or entity that has possession of the garnishable/leviable/distainable properties of the delinquent taxpayer, depending on the circumstances surrounding the case:

- a. Warrant of Garnishment (for cash in bank, shares of stocks, bonds and bills, trades and non-trade receivables and other garnishable properties as defined under Section 207(A) of the Tax Code);
- b. Notice of Levy (for real properties); and
- c. Notice of Actual/Constructive Seizure (for personal properties, such as furnitures and equipment, stocks in trade, and other distainable properties as defined under Section 207(A) of the Tax Code).

In case the concerned entities to whom the notices were served upon have confirmed existence of distainable and/or leivable properties, and the value/s of which is/are enough to satisfy the taxpayer's delinquent accounts, including the delinquency penalties and expenses related to seizure, maintenance and disposition of the levied/distained properties, the service of the Notice of Tax Lien or Notice of Encumbrance shall be deemed complete execution of the WDL.

In the event that there is no property to be distained and/or levied, and/or the total value of the levied and/or distained properties is not enough to fully satisfy the taxpayer's delinquent accounts, including the delinquency penalties and expenses related to seizure, maintenance and disposition of levied/distained properties, the WDL can already be

considered as executed and the AR/DA case, after the disposition of the levied/distrainted properties, can be placed under the suspense file.

11. **Financial Hardship** – refers to a condition that is either temporary or permanent in nature and may be experienced by a delinquent taxpayer that could adversely affect the satisfaction of his basic needs that prevents him to immediately settle his/her/its tax liabilities.

For this purpose, true basic needs refer to reasonable provision for subsistence such as food, shelter, clothing, and health, that could not be dispensed with, to afford the taxpayer a decent or modest living condition. In the case of a non-individual taxpayer, on the other hand, a true financial hardship is manifested by the taxpayer's inability to meet necessary business expenses such as salaries of employees, payment of purchases of goods and services necessary for the continued operation of the business, repayments of business-related loans that resulted to the foreclosure of substantially all its properties or assets, etc., that would disrupt the taxpayer's business operations. Furthermore, a true financial hardship can be supported by, among others, the taxpayer's audited financial statements showing financial incapacity due to impairment of capitalization or negative networth as defined under Revenue Regulations No. 30-2002, as amended, or issuance of a final and executory decision by the competent court declaring the taxpayer as bankrupt or insolvent.

12. **Financial Inconvenience** – refers to a condition that is either temporary or permanent in nature and may be experienced by a delinquent taxpayer which prevents him from the continuous enjoyment of luxurious lifestyle that can be given-up without impairing the satisfaction of the delinquent taxpayer's basic needs as defined in the immediately preceding paragraph.

For this purpose, a mere financial inconvenience refers to a condition wherein an individual taxpayer is prevented from meeting expenses such as, among others, dining in fine restaurants, taking domestic and foreign travel and tours for leisure purposes, sending children to exclusive schools, acquiring another house in addition to the family home, etc. In the case of non-individual taxpayer, on the other hand, financial inconvenience refers to the taxpayer's inability to provide fringe benefits to executive officials, to acquire luxury vehicles for use by top officials, to conduct business meetings and conferences in posh venues, etc.

13. **General Control Ledger (GCL)**- is a master control device required to be maintained and regularly updated by all offices handling AR/DA dockets, which shows their respective actual AR/DA inventory, as well as the accuracy of the details thereof, at the end of each given month. The said device is always accompanied by updates on ARs/DAs which reflect the new accounts created for the month, the accounts transferred to/from other Offices and the accounts that were closed due to payments or issuance of ATCAs, etc.;

14. **Insolvency/ Bankruptcy**–It is a condition when a delinquent taxpayer could no longer settle his/her/its debts inasmuch as his/her/its assets are insufficient for the payment thereof due to permanent cessation of business operations and prolonged loss of income.

This condition should be declared by a competent court in a final and executory judgment that such person or entity is in a state of insolvency or bankruptcy.

15. **Monthly Report on Taxes Assessed (BIR Form 40) Unprotested** – is a report prepared by the Regional Assessment Divisions, the Enforcement Service and the Large Taxpayers Service (LTS) which shows the details of the FANs issued and served/mailed to concerned taxpayers, which became final and executory due to taxpayer's failure to validly protest the same within the prescribed thirty (30)-day period;
16. **Pending AR/DA Case**- refers to a tax liability of a taxpayer, the covering docket of which is still in the possession of the concerned office/official for collection enforcement awaiting necessary and appropriate actions prior to transmission thereof to the Records Division or the Regional Administrative Divisions, as the case may be, for safekeeping and future reference, and/or the same has not yet been reported to the Accounts Receivable Monitoring Division as a closed case in the monthly updates of AR/DA cases as attachments to the GCL report.
17. **Permanent Cessation of Business** – it is a condition when the individual taxpayer has permanently stopped the operations of his business with proper tax clearances issued by the concerned RDO having jurisdiction over the taxpayer and by the concerned Permits and Licensing Division of the City/Municipality where the taxpayer is conducting business. For individual taxpayer with multiple businesses, however, the cessation of operations of one registered business shall not be considered as a permanent cessation of business by the individual taxpayer/owner.

For non-individual taxpayer, this condition must be duly supported by the document prescribed under item III.10 of this Order.
18. **Potentially Collectible ARs/DAs**- refers to pending ARs/DAs which are not eligible for write-off or to be placed under the suspense AR/DA file under the existing criteria; hence, can still be collected, either fully or partially, through the enforcement of collection remedies.
19. **Prescribed AR/DA Case**-refers to an account receivable or a delinquent account where the Statute of Limitations to collect has already lapsed without the proper execution by the authorized representatives of the Bureau of the administrative remedies and no valid Waiver of the Statute of Limitation for Collection has been executed by the concerned taxpayer and duly accepted by the concerned BIR official under the existing rules and regulations. An AR/DA case cannot be considered as "prescribed" when any of the circumstances suspending the running of the prescriptive period to collect provided under Section 223 of the Tax Code exists. However, the AR/DA case could not be considered "prescribed" unless the Committee on Prescribed Cases has confirmed that the AR/DA case has actually prescribed.
20. **Self-Assessed Tax Liability** - refers to a tax liability resulting from any of the following:
 - a. Dishonored check (check used to pay the tax liability but was later dishonored by the concerned depository bank of the delinquent taxpayer);

- b. Tax due per return filed by taxpayers who failed to pay the same within the time prescribed for its payment; and
 - c. Non-payment of the 2nd installment due from individual taxpayers who availed of installment payments of income tax under Sec. 56 (A) (2) of the Tax Code, as amended.
21. **Suspense ARs/DAs** – refers to accounts receivable or delinquent accounts which could not be collected at the moment or are considered as temporarily not collectible (TNC) due to any of the following circumstances:
- a. The individual taxpayer is serving life imprisonment and has no distrainable or leviable properties;
 - b. The individual taxpayer is suffering from a lingering disease and has no distrainable or leviable properties;
 - c. The taxpayer is a corporation which was verified to have permanently ceased operations or has been officially dissolved, no Warrant of Distraint and Levy was served, its subscribed shares of stock have not been fully paid, and the whereabouts of its stockholders could not be located;
 - d. A foreign national who came to the Philippines as a consultant or who has engaged in business in the Philippines, and has been verified to have left the country after the completion of the project/permanent cessation of the business, and has not returned since then;
 - e. The individual taxpayer is out of the country over a long period of time and without certainty of any intention to go back to the Philippines and has no distrainable or leviable properties;
 - f. The taxpayer was tagged with a “Cannot Be Located (CBL)” status pursuant to existing rules and regulations and has no distrainable or leviable properties;
 - g. When no property of the taxpayer could be located despite the issuance and execution of the Warrant of Distraint and/or Levy (WDL);
 - h. When the Commissioner or any of his authorized representative is prohibited from enforcing the collection remedies due to an Order issued by the competent court and the taxpayer has complied with all the legal requirements such as, but not limited to, the posting of a continuing surety bond until the court has rendered its final decision on the case;
 - i. The taxpayer is a general partnership where the individual partners are serving life imprisonment and has no distrainable or leviable properties;
 - j. The taxpayer is a general partnership and the individual taxpayers are suffering from a lingering disease and has no distrainable or leviable properties;

- k. The taxpayer is a general partnership and the individual partners are out of the country over a long period of time and have no intention of going back to the Philippines and have no distrainable or leviable properties;
- l. The taxpayer is a general partnership and the individual partners could not be located and have no distrainable and leviable properties; and
- m. The taxpayer is a partnership which was verified to have permanently ceased operations or has been officially dissolved, no WDL was served, and the whereabouts of its partner could not be located

Where any of the aforementioned conditions exists, the running of the five (5)-year prescriptive period for the collection thereof shall be suspended.

- 22. **Uncollectible ARs/DAs** – refers to delinquent accounts where the current prospect of collection is either nil or zero (for ARs/DAs eligible for write-off) or are temporarily considered as not collectible (for suspense ARs/DAs).

III. POLICIES AND GUIDELINES.-In the clean-up of the ARs/DAs, the following policies and guidelines must be observed:

- 1. The policies and procedures herein prescribed shall be applied to all outstanding AR/DA dockets being handled by the following BIR offices:

a. Regional Office

- a.1 Assessment Division (AD)
- a.2 Collection Division (CD)
- a.3 Legal Division (LD)
- a.4 Special Investigation Division (SID)
- a.5 Revenue District Offices (RDOs), excluding the RDOs in Metro Manila where the Centralized Arrears Management Project was piloted in their respective Regional Collection Division pursuant to Operations Memorandum No. 13-03-001 dated March 12, 2013

b. Collection Service

- b.1 Accounts Receivable Monitoring Division (ARMD)

c. Legal Service

- c.1 Appellate Division (APP)
- c.2 Law Division (LAW)

d. Large Taxpayer Service

- d.1 Large Taxpayers Collection Enforcement Division (LTCED)
- d.2 Large Taxpayers Regular Audit Division 1 to 3 (LTRAD 1 TO 3;
- d.3 Large Taxpayers Excise Audit Division 1 and 2 (LTEAD 1 and 2)

d.4 Large Taxpayers Divisions (LTDs)

e. Enforcement and Advocacy Service

- e.1 Litigation Division (LD)
- e.2 Prosecution Division (PD)
- e.3 National Investigation Division (NID)

2. To determine the AR/DA inventory profile of each office handling AR/DA cases, physical count of AR/DA dockets in their respective possession must be conducted within thirty (30) days from the effectivity of this Order.
3. All Offices handling ARs/DAs shall regularly update the entries in the AR/DA History Sheet (AHS) [formerly called “Case History Sheet”] (**Annex “A”**) on each and every AR/DA docket. The Head of Office shall ensure that each and every AR/DA docket shall contain AHS. Otherwise, he shall require the Seizure Agents to accomplish and regularly update the same.
4. AR/DA docket/case to be recommended for write-off or suspense must be appended with duly accomplished checklist (**Annex “B”**). All the necessary documents indicated under items III.8 and III.10 of this Order to support the said checklist must be submitted and attached to the docket of the report for purposes of reviewing and evaluating the propriety of the recommendation for the write-off or tagging of an AR/DA case under the “suspense” classification, as the case may be.
5. Potentially collectible ARs/DAs” shall be evaluated to determine the degree of collectability (whether high, medium, low or nil). The degree of collectability shall be determined using a point-system approach based on pre-determined parameters and criteria as prescribed in the herein attached guidelines (**Annex “C”**).
6. In establishing the AR/DA profile of the Bureau, all AR/DA cases shall be classified using alpha numeric code based on the attached AR/DA Classification Codes (**Annex “D”**). The guidelines (**Annex “E”**) on how the appropriate code shall be determined must be strictly and accurately followed.
7. In determining whether the collection of an AR/DA case has already prescribed, the following are the guidelines in determining the five (5)-year prescriptive period of collection:
 - a. In case of AR/DA arising from self-assessed taxes, the counting of the five (5)-year prescriptive period of collection shall be reckoned as follows:
 - a.1 For unpaid second installment- the prescribed due date for the payment of second installment of income tax per Annual Income Tax Return (BIR Forms 1700 or 1701) filed by the delinquent individual taxpayer;
 - a.2 For unpaid tax due per return – the prescribed due date for the payment of the particular tax type or the date of filing of the tax return, if the same was filed beyond the prescribed due dates, whichever comes later; (refer to the existing

RMC regarding the counting of the prescriptive period for tax cases with leap year within it)

- a.3 For dishonored check – the prescribed due date of the tax return filed where the covering check was used as payment or date of actual payment, whichever comes later.
- b. In case of AR/DA emanating from the issuance of FAN, the counting of the five-year prescriptive period of collection shall be reckoned from the lapse of the thirty (30) days granted to the taxpayer to settle the tax liabilities. The thirty day-period is counted from the date of receipt of the FAN by the taxpayer as reflected in the acknowledgement portion of the FAN and the Demand Letter (in case the assessment was personally served upon the taxpayer) or the date indicated in the Return Card that was acknowledged by the recipient of the FAN and Demand Letter (if the assessment notice was sent thru the postal services). In the absence of the Registry Return Card, the date of mailing of the FAN plus an additional ten (10) days allowance for the delivery of the FAN by the postman, shall be used as the reckoning date.

In case of FAN which was protested and subsequently granted re-investigation/reconsideration but the complete documents necessary for the re-investigation was not submitted within the prescribed sixty (60)-day period, the counting of the five-year prescriptive period to collect shall start with the lapse of the sixty (60)-day granted for the submission of requisite documents.

- c. The running of the five (5)-year period within which to collect the delinquent account shall be suspended for the period during which the Commissioner is prohibited from commencing the execution of the summary remedies, such as the following:
 - c.1 When the taxpayer cannot be located in the address given by him in the filed tax return, or in duly filed BIR Registration Update Form (BIR Form 1905) timely received by the concerned RDO, in case the taxpayer has effected change of address; However, if the taxpayer duly notified the Bureau of the change of address and yet the FAN was issued in the old address, the running of the five-year prescriptive period shall not be suspended.
 - c.2 When the warrant of distraint and levy was duly served to the taxpayer or his duly authorized representative but no property could be located or the value of the property located is not enough to fully satisfy the taxpayer's delinquent accounts, including delinquency penalties, as evidenced by a certification issued by concerned person or entity to whom the WG was served or to whom the SA verified the existence of property of the concerned delinquent taxpayer;
 - c.3 When the taxpayer is out of the country and without certainty or any intention to go back to the Philippines; and
 - c.4 When the delinquent taxpayer has executed a valid Waiver of the Defense of Prescription pursuant to the existing rules and regulations.

The concerned Head of Office shall be responsible in ascertaining, on a regular basis, whether or not, the aforesaid conditions still exist; otherwise, the counting of the five (5)-year prescriptive period within which to collect the delinquent account shall continue to run.

8. All AR/DA cases which are: (a) fully settled including the attendant delinquency penalties; (b) with approved application on abatement of penalties; (c) with approved compromise settlement application; and (d) with approved recommendation for write-off, with duly issued Authority to Cancel Assessment (ATCA) in accordance with Revenue Delegation Authority Order (RDAO) No. 6-2001, if applicable, must be forwarded to the Records Division and or Administrative Division, as the case may be, for safekeeping and future reference.

An AR/DA case classifiable as a “Suspense AR/DA” under Section II.21 of this Order shall be merely reclassified from active to inactive account status so that resources can be focused on collectible accounts. Unless subsequent events and circumstances occur that merit the reclassification of the AR/DA case from a “Suspense AR/DA” to “AR/DA for Write Off” status pursuant to Section II.5 of this Order, the same must not be written off. Furthermore, the said account continues to accrue delinquency interests and penalties; and it can be reactivated to an “Active” status at any time depending on the current circumstances surrounding the AR/DA case.

Before an AR/DA case can be tagged with a “Suspense AR/DA” status, thorough verification must first be made to ascertain that the delinquent taxpayer does not have, in reality, sufficient assets to pay the tax liability. However, extreme caution must be exercised in determining the temporary incapacity of the delinquent taxpayer to pay the tax. The decision to treat the account as a “Suspense AR/DA” must be based on financial hardship and not merely financial inconvenience. To report an account as a “Suspense AR/DA”, the decision must be supported by documentary evidences of the taxpayer’s current financial condition and/or status. For this purpose, the following documents, among others, shall form part of the documentary requirements for any AR/DA case recommended for tagging with a “Suspense AR/DA” status:

REASON FOR ACCOUNT SUSPENSION	SUPPORTING DOCUMENTS	EVENTS TO BE MONITORED
The individual taxpayer is serving life imprisonment and has no distrainable or leviable properties	Certification from the Land Registration Authority (LRA) that the taxpayer has no distrainable or leviable properties Certification from the Bureau of Jail Management and Penology, together with a copy of the court decision, that the concerned taxpayer	When the taxpayer will be released from prison When the taxpayer or spouse is selling/acquiring the properties When there exists current transactions of the taxpayer or spouse based on the third-party

REASON FOR ACCOUNT SUSPENSION	SUPPORTING DOCUMENTS	EVENTS TO BE MONITORED
	is still serving a sentence of life imprisonment	information database of the BIR
The individual taxpayer is suffering from a lingering disease and has no distrainable or leviabile properties	Medical Certificate issued by a Government Physician that the concerned taxpayer is incapable of earning a living due to a lingering disease/illness. Certification from the Land Registration Authority (LRA) that the taxpayer has no distrainable or leviabile properties	When the taxpayer recovered from lingering illness When the taxpayer or spouse is selling/acquiring the properties When there exists current transactions of the taxpayer or spouse based on the third-party information database of the BIR
The taxpayer is a corporation which was verified to have permanently ceased operations or has been officially dissolved, no Warrant of Distraint and/or Levy was served, its subscribed shares of stock have not been fully paid, the whereabouts of its stockholders could not be located, and no leviabile or distrainable properties under the name of the corporation could be found	SEC certification of the taxpayer's registration whether revoked/dissolved or an update regarding permanent cessation of business provided that the subscribed capital stock have been fully paid Certification of Non-Residency of the concerned Corporation's stockholders issued by the Barangay Chairman which has jurisdiction over their last known address Certification from the Land Registration Authority (LRA) that the taxpayer has no distrainable or leviabile properties Certification from Business License and Permits Division/Office of the concerned Local Government Unit (LGU) on	When there is information of the physical presence of the stockholders of the corporations in the country When the taxpayer is selling/acquiring properties When there exists current transactions of the corporation based on the third-party information database of the BIR

REASON FOR ACCOUNT SUSPENSION	SUPPORTING DOCUMENTS	EVENTS TO BE MONITORED
	the corporation's non-renewal of business permits	
A foreign national who came to the Philippines as a consultant or who has engaged in business in the Philippines, and has been verified to have left the country after the completion of the project/permanent cessation of the business, and has not returned since then	Certification from the Bureau of Immigration and Deportation (BID) that the concerned taxpayer has left the country and that there was no record that he/she has returned to the country, if taxpayer is abroad or a foreigner Certification from Business License and Permits Division/Office of the concerned Local Government Unit (LGU) on the foreigner's non-renewal of business permits	When there is information of the return of the foreign national in the country and the verification of his physical presence or location. When the taxpayer is selling/acquiring properties When there exists current transactions of the foreign national based on the third-party information database of the BIR
The individual taxpayer is out of the country over a long period of time and without certainty of any intention to go back to the Philippines and has no distrainable or leviable properties	Certification from the Bureau of Immigration and Deportation (BID) that the concerned taxpayer has left the country and that there was no record that he/she has returned to the country, if taxpayer is abroad Certification from the Land Registration Authority (LRA) that the taxpayer has no distrainable or leviable properties Certification from Business License and Permits Division/Office of the concerned Local Government Unit (LGU) on the taxpayer's non-renewal of business permits	When there is information of the return of the taxpayer and the whereabouts of the taxpayer was found When the taxpayer is selling/acquiring properties When there exists current transactions of the taxpayer or spouse based on the third-party information database of the BIR
The taxpayer was tagged with a "Cannot Be Located (CBL)" status	Certification from the Collection Programs Division that the taxpayer is	When the taxpayer (including spouse if individual taxpayer)

REASON FOR ACCOUNT SUSPENSION	SUPPORTING DOCUMENTS	EVENTS TO BE MONITORED
pursuant to existing rules and regulations and has no distrainable or leviable properties	a stop filer and tagged as cannot be located status Certification from the Land Registration Authority (LRA) that the taxpayer has no distrainable or leviable properties Certification from the Barangay of the taxpayer's last known residence, that his/her/its whereabouts is unknown;	resurfaced with indication of existence of leviable and distrainable properties When the taxpayer (including spouse if individual taxpayer) is selling/acquiring properties When there exists current transactions of the taxpayer (including spouse for individual taxpayer) based on the third-party information database of the BIR
When no property of the taxpayer could be located despite the issuance and execution of the Warrant of Distraint and/or Levy (WDL)	Certification from the Land Registration Authority (LRA) that the taxpayer has no distrainable or leviable properties	When there is information of the existence of real and personal properties of the delinquent taxpayer
When the Commissioner or any of his authorized representative is prohibited from enforcing the collection remedies due to a Court decision	Certified true copy of Court decision/order	When the court already declared the resumption of the period to enforce collection of the tax or the temporary restraining order or preliminary injunction has been lifted
Taxpayer is a general partnership which was verified to have permanently ceased operations or has been officially dissolved, no WDL was served, whereabouts of partners could not be located and has no leviable or distrainable assets	Supporting documents applicable to corporation shall apply	Monitoring of events applicable to corporation shall be observed
Taxpayer is a general partnership which could not be located and /or has	Supporting documents applicable to corporation shall apply	Monitoring of events applicable to corporation shall be observed

REASON FOR ACCOUNT SUSPENSION	SUPPORTING DOCUMENTS	EVENTS TO BE MONITORED
no leviable or distrainable assets		
Taxpayer is a general partnership and the individual partners have no distrainable or leviable properties and they : 1. are suffering from a lingering disease; or 2. are serving life imprisonment; or 3. could not be located	Supporting documents required under individual taxpayers will apply	Monitoring of events applicable to individual taxpayers shall be observed

The decision to place an account in “Suspense AR/DA” status shall be subject to prior approval of the head of the Office handling the account. In the course of the review of the recommendation to classify any AR/DA account under the “Suspense AR/DA” status, the thoroughness of the investigation/verification must be determined by the reviewing officials to ensure that financial hardship conditions really exist before approving a recommendation to declare an account as temporarily uncollectible. For this purpose, a Suspense AR/DA Form (Annex “B”) must be accomplished to serve as guide for all the concerned offices to ensure that the necessary documentations are fully captured and the same shall form part of the pertinent AR/DA case docket.

Periodic monitoring of the cases with “Suspense AR/DA” status must be made by the concerned office handling the account. If it is determined that an account may be collectible at a future date due to changes in the taxpayer’s financial status, or the delinquent taxpayer has resurfaced and can be untagged as a “CBL” taxpayer, or occurrence of any event that alters the uncollectibility of the AR/DA, the AR/DA account can already be reverted to a “Pending AR/DA” status.

Only AR/DA cases covered by WDLs that have been duly served and executed and no leviable or distrainable properties were found shall be eligible for classification under “Suspense AR/DA” so that prescription of the Bureau’s right to collect could not be invoked by the taxpayer once these accounts were reactivated to “Pending AR/DA” or “Potentially Collectible AR/DA” status.

A masterlist of AR/DA dockets placed under the suspense files must be maintained and shall be evaluated on a quarterly basis. Upon discovery of any transaction of the subject taxpayer, or occurrence of events that merits the reactivation of the AR/DA cases to “Pending AR/DA” or “Potentially Collectible AR/DA” status, the AR/DA case shall be removed from the suspense files, and the resumption of collection enforcement actions should be immediately undertaken on the case.

9. AR/DA cases recommended for write-off due to prescription shall be handled by a Committee on Prescribed Cases which shall be created for this purpose. All other AR/DA

cases recommended for write-off for reason other than prescription shall be evaluated and decided by the Commissioner, upon the recommendation of the Technical Working Committee (TWC) on Abatement. Prior to TWC's processing, the recommendation for write-off must pass through the concerned Large Taxpayers Service Evaluation Board/Regional Evaluation Board for the conduct of preliminary evaluation and preparation of appropriate recommendation on the AR/DA case.

The Committee on Prescribed Cases, which shall be responsible in determining if an AR/DA case has prescribed, shall likewise be responsible in initiating the filing of the appropriate administrative sanctions against the concerned revenue officers/officials who is/are responsible for its prescription.

10. AR/DA cases recommended for write-off which are awaiting approval by the concerned approving authority shall not be removed from the concerned office's AR/DA Inventory/General Control Ledger (GCL). These shall only be removed from the Office's inventory and/or GCL once the recommendation for write-off and the corresponding ATCA has already been approved by the approving revenue official. However, when the AR/DA dockets are referred to other office for the evaluation of the recommended action for write-off, the same shall only be reflected under the "transfer-out" column of the GCL. The recipient office must reflect the same under the "transfer-in" column of the GCL report. If these cases were in their possession at the end of the month, these shall be reflected under the AR/DA for write-off" column.

Below are the required documents to support the "writing-off" of AR/DA cases:

Reasons for Write-Off	Required Document
The five (5)-year prescriptive period of collection has prescribed	Memorandum report of the concerned RO and confirmed by the Committee on Prescribed Cases
Insolvency	Court decision that is final and executory declaring the taxpayer as insolvent
AR/DA declared uncollectible by the Court	Court decision that is final and executory declaring the AR/DA as uncollectible or that the assessment issued is null and void Entry of Judgment issued by the Court
Individual taxpayer is deceased and no distrainable or leviable assets could be found	Death Certificate Certificate from the Land Registration Authority (LRA) that the individual concerned has no property holdings LTO Certification that the individual taxpayer has no owned motor vehicle SEC Certification that the individual taxpayer is not a shareholder or incorporator of any corporation registered with the SEC or a partner in a partnership

Reasons for Write-Off	Required Document
	Certification by the RDO having jurisdiction over the decedent's domicile that the taxpayer's heir has not filed an estate tax return
Permanent cessation of business operations	Certification from LGU for the non-renewal of business permits for individual taxpayers SEC Certification of Permanent Cessation of Business for corporate taxpayers Duly-filed Taxpayer Registration Updates (BIR Form 1905)
Dissolution	Certificate of Dissolution in case of voluntary dissolution/Certification from SEC that the taxpayer's registration is already revoked/corporate life is dissolved due to any of the grounds for involuntary dissolution of a corporation provided under Presidential Decree No. 902-A
Availment of the Benefits under the Tax Amnesty under Republic Act No. 9480	Certification issued by the ODCIR-OG that the taxpayer has complied with the requirements of the Tax Amnesty Program under RA No. 9480 Certification from the Regional Legal Division/concerned Legal Office in the National Office that the taxpayer is not among those enumerated in the law s prohibited from availing of the benefits of the tax amnesty law
Taxpayer is a general partnership and the individual partners are declared insolvent	Court decision that is final and executory declaring the taxpayer as insolvent
Taxpayer is a general partnership and the individual partners are already deceased	Death Certificate Certificate from the Land Registration Authority (LRA) that the individual partners have no property holdings LTO Certification that the individual partners have no owned motor vehicle Certification by the RDO having jurisdiction over the deceased individual partner's domicile that their respective heir's did not file an estate tax return

Except for the AR/DA cases recommended for write-off on the ground of prescription of the collection period, the following are the responsible Revenue Officers/Officials for each action specified hereunder:

Action	DA Handled by ARMD	DA Handled by LTCED/LTDOs	DA Handled by RDOs/RRs	DA handled by NO/Regional Legal Offices
Preparation of Memorandum Report	Case Officer	Case Officer	Case Officer	Case Officer
Review of Report	Chief, ARMD	Chief, LTCED/concerned Large Taxpayer Division	RDO and Chief, Collection Division	Head of Office
Recommendation for Approval of Report	ACIR, Collection Service	ACIR/- Large Taxpayers Service	Regional Director	Concerned ACIR/Regional Director
Approval	CIR	CIR	CIR	CIR

11. ATCA shall be issued by BIR Official in accordance with RDAO No. 6-2001 on the following AR/DA cases/dockets:

- a. Cases under reinvestigation or reconsideration, subject to the limitation provided in the unnumbered Memorandum of former Commissioner Joel L. Tan-Torres dated May 4, 2010, Item 3 of Operations Memorandum No. 12-07-001 dated July 12, 2012, and the Updated Collection Manual per RMO No. 28-2010 where the final assessment as originally issued was declared null and void and was either modified, amended or otherwise cancelled in its entirety;
- b. Cases with approved compromise settlement under Section 204 (a) of the Tax Code, as amended;
- c. Cases with approved request for abatement of penalties under Section 204 (b) of the Tax Code, as amended;
- d. Cases in which the right of the government to assess/collect the corresponding deficiency/delinquent taxes has prescribed, in accordance with Sections 203 and 222 of the Tax Code;
- e. Appealed or collection cases that have been decided by the competent courts in favor of the taxpayer when there is already an entry of judgment;
- f. Cases approved for write-off; and
- g. Such other cases which the Commissioner may allow for write-off.

12. All cases transferred-out to another Office must be reflected as deduction from the AR/DA inventory of the concerned Office in the GCL report. However, for Offices where ARMS is already in place, aside from reflecting the same manually in the GCL report, the transmittal of AR/DA dockets to another Office shall likewise be done thru the facility of the ARMS by indicating the Office where the AR/DA docket shall be forwarded or transmitted.
13. For revenue district offices wherein ARMS is not yet rolled-out, the revised form for Updates of Delinquent Accounts under Operations Memorandum No. 3-2013 dated April 15, 2013 is modified to include column requiring the current status of each and every AR/DA cases under their respective inventory at the end of each quarter (Annex "F"). The same shall be used as the basis of the ARMD on what to reflect as classification code on each and every AR/DA case that is in the ARMS database. The submission of the aforesaid updates shall be on or before the fifteenth (15th) day following the close of every calendar quarter, instead of the monthly updates required to be submitted as required under OM No. 3-2013.
14. In case the handling office has deliberately misclassified "Potentially Collectible AR/DA" to "Suspense AR/DA" or "AR/DA for Write-Off" just to obtain a higher KPI rating or in connivance with taxpayers, the ARMD shall recommend audit of all the dockets of the concerned office and the filing of the applicable administrative sanctions to the erring revenue official/employee who committed that deliberate act. The foregoing notwithstanding, the Performance Evaluation Division (PED) of the concerned Regional Internal Audit Team (RIAT) may be tapped to conduct audit of all AR/DA inventories under their respective jurisdiction.
15. The details of all discrepancies discovered by the ARMD after reconciliations has been made between the inventories of AR/DA dockets/cases per concerned LTS Offices under the Large Taxpayers Service/Legal Offices/concerned Divisions under Revenue Region/Revenue District Office as against the old database of the ARMD shall be sent to the concerned offices for verification and submission of the necessary explanations therefor within fifteen (15) days from receipt of the inventory.
16. AR/DA cases referred to the Regional Legal Division/Appellate Division/Law Division/Prosecution Division/Litigation Division in the National Office for the resolution of issues involving questions of law and/or alleged prescription of the Bureau's right to assess/collect the tax liabilities after the same has become final, demandable and executory must be resolved within fifteen (15) days from receipt of the AR/DA docket/case. After resolution, these AR/DA dockets must immediately be returned to the originating office for appropriate action.

However, cases handled by the aforesaid offices which are still pending litigation in court are not covered by the preceding policy, provided that when the judicial remedy was availed by the taxpayer, the tax liabilities are not yet final, executory and demandable.
17. All delinquent accounts of taxpayers covered by their applications for tax amnesty must be cancelled through issuance of Authority to Cancel Assessment after the amnesty applications have been certified qualified by the Office of the Deputy Commissioner-Operations Group. Notwithstanding the taxpayer's qualified tax amnesty availment, the

following AR/DA accounts shall not to be written-off even if these are tax liabilities covering 2005 and prior years:

- a. Withholding tax liabilities;
 - b. Tax cases subject of final and executory judgment by the courts; and
 - c. Tax cases involving tax evasion and other criminal offenses under Chapter II of Title X of the National Internal Revenue Code of 1997, as amended,
18. Report on dishonored checks must be reconciled with the reported delinquent account arising from unpaid dishonored check. To prevent the accumulation of huge inventory of AR/DA arising from dishonored checks, all the concerned offices must exert effort to ensure the immediate redemption thereof by the concerned taxpayers. Habitual offenders must be referred to the concerned Legal Offices of the Bureau for the filing of the appropriate criminal complaint due to violation of Batas Pambansa Blg. 22 or other appropriate criminal actions under the Revised Penal Code and special laws.

IV. PROCEDURES.- The following procedures shall be observed by the concerned Offices enumerated in Section III (1) covered by this Revenue Memorandum Order:

A. Offices handling AR/DA dockets requiring collection enforcement action (Revenue District Offices/ Large Taxpayers Division-Makati and Cebu/Large Taxpayers Collection Enforcement Division/ Regional Collection Divisions with Arrears Management Team) –

A.1 Reconciliation of AR/DA Inventory

1. Conduct physical count of the AR/DA dockets in their respective possession upon effectivity of this Order.
2. Prepare AR/DA Inventory List using the prescribed format hereof (Annex “G”).
3. Reconcile the dockets determined by physical count with the inventory as reflected in the latest submitted General Control Ledger (GCL) report with the ARMD.

Fully account for any discovered discrepancy. In case the inventory per physical count is more than the inventory reflected in the GCL report, submit an amended GCL report to the ARMD immediately for the necessary correction of the AR/DA inventory masterfile maintained in the National Office.

4. Submit the soft copy of the Inventory List of AR/DA dockets based on physical count as reconciled with its GCL to the ARMD within thirty (30) days from the effectivity of this Order.
5. Receive from ARMD the discrepancies noted in the AR/DA inventory, in soft copy.

6. Account and validate immediately the discrepancies noted by the ARMD. If the discrepancy noted is valid and the physical AR/DA dockets which were not reflected in the inventory submitted are indeed in their possession, amend the inventory to include the AR/DA dockets omitted. In the event, however, that the discrepancies pertain to AR/DA cases which have already been closed, submit the necessary documents to support the cancellation of the AR/DA case (e.g., proof of payment, ATCA, etc.).
7. Submit report on the results of the verification conducted on the discrepancies noted by the ARMD, together with all the supporting documents necessary, within thirty (30) days from receipt of the aforementioned discrepancy reports.

A.2 Classification of AR/DA Cases

8. Classify AR/DA cases in accordance with the guidelines herein prescribed. For offices where ARMS is already deployed and once the classification code for each of the cases has been determined, the same shall be encoded in the ARMS. If the AR/DA docket is not yet in the ARMS inventory, add the same using the “add module” of the ARMS and thereafter modify the case classification code.

For Offices where ARMS is not yet deployed or rolled-out, indicate the case classification codes for each of the AR/DA in the Inventory List prepared under A.1.2 hereof.

9. Attach AHS on each of the AR/DA docket. If AHS is already appended, update the same by indicating the recent action of the office, if any. If not, accomplish the AHS and reflect therein the actions already taken on the case and its current status.
10. Segregate AR/DA dockets qualified to be placed under the “Suspense AR/DA” or “AR/DA for Write-Off”.
11. Attach the duly accomplished checklist on AR/DA dockets classified as either “Suspense AR/DA” or “AR/DA for Write-off”.
12. Prepare the memorandum report with recommendation addressed to the Committee on Prescribed Cases and attach the same to the AR/DA docket for write-off due to prescription.
13. Transmit the case docket bearing the recommendation for write-off to the concerned office, in accordance with the guidelines and policies on write-off of cases for prescribed cases embodied in the separate issuance to be issued for the purpose.
14. Prepare memorandum report with recommendation addressed to the Authorized Revenue Official as indicated under item III.10 hereof, and attach the same, together with required documents to support the recommendation as specified under items III.10 and III.8 hereof, to the AR/DA dockets classified as “Suspense

AR/DA” or “AR/DA for Write-Off” for approval by the duly designated revenue official.

15. Transmit the recommendation for the placement of AR/DA under the suspense files or for the write-off of AR/DA case to the duly designated revenue official for appropriate review and approval.
16. Reflect in the GCL report the AR/DA dockets that were approved for write-off or to be placed under the suspense files, to arrive at the potentially collectible AR/DA, once the recommendation has been duly approved.
17. Submit the list of taxpayers which are habitual offenders of BP No. 22 to the concerned legal office for the filing of appropriate criminal complaint with the competent courts.

B. Offices handling AR/DA dockets requiring resolution of legal and factual issues raised by the taxpayer against the AR/DA or requiring legal actions:

B.1 For concerned Legal offices in the National Office and Regional Offices

1. Receive from LTCED/ARMD/RR/RDO case dockets bearing cases requiring resolution of legal issues raised by the taxpayers against the AR/DA cases.
2. Resolve the raised issues within fifteen (15) working days from receipt of the case docket bearing on the AR/DA case with legal issues.
3. Transmit back/Return to the originating office the AR/DA docket immediately after resolution of the legal issue has been made.
4. Evaluate AR/DA case requiring legal action such as the filing of the criminal case against delinquent taxpayers.
5. File complaint with a competent court and handle the same in accordance with existing policies.
6. Inform concerned offices on the actions taken on AR/DA cases referred for legal actions and on a monthly basis, the status thereof.

B.2 For concerned audit offices under the jurisdiction of the LTS in the National Office, Large Taxpayers Division-Makati and Cebu, National Investigation Division, RDOs and Regional Assessment Divisions.

1. Receive the AR/DA docket bearing cases requiring resolution of factual issues raised.
2. Resolve factual issues within thirty (30) working days from receipt of the AR/DA docket.

3. Transmit to the originating office the AR/DA docket immediately after the factual issues has been resolved.

C. Accounts Receivable Monitoring Division:

1. Receive soft copy of the inventory of AR/DA dockets of Offices under the Regional Offices, Large Taxpayers Service, Enforcement and Advocacy Service and Legal Service.
2. Compare the submitted physical inventory of AR/DA cases by the above offices with its own AR/DA inventory database per concerned office.
3. Communicate with the concerned office any discrepancies noted, in soft copy, within fifteen (15) days from receipt of the inventory from the concerned offices.
4. Reflect the case classification code of AR/DA cases under the jurisdiction of Offices where ARMS is not yet deployed using as basis the case classification code reflected in the Inventory List herein required to be submitted after the conduct of the initial physical count of AR/DA dockets in the concerned offices' possession as of effectivity of this Order; and update the same on a quarterly basis based on the Quarterly Updates of Delinquent Accounts that will regularly be submitted by the concerned offices.
5. In the event that the AR/DA docket/case is not yet in ARMS, for cases under the jurisdiction of Offices where the ARMS has not yet been deployed, add or create the AR/DA docket and case/s using the ARMS facility before updates thereon can be made.
6. Transfer the accountability of the AR/DA dockets created pertaining to taxpayers under the jurisdiction of other offices. If the concerned office was determined to have no ARMS facility yet, transfer the AR/DA docket to the default "non-ARMS" user, the updating of which is likewise under the responsibility of the ARMD.
7. Transfer to concerned offices the accountability of AR/DA dockets/cases in the ARMS database once the ARMS has been deployed in these offices.

D. Office of the Regional Director/Concerned Assistant Commissioner

1. Receive from concerned offices AR/DA docket/s bearing case/s for the approval/disapproval of the following:
 - a. The recommendation for the write-off of AR/DA cases;
 - b. The recommendation for the filing of criminal complaint against delinquent taxpayers and taxpayers found to be habitually paying taxes thru check which were later dishonored by the drawee bank; and
 - c. Duly-accomplished Authority to Cancel Assessment (ATCA).

2. Transmit back/Return to the originating office the AR/DA dockets after the decision has been rendered by the Regional Director/Concerned Assistant Commissioner within fifteen (15) days from receipt thereof.

E. Committee on Prescribed Cases

1. Receive AR/DA docket bearing case/s recommended for write-off due to prescription of the Bureau's right to collect the delinquent account.
2. Evaluate the same in accordance with the policies and guidelines to be issued in a separate revenue issuance for this purpose.
3. Return the AR/DA docket to the originating office after the decision has been rendered on the report/recommendation for write-off.

V. REPEALING CLAUSE. - All existing rules and regulations or rulings or parts thereof, which are contrary to or inconsistent with the provisions of this Order are hereby amended, modified or repealed accordingly.

VI. EFFECTIVITY. - This Order shall take effect immediately.

(Original Signed)
KIM S. JACINTO -HENARES
Commissioner of Internal Revenue