



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



July 21, 2014

**REVENUE MEMORANDUM ORDER NO. 27-2014**

**SUBJECT:** Amending Certain Provisions of Revenue Memorandum Order No. 10-05, Prescribing the Policies and Procedures in the Accreditation of Cash Register Machine (CRM), Point of Sale (POS), Other Sales Machines

**TO :** All Internal Revenue Officers and Others Concerned

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**I. Objectives. —**

This Order is being issued to amend certain provisions of Revenue Memorandum Order (RMO) No. 10-05 dated March 31, 2005 relative to the policies and procedures in the accreditation of Cash Register Machine (CRM), Point of Sale (POS), other sales machines including sales receipting system software and registration for the use thereof pursuant to Revenue Regulation No. 11-2004 and Revenue Regulation No. 5-2005.

**II. Amendatory Provisions. —**

Pertinent portions of Paragraph V, Sub-paragraph C are hereby amended to read as follows:

**"V. REGISTRATION ON THE USE OF SALES MACHINE MODEL/SYSTEM**

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**C. POLICY and PROCEDURES of REVOCATION of Registration/ POSTAUDIT of PROVISIONAL PERMIT to USE**

1. The Bureau reserves the right to inspect any machine/system registered at any time during store hours, to verify compliance with specifications of a valid machine/system, the data requirements of the machine generated invoice, the conditions for use of the machines as well as other regulations that may be subsequently issued

governing use of machines. The taxpayer-users and store personnel are thus required, under the authority granted for the use of machine/system, to present the machine for inspection and reading by the concerned revenue personnel.

If during the conduct of any TCVD, post evaluation, CRM/POS machines reading operations, surveillance, stocktaking, or audit, the taxpayer-user or store personnel shall refuse to permit an inspection or reading of the CRM/POS or other sales machine to be made by the concerned revenue officer(s) and/or to provide backend report from servers, the refusal shall be a ground for the concerned revenue officer(s) to immediately seal the CRM/POS or other sales machine either by placing the necessary seal or lock.

The seal or lock shall not be removed until such time that concerned revenue officer(s) is allowed to inspect or read the CRM/POS or other sales machine and/or is provided with the backend report. The taxpayer-user or store personnel shall be given forty-eight (48) hours from demand within which to allow the concerned revenue officer(s) to inspect or read the CRM/POS or other sales machine and/or to provide the backend report. After the lapse of this forty-eight (48)-hour period, the continued refusal shall be a ground for the revocation of the permit to use the CRM/POS and other sales machines.

2. The RDO where the taxpayer-user is registered shall conduct the post-audit of the Provisional Permit to Use. The RDO shall ensure that the sales machines/software is compliant with the policies of accreditation as stipulated in this RMO. Please refer to the *Functional and Technical Evaluation/Appraisal Checklist of Sales Machines and/or Sales Receipting System Software Applied for Accreditation* (Annex "E").
3. If compliant, the RDO shall issue the new Permit to Use using the BIR web facility (detailed procedures in the application shall be included in the manual guide).
4. If non-compliant, the RDO shall revoke the Provisional Permit to Use, by releasing to the taxpayer-user the *Letter of Warning/Revocation* (Annex "F")
5. If during conduct of TCVD, post evaluation, CRM/POS machines reading operations, surveillance, stocktaking, or audit, the following findings have been observed, the permit to use CRM/POS and other sales machines shall be subject for revocation:

- a) Tampering of sales data/integrity of the data and/or software specification/features to alter/avoid the recording of a sale transaction;
  - b) Any major repairs, upgrading, integration and modification/alteration without prior notification and approval by the BIR office concerned;
  - c) Refusal of the taxpayer-user or store personnel to allow the concerned revenue officer(s) to inspect or read the CRM/POS or other sales machine and/or to provide backend report from servers after forty-eight (48) hours from demand;
  - d) Any violation(s) on the policies and procedures for registration under RR 11-2004 and this order.
6. The Revenue Officer(s) who conducted the TCVD, post evaluation, CRM/POS machines reading operations, surveillance, stocktaking, or audit shall:
- a) Immediately seal the CRM/POS or other sales machine, either by placing the necessary seal or lock, based on the grounds set forth in Paragraph V, Sub-paragraph C(1) and C(5)(a),(b), and (d) above;
  - b) Immediately submit a report and recommendation to the RDO for the issuance of a Letter of Warning (Annex "F") for the violations set forth in Paragraph V, Sub-paragraph C(5)(a),(b), and (d) above. Provided that after five (5) working days of non-compliance to the written warning, the recommendation shall be made for the issuance of a Letter of Revocation of the permit to use the CRM/POS and other sales machines. Provided further that for violation based on Paragraph V, Sub-paragraph C(5)(c) above, the recommendation shall outright be for the issuance of a Letter of Revocation (Annex "F") already containing a notice of the revocation of the permit to use the CRM/POS and other sales machines.

The concerned RDO shall:

- a) Upon recommendation, issue the corresponding Letter of Warning/Revocation (Annex "F");
- b) In case of revocation of the permit to use the CRM/POS and other sales machines based on violations set forth in Paragraph V, Sub-paragraph C(5)(a) and (c) above, order the confiscation of the CRM/POS or other sales

machine within ten (10) working days from service of the  
Letter of Revocation.

**III. Repealing Clause. —**

All issuances and/or portions thereof inconsistent with this Order are hereby revoked, modified or amended accordingly.

**IV. Effectivity. —**

This Order shall take effect immediately.

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