

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

Quezon City

October 11, 2002

REVENUE REGULATIONS NO. 16-2002

Subject : Modes of and Procedure for the Payment of Internal Revenue Taxes Through Authorized Agent Banks Amending Revenue Regulations No. 4-97, as amended by Revenue Regulations No. 6-98

To : All Internal Revenue Officers, Authorized Agent Banks, and Others Concerned

SECTION 1. SCOPE – Pursuant to Section 244 of the National Internal Revenue Code of 1997 (CODE) in relation to Sections 8, 12, 56, 58, 81, 103, 114, 128, 130, 200 and 245, all of the same Code, these Regulations are hereby promulgated to amend Revenue Regulations No. 4-97, as amended by Revenue Regulations No. 6-98, on the provisions relative to acceptable modes of payment of internal revenue taxes coursed through authorized agent banks (AABs), the recording of such payments and issuance of validated BIR-prescribed deposit slips which likewise serve as acknowledgement receipts for payments of taxes deposited by taxpayers for BTR-BIR account, and the control mechanisms to deter and detect the diversion of tax payments.

SEC. 2. RECORDING OF BIR TAX PAYMENTS BY THE AABs –

A) All internal revenue taxes collected through authorized agent banks (AABs) shall be credited to the demand deposit accounts opened and maintained by the Bureau of Treasury (BTr) for BIR in the head offices of AABs;

B) Head offices of AABs shall assign and maintain a separate general ledger account for said BTr demand deposit accounts;

C) Using the online tellering system, the bank tellers shall immediately post the BIR tax payments they collect by crediting the BTr demand deposit accounts in the head offices of the AABs, instead of recording them as mere payables to BTr at the end of each banking day in the AABs' backrooms.

D) In filing a tax declaration and making payment to an AAB, a tax payer must accomplish and submit a BIR-prescribed deposit slip which AAB's must design, print and make available in all participating branches. The deposit slip must in addition to those needed by the bank, provide for the following information:

- Transaction Date
- Name of Taxpayer
- TIN
- BTR-BIR Account Number
- Account Name which must be BTR-BIR
- Name of Drawee Bank
- Check Number
- Bank Debit Advice Number (for debit system payments)
- Amount

E) The bank teller shall machine validate the BIR-prescribed deposit slip accomplished by the taxpayer as evidence that the BIR tax payment was deposited to the account of the BTr. Said deposit slip shall be accomplished and issued in triplicate copies, distributed as follows: original (taxpayer's copy), duplicate (AAB's copy) and triplicate (to be attached to the tax return. Additionally, the AAB receiving the tax return/payment form shall also machine validate and stamp mark the word "Received" on the return/payment form as proof of filing the return/payment form and payment of the tax by the taxpayer. The machine validation on the return/payment form shall reflect the date of payment, amount paid and transaction code, the name of the bank, branch code, teller's code and teller's initials.

F) Before 12:00 NN of the following banking day, the head offices of the AABs shall provide to BTR/BIR the daily total amount of BIR taxes they collected.

G) After receipt of payment but not later than 24 hours thereafter, the AAB branch shall encode into the LBDE System and transmit to the concerned BIR Data Center, the below data and copy furnish the AAB head office.

1. Date of the transaction;
2. Name of the taxpayer;
3. Taxpayer Identification Number (TIN) of the taxpayer;
4. Tax type which is being paid for;
5. Return period for the tax type being paid for;
6. Amount of tax paid;
7. Name of the drawee bank and check number, for tax payments through checks;

SEC. 3. MODES OF PAYMENT TO AABs – Aside from the electronic payment system currently used by some taxpayers in paying their BIR taxes, the rest shall pay their tax liabilities through any of the following modes: a) over-the-counter cash payments; b) bank debit system; or c) check payment system.

a) “Over-the-counter cash payment” refers to payment of tax liabilities to authorized agent bank in the currencies (paper bills or coins) that are legal tender in the Philippines. The maximum amount allowed per tax payment shall not exceed ten thousand pesos (P10,000.00)

b) “Bank debit system” refers to the system whereby a taxpayer, through a bank debit memo/advice, authorizes withdrawals from his/its existing bank accounts for payment of tax liabilities.

The bank debit system mode is allowed only if the taxpayer has a bank account with the AAB branch where he/it intends to file and pay his/its tax return/form/declaration, provided said AAB branch is within the jurisdiction of the BIR Revenue District Office (RDO) / Large Taxpayers District Office (LTDO) where the tax payment is due and payable.

c) “Checks” refers to a bill of exchange or Order Instrument drawn on a bank payable on demand.

In the issuance and accomplishment of checks for the payment of internal revenue taxes, as illustrated below, the taxpayer shall indicate in the space provided for “**PAY TO THE ORDER OF**” the following data: (1) presenting/collecting bank or the bank where the payment is to be coursed and (2) FAO (For the Account Of) Bureau of Internal Revenue as payee; and under the “**ACCOUNT NAME**” the taxpayer identification number (TIN).

(Below is a sample of a tax check payment where the drawee bank and presenting bank are different from each other.)

DOCUMENTARY STAMPS PAID	ACCOUNT No. 000-249-15522-6	ACCOUNT NAME JUAN DELA CRUZ TIN: 012-345-678-000	Check No. 0765695	R/T No. 01028
	PAY TO THE ORDER OF	LANDBANK – BATASAN FAO BUREAU OF INTERNAL REVENUE	SEPT. 16, 2002	
PESOS	P 1,000,000.00 ONE MILLION ONLY			
RCBC RIZAL COMMERCIAL BANKING CORPORATION A VOC Company LEGASPI VILLAGE BRANCH SALCEDO ST. LEGASPI VIL. MAKATI		(Signed) <u>JUAN DELA CRUZ</u>		
0765695"01028"007=:000249155226				

(Below is sample of a check tax payment drawn from and presented to the same bank.)

ACCOUNT No. 000-249-15522-6	ACCOUNT NAME JUAN DELA CRUZ TIN: 012-345-678-000	Check No. 0765696	R/T No. 01028
PAY TO THE ORDER OF	RCBC – Legazpi Village FAO BUREAU OF INTERNAL REVENUE	SEPT. 16, 2002	
PESOS	ONE MILLION ONLY	P 1,000,000.00	
DOCUMENTARY STAMPS PAID			
RCBC RIZAL COMMERCIAL BANKING CORPORATION A VOC Company LEGASPI VILLAGE BRANCH SALCEDO ST. LEGASPI VIL. MAKATI			
(Signed) <u>JUAN DELA CRUZ</u>			
0765696"01028"007=:000249155226			

The following checks are, however, not acceptable as check payments for internal revenue taxes:

- 1 Accommodation checks – checks issued or drawn by a party other than the taxpayer making the payment;
- 2 Second endorsed checks – checks issued to the taxpayer as payee who indorses the same as payment for taxes;
- 3 Stale checks – checks dated more than six (6) months prior to presentation to the authorized agent bank;
- 4 Postdated checks – checks dated a day or several days after the date of presentation to the authorized agent bank;
- 5 Unsigned checks – checks with no signature of the drawer;
- 6 Checks with alterations/erasures.

AABs accepting checks for the payment of BIR taxes and other charges must see to it that the check covers one tax type for one return period only. Moreover, AABs must strictly comply with the systems and procedures for the reception, processing, clearing and accounting of the checks to be prescribed under a separate regulation.

Second indorsement of checks which are payable to the Bureau of Internal Revenue or Commissioner of Internal Revenue is absolutely prohibited.

SEC. 4. TAX RETURNS PARTLY PAID THRU TAX DEBIT MEMOS (TDMs) – AABs are mandated to accept tax returns/payment forms partly paid thru any of the modes of payment mentioned in Section 3 hereof and partly thru TDMs duly and validly issued by the BIR. Before accepting the BIR tax return/payment form partly paid thru tax debit memo, the AAB shall insure that the number of the TDM is indicated in the BIR tax return/payment form in the same manner that the check number/drawee bank and bank debit advice number are indicated in the tax return/payment form paid thru check or bank debit system, respectively. A photocopy of the tax credit certificate (TCC), front and back page, which was the source of the TDM, together with a copy of the TDM, must be required from the taxpayer and attached to the BIR tax return/payment form.

TDMs are, however, not acceptable as payments for withholding taxes, including Fringe Benefit Tax (clarified and implemented under RR No. 2-98, as amended, and RR No. 3-98), and for taxes, fees and charges collected under special schemes / procedures / programs of the Government / BIR as discussed and elucidated in a separate revenue regulation. AABs shall see to it that this restriction is strictly observed in the BIR tax returns/payment forms they receive.

SEC. 5. ENROLLMENT OF TAXPAYERS WITH AUTHORIZED AGENT BANK NOT REQUIRED – Taxpayers are not required to enroll with any AAB where they intend to file tax returns/payment forms and/or pay internal revenue taxes. Taxpayers may file tax returns/payment forms and pay internal revenue taxes with any AAB of the appropriate BIR office (Revenue District Office (RDO), Large Taxpayers District Office (LTDO), or Large Taxpayers Service, etc., whichever is applicable) where they are required to file the particular return/payment form.

SEC. 6. RESPONSIBILITY AND PRIVILEGE OF TAXPAYERS – Taxpayers shall see to it that their tax returns/payment forms with payment are filed with and internal revenue taxes paid to legitimate AABs of the BIR. Nonetheless, they may confirm their tax payments with their home RDO / LTDO or LTDO / RDO where they are required to file tax returns/payment form and pay internal revenue taxes.

SEC. 7. ADDITIONAL LIABILITIES/RESPONSIBILITIES OF AUTHORIZED AGENT BANKS (AABs). –

(a) Any diversion, non-remittance or under-remittance of the taxes collected by AABs through fault or negligence of the bank accepting such payment as well as the diversion of any payment for BIR taxes using the facilities of the bank through fault or negligence of any of the bank's personnel shall subject the bank to civil and criminal liabilities provided for under Sections 248 and 275 of the Tax Code, as amended, and other existing laws, rules and regulations. AABs shall be liable to the BIR for double the amount of taxes diverted and unremitted, plus the increments and penalties prescribed by the Tax

Code, as amended, but the total penalties imposed may be reduced on meritorious grounds subject to the approval of the majority of the members of the Management Committee (MANCOM) of the BIR, composed of the Commissioner of Internal Revenue and the four (4) Deputy Commissioners, where the Commissioner of Internal Revenue votes for such reduction.

(b) The reports of AABs to be submitted to BTr/BIR (under Sec. 2) of all the tax payments collected shall be in accordance with the forms prescribed by BIR.

(c) The requirements prescribed in these regulations shall be included in the accreditation criteria to be mentioned in the Memorandum of Agreement to be signed by and among the BTR, BIR and the AAB for compliance by all AABs.

SEC. 8. REPEALING CLAUSE – All rules and regulations or portions thereof inconsistent with the provisions of these regulations are hereby modified, amended or repealed accordingly.

SEC. 9. EFFECTIVITY – These regulations shall take effect fifteen days from date of publication in the Official Gazette or any newspaper of general circulation. However, to provide sufficient time for AABs to make available to all participating branches the deposit slip required under Section 2-D, the effectivity date of the switch-over from the current acknowledgment slip shall be fifteen days from the effectivity of this Revenue Regulation.

(Original Signed)

JOSE ISIDRO N. CAMACHO

Secretary of Finance

Recommending Approval:

(Original Signed)

GUILLERMO L. PARAYNO, JR.

Commissioner of Internal Revenue