



# LEGAL GAZETTE

**GOVERNMENT ISSUANCES: MARCH - APRIL 2024**



# DEPARTMENT OF HUMAN SETTLEMENTS AND URBAN DEVELOPMENT





# DEPARTMENT CIRCULAR NO. 2024-007, SERIES OF 2024

## April 12, 2024

### Authorizing the Developers' direct participation in the Pambansang Pabahay Para sa Pilipino (4PH) Program as incentivized compliance to the balance housing development program, thereby supplementing Department Order No. 04, Series of 2021.

**WHEREAS**, to address the mounting housing need of the Country which, according to the Philippine Development Plan 2023-2028 was estimated to have accumulated to 6.8 Million in 2022, the Department of Human Settlements and Urban Development (DHSUD) launched the Pambansang Pabahay Para sa Pilipino (the "Pambansang Pabahay" or "4PH") Program which was declared under Executive Order No. 34, Series of 2023 as a Flagship Program of the Government that prioritizes, the development and transformation of informal settlements and blighted areas into on-site and in-city housing and resettlement through the development of low, medium to high-rise housing projects;

**WHEREAS**, for blighted areas and informal settlements, in order to implement on-site development and in-city resettlement without having to displace the beneficiaries, staging buildings within the area need to be provided as temporary shelters while construction and development of the permanent resettlement sites and buildings are on-going until the time of complete transfer and resettlement;

**WHEREAS**, the construction and development of the staging sites and buildings are not included in the total housing cost to be financed and eventually to be paid by the beneficiaries under such low-interest and long-term payment schemes provided under the Pambansang Pabahay, and thus will have to be financed from other funding sources so as not to impair the affordability of the housing units under the Pambansang Pabahay;

**WHEREAS**, under Republic Act No. 10884, otherwise known as the "Balanced Housing Development Program Amendments", in particular Section 3 thereof, the DHSUD is the national government agency mandated to implement the Balanced Housing Development Program (or "Balanced Housing") of Republic Act No. 7279 or the "Urban Development and Housing Act of 1992 (UDHA), and to issue its implementing rules and regulations;

**WHEREAS**, to implement the Balanced Housing, DHSUD issued Department Order No. 04, Series of 2021 entitled "Providing for the Participations of Developers as Incentivized Compliance to the Balanced Housing Development Program, Thereby Amending Sections 4.4 and 11 of HLURB Resolution 965, Series Of 2017" whereby non-salable and non-recoverable direct participations of the developers as provided therein shall be considered as incentivized compliance to the Balanced Housing; and

**WHEREAS**, consistent with the Policy of the State and the mandates of the "Urban Development and Housing Act of 1992" of making decent and affordable housing available to underprivileged and homeless citizens in urban centers and resettlement areas, the developers' incentivized compliance to the Balanced Housing through direct participation can be utilized to fund the cost of developing and construction of the staging buildings, along with the necessary site development and appurtenances thereto, including but not limited to, expenses for social preparation activities, rental payment, if necessary, and resettlement assistance for project-affected families.

**WHEREFORE**, premises considered, developers are hereby authorized to directly participate and fund the construction and development of the staging buildings, together with the necessary land development and appurtenances thereto, including but not limited to, expenses for social preparation activities, rental payment, if necessary, and resettlement assistance for project-affected families, as may be implemented under the Pambansang Pabahay.

In addition thereto, the total costs incurred by the developers in such construction and development shall have a 4X incentivized value, utilizable by the developers as compliance to the Balanced Housing for their future main projects.

This Department Circular shall take effect immediately.



# SECURITIES AND EXCHANGE COMMISSION



# SEC MEMORANDUM CIRCULAR NO. 6, SERIES OF 2024

## March 27, 2024



### Updated Fines and Penalties on the Late and Non-Submission of Audited Financial Statements (AFS), General Information Sheet

#### II. SCALES OF FINES AND PENALTIES

The basis of computation of fines shall be the latest due submission of the GIS and/or AFS. Should there be non-submission of the GIS and/or AFS for the prior years, such GIS and/or AFS shall be considered as not filed and shall be assessed in accordance with this Circular.

##### A. Late Filing of Reportorial Requirements for Domestic Stock and One Person Corporation

VIOLATION	BRACKET	IMPOSABLE FINES - PER REPORT				
		First Offense <sup>3</sup>	Second Offense	Third Offense	Fourth Offense	Fifth Offense
Stock Corporations and One Person Corporation	Capital Deficiency	₱5,000	₱6,000	₱7,000	₱8,000	₱9,000
	Negative Retained Earnings (Deficit)	₱5,000	₱6,000	₱7,000	₱8,000	₱9,000
		Plus ₱500 per month <sup>4</sup> of delay	Plus ₱500 per month of delay	Plus ₱500 per month of delay	Plus ₱500 per month of delay	Plus ₱500 per month of delay
	₱0 to ₱100,000	₱5,000	₱6,000	₱7,000	₱8,000	₱9,000
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay
	₱100,001 to ₱500,000	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay
	₱500,001 to ₱5,000,000	₱15,000	₱18,000	₱21,000	₱24,000	₱27,000
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay
	₱5,000,001 to ₱10,000,000	₱20,000	₱24,000	₱28,000	₱32,000	₱36,000
Plus ₱1,000 per month of delay		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	
Above ₱10,000,000	₱25,000	₱30,000	₱35,000	₱40,000	₱45,000	
	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	

##### B. Late Filing of Reportorial Requirements for Domestic Non-Stock Corporation

VIOLATIONS	BRACKET	IMPOSABLE FINES - PER REPORT				
		First Offense	Second Offense	Third Offense	Fourth Offense	Fifth Offense
Non-Stock Corporations	Late Filing of GIS and/or AFS	₱5,000	₱6,000	₱7,000	₱8,000	₱9,000
	Negative Fund Balance/ Equity (Deficit)	₱5,000	₱6,000	₱7,000	₱8,000	₱9,000
		Plus ₱500 per month of delay	Plus ₱500 per month of delay	Plus ₱500 per month of delay	Plus ₱500 per month of delay	Plus ₱500 per month of delay
	₱0 to ₱100,000	₱5,000	₱6,000	₱7,000	₱8,000	₱9,000
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay
	₱100,001 to ₱500,000	₱7,500	₱9,000	₱10,500	₱12,000	₱13,500
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay
	₱500,001 to ₱5,000,000	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay
	₱5,000,001 to ₱10,000,000	₱12,500	₱15,000	₱17,500	₱20,000	₱22,500
Plus ₱1,000 per month of delay		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	
Above ₱10,000,000	₱15,000	₱18,000	₱21,000	₱24,000	₱27,000	
	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	

##### C. Non-Filing of Reportorial Requirements for Domestic Stock Corporation and One Person Corporation

VIOLATIONS	BRACKET	IMPOSABLE FINES - PER REPORT				
		First Offense	Second Offense	Third Offense	Fourth Offense	Fifth Offense
Stock Corporations and One Person Corporation	Capital Deficiency	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
	Negative Retained Earnings (Deficit)	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
		Plus ₱500 per month of delay	Plus ₱500 per month of delay	Plus ₱500 per month of delay	Plus ₱500 per month of delay	Plus ₱500 per month of delay
	₱0 to ₱100,000	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay
	₱100,001 to ₱500,000	₱15,000	₱18,000	₱21,000	₱24,000	₱27,000
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay
	₱500,001 to ₱5,000,000	₱20,000	₱24,000	₱28,000	₱32,000	₱36,000
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay
	₱5,000,001 to ₱10,000,000	₱25,000	₱30,000	₱35,000	₱40,000	₱45,000
Plus ₱1,000 per month of delay		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	
Above ₱10,000,000	₱30,000	₱36,000	₱42,000	₱48,000	₱54,000	
	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	

# SEC MEMORANDUM CIRCULAR NO. 6, SERIES OF 2024 (Continuation)



D. Non-Filing of Reportorial Requirements for Domestic Non-Stock Corporation						
VIOLATIONS	BRACKET	IMPOSABLE FINES - PER REPORT				
Non-Filing of GIS and/or AFS	Based on Retained Earnings / Fund Balance / Equity	First Offense	Second Offense	Third Offense	Fourth Offense	Fifth Offense
Non-Stock Corporations	Negative Fund Balance/ Equity (Deficit)	₱10,000 Plus ₱500 per month of delay	₱12,000 Plus ₱500 per month of delay	₱14,000 Plus ₱500 per month of delay	₱16,000 Plus ₱500 per month of delay	₱18,000 Plus ₱500 per month of delay
	₱0 to ₱100,000	₱10,000 Plus ₱1,000 per month of delay	₱12,000 Plus ₱1,000 per month of delay	₱14,000 Plus ₱1,000 per month of delay	₱16,000 Plus ₱1,000 per month of delay	₱18,000 Plus ₱1,000 per month of delay
		₱100,001 to ₱500,000	₱12,500 Plus ₱1,000 per month of delay	₱15,000 Plus ₱1,000 per month of delay	₱17,500 Plus ₱1,000 per month of delay	₱20,000 Plus ₱1,000 per month of delay
	₱500,001 to ₱5,000,000	₱15,000 Plus ₱1,000 per month of delay	₱18,000 Plus ₱1,000 per month of delay	₱21,000 Plus ₱1,000 per month of delay	₱24,000 Plus ₱1,000 per month of delay	₱27,000 Plus ₱1,000 per month of delay
	₱5,000,001 to ₱10,000,000	₱17,500 Plus ₱1,000 per month of delay	₱21,000 Plus ₱1,000 per month of delay	₱24,500 Plus ₱1,000 per month of delay	₱28,000 Plus ₱1,000 per month of delay	₱31,500 Plus ₱1,000 per month of delay
	Above ₱10,000,000	₱20,000 Plus ₱1,000 per month of delay	₱24,000 Plus ₱1,000 per month of delay	₱28,000 Plus ₱1,000 per month of delay	₱32,000 Plus ₱1,000 per month of delay	₱36,000 Plus ₱1,000 per month of delay

E. Late Filing of Reportorial Requirements for Foreign Stock Corporation						
VIOLATIONS	BRACKET	IMPOSABLE FINES - PER REPORT				
Late Filing of Reportorial Requirements (GIS and/or AFS)	Based on Accumulated Income (AI) / Fund Balance / Members' Equity	First Offense	Second Offense	Third Offense	Fourth Offense	Fifth Offense
Stock Corporations (Branch, Representative Office, ROHQ)	Capital Deficiency	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
	Negative Accumulated Income (Deficit)	₱10,000 Plus ₱500 late penalty*	₱12,000 Plus ₱500 late penalty*	₱14,000 Plus ₱500 late penalty*	₱16,000 Plus ₱500 late penalty*	₱18,000 Plus ₱500 late penalty*
		*if filed after thirty (30) calendar days				
	₱0 to ₱100,000	₱10,000 Plus ₱12,000 late penalty**	₱12,000 Plus ₱12,000 late penalty**	₱14,000 Plus ₱12,000 late penalty**	₱16,000 Plus ₱12,000 late penalty**	₱18,000 Plus ₱12,000 late penalty**
		**if filed after sixty (60) calendar days				
	₱100,001 to ₱500,000	₱15,000 Plus ₱1,000 late penalty*	₱18,000 Plus ₱1,000 late penalty*	₱21,000 Plus ₱1,000 late penalty*	₱24,000 Plus ₱1,000 late penalty*	₱27,000 Plus ₱1,000 late penalty*
		*if filed after thirty (30) calendar days				
	₱500,001 to ₱5,000,000	₱20,000 Plus ₱12,000 late penalty**	₱24,000 Plus ₱12,000 late penalty**	₱28,000 Plus ₱12,000 late penalty**	₱32,000 Plus ₱12,000 late penalty**	₱36,000 Plus ₱12,000 late penalty**
		**if filed after sixty (60) calendar days				
	₱5,000,001 to ₱10,000,000	₱25,000 Plus ₱1,000 late penalty*	₱30,000 Plus ₱1,000 late penalty*	₱35,000 Plus ₱1,000 late penalty*	₱40,000 Plus ₱1,000 late penalty*	₱45,000 Plus ₱1,000 late penalty*
*if filed after thirty (30) calendar days						

Above ₱10,000,000	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**
	**if filed after sixty (60) calendar days				
	₱30,000 Plus ₱1,000 late penalty*	₱36,000 Plus ₱1,000 late penalty*	₱42,000 Plus ₱1,000 late penalty*	₱48,000 Plus ₱1,000 late penalty*	₱54,000 Plus ₱1,000 late penalty*
	*if filed after thirty (30) calendar days				
Above ₱10,000,000	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**
	**if filed after sixty (60) calendar days				

# SEC MEMORANDUM CIRCULAR NO. 6, SERIES OF 2024 (Continuation)



## F. Late Filing of Reportorial Requirements for Foreign Non-Stock Corporation

VIOLATIONS	BRACKET	IMPOSABLE FINES - PER REPORT					
		First Offense	Second Offense	Third Offense	Fourth Offense	Fifth Offense	
Late Filing of Reportorial Requirements (GIS and/or AFS)	Based on Accumulated Income (AI) / Fund Balance / Members' Equity	₱5,000	₱6,000	₱7,000	₱8,000	₱9,000	
		Plus ₱500 late penalty*	Plus ₱500 late penalty*	Plus ₱500 late penalty*	Plus ₱500 late penalty*	Plus ₱500 late penalty*	
		*if filed after thirty (30) calendar days					
		Plus ₱6,000 late penalty**	Plus ₱6,000 late penalty**	Plus ₱6,000 late penalty**	Plus ₱6,000 late penalty**	Plus ₱6,000 late penalty**	
		**if filed after sixty (60) calendar days					
		₱0 to ₱100,000					
	Non-Stock (Branch, Representative Office, RHQ)	₱0 to ₱100,000	₱5,000	₱6,000	₱7,000	₱8,000	₱9,000
			Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*
			*if filed after thirty (30) calendar days				
		Plus ₱12,000 late penalty**	Plus ₱12,000 late penalty**	Plus ₱12,000 late penalty**	Plus ₱12,000 late penalty**	Plus ₱12,000 late penalty**	
		**if filed after sixty (60) calendar days					
		₱100,001 to ₱500,000					
	₱100,001 to ₱500,000	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000	
		Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	
		*if filed after thirty (30) calendar days					
	Plus ₱12,000 late penalty**	Plus ₱12,000 late penalty**	Plus ₱12,000 late penalty**	Plus ₱12,000 late penalty**	Plus ₱12,000 late penalty**		
	**if filed after sixty (60) calendar days						
	₱15,000						

₱500,001 to ₱5,000,000	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*
	*if filed after thirty (30) calendar days				
	Plus ₱12,000 late penalty**	Plus ₱12,000 late penalty**	Plus ₱12,000 late penalty**	Plus ₱12,000 late penalty**	Plus ₱12,000 late penalty**
	**if filed after sixty (60) calendar days				
	₱5,000,001 to ₱10,000,000				
	₱20,000	₱24,000	₱28,000	₱32,000	₱36,000
Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	
*if filed after thirty (30) calendar days					
Plus ₱12,000 late penalty**	Plus ₱12,000 late penalty**	Plus ₱12,000 late penalty**	Plus ₱12,000 late penalty**	Plus ₱12,000 late penalty**	
**if filed after sixty (60) calendar days					
Above ₱10,000,000	₱25,000	₱30,000	₱35,000	₱40,000	₱45,000
	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*
	*if filed after thirty (30) calendar days				
	Plus ₱12,000 late penalty**	Plus ₱12,000 late penalty**	Plus ₱12,000 late penalty**	Plus ₱12,000 late penalty**	Plus ₱12,000 late penalty**
	**if filed after sixty (60) calendar days				
	₱15,000				

# SEC MEMORANDUM CIRCULAR NO. 6, SERIES OF 2024 (Continuation)



## G. Non-Filing of Reportorial Requirements for Foreign Stock Corporation

VIOLATIONS	BRACKET	IMPOSABLE FINES - PER REPORT					
		First Offense	Second Offense	Third Offense	Fourth Offense	Fifth Offense	
Non-Filing of Reportorial Requirements (GIS and/or AFS)	Based on Accumulated Income (AI) / Fund Balance / Members' Equity	Capital Deficiency	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
		Negative Accumulated Income (Deficit)	Plus ₱6,000 penalty	Plus ₱6,000 penalty	Plus ₱6,000 penalty	Plus ₱6,000 penalty	Plus ₱6,000 penalty
	₱0 to ₱100,000	Capital Deficiency	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
		Negative Accumulated Income (Deficit)	Plus ₱6,000 penalty	Plus ₱6,000 penalty	Plus ₱6,000 penalty	Plus ₱6,000 penalty	Plus ₱6,000 penalty
	₱100,001 to ₱500,000	Capital Deficiency	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
		Negative Accumulated Income (Deficit)	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty
	₱500,001 to ₱5,000,000	Capital Deficiency	₱20,000	₱24,000	₱28,000	₱32,000	₱36,000
		Negative Accumulated Income (Deficit)	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty
	₱5,000,001 to ₱10,000,000	Capital Deficiency	₱30,000	₱36,000	₱42,000	₱48,000	₱54,000
		Negative Accumulated Income (Deficit)	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty
Above ₱10,000,000	Capital Deficiency	₱40,000	₱48,000	₱56,000	₱64,000	₱72,000	
	Negative Accumulated Income (Deficit)	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	

## H. Non-Filing of Reportorial Requirements for Foreign Non-Stock Corporation

VIOLATIONS	BRACKET	IMPOSABLE FINES - PER REPORT					
		First Offense	Second Offense	Third Offense	Fourth Offense	Fifth Offense	
Non-Filing of Reportorial Requirements (GIS and/or AFS)	Based on Accumulated Income (AI) / Fund Balance / Members' Equity	Negative Accumulated Income (Deficit)	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
		Plus ₱6,000 penalty	Plus ₱6,000 penalty	Plus ₱6,000 penalty	Plus ₱6,000 penalty	Plus ₱6,000 penalty	
	₱0 to ₱100,000	Negative Accumulated Income (Deficit)	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
		Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	
	₱100,001 to ₱500,000	Negative Accumulated Income (Deficit)	₱15,000	₱18,000	₱21,000	₱24,000	₱27,000
		Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	
	₱500,001 to ₱5,000,000	Negative Accumulated Income (Deficit)	₱20,000	₱24,000	₱28,000	₱32,000	₱36,000
		Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	
	₱5,000,001 to ₱10,000,000	Negative Accumulated Income (Deficit)	₱25,000	₱30,000	₱35,000	₱40,000	₱45,000
		Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	
Above ₱10,000,000	Negative Accumulated Income (Deficit)	₱30,000	₱36,000	₱42,000	₱48,000	₱54,000	
	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty		

### I. Late and Non-Compliance with MC 28, s. 2020

VIOLATION	IMPOSABLE FINES
Late Filing and Non-Compliance with MC 28, s. 2020	₱20,000





# BUREAU OF INTERNAL REVENUE



# REVENUE MEMORANDUM CIRCULAR NO. 36-2024

## March 11, 2024



Clarifies the manner of computing the Minimum Corporate Income Tax (MCIT) for Taxable Year 2023

### REVENUE MEMORANDUM CIRCULAR NO. 36-2024

**SUBJECT :** Clarification on the Manner of Computing the Minimum Corporate Income Tax (MCIT) for Taxable Year 2023

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

Republic Act No. 11534, Otherwise known as the “Corporate Recovery and Tax Incentives for Enterprises Act” prescribed the One Percent (1%) Minimum Corporate Income Tax (MCIT) for the period July 1, 2020 until June 30, 2023. Effective July 1, 2023, the MCIT rate returned to its old rate of Two Percent (2%) based on the gross income of the corporation. In computing the MCIT, the gross income shall be divided by 12 months to get the average monthly gross income and apply the rate of 1% for the period January 1 to June 30, 2023 and 2% for the period July 1 to December 31, 2023.

For ease of computation, the rates below corresponding to the taxable period of the taxpayer may be used:

Annual Accounting Period	MCIT 2% / 1%	Annual Accounting Period	MCIT 2% / 1%
FY 7-31-23	1.08 %	FY 1-31-24	1.58
FY 8-31-23	1.17	FY 2-28-24	1.67
FY 9-31-23	1.25	FY 3-31-24	1.75
FY 10-31-23	1.33	FY 4-30-24	1.83
FY 11-31-23	1.42	FY 5-31-24	1.92
CY 12-31-23	1.50	FY 6-30-24	2.00

All are enjoined to give this Circular a wide publicity as possible.

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**ROMEO D. LUMAGUI, JR.**  
Commissioner of Internal Revenue

# REVENUE MEMORANDUM CIRCULAR NO. 49-2024

## April 3, 2024



Circularizes Joint Memorandum Circular No. 2023-003, Series of 2023, issued by the Department of Human Settlements and Urban Development and the National Economic and Development Authority

APR 02 2024

REVENUE MEMORANDUM CIRCULAR NO. 49-2024

**SUBJECT :** Circularizing Joint Memorandum Circular No. 2023-003, Series of 2023, issued by the Department of Human Settlements and Urban Development and the National Economic and Development Authority


**TO :** All Internal Revenue Officials, Employees and Others Concerned

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For the information and guidance of all internal revenue officials, employees and others concerned, attached herewith, as Annex "A" is the copy of Joint Memorandum Circular No. 2023-003, Series of 2023, with subject "*Adjusting the Price Ceiling for Socialized Subdivision and Condominium Projects*" jointly issued by the Department of Human Settlements and Urban Development and the National Economic and Development Authority.

All internal revenue officials and employees are enjoined to give this Circular as wide a publicity as possible.

RECORDS DIVISION  
APR 02 2024



**ROMEO D. LUMAGUI, JR.**  
Commissioner of Internal Revenue

REPUBLIC OF THE PHILIPPINES  
Department of Human Settlements and Urban Development  
National Economic and Development Authority

JOINT MEMORANDUM CIRCULAR NO. 2023-003  
SERIES OF 2023

**TO :** ALL CONCERNED

**SUBJECT :** ADJUSTING THE PRICE CEILING FOR SOCIALIZED SUBDIVISION AND CONDOMINIUM PROJECTS

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WHEREAS, Republic Act (RA) No. 11201, otherwise known as the Department of Human Settlements and Urban Development (DHSUD) Act of 2019, mandated the DHSUD to formulate and implement national policies, plans, and programs for housing and urban development that promote equitable access to affordable and decent housing, especially for low-income families and underprivileged sectors;

WHEREAS, Section 23 of RA No. 11201 stipulates that the price ceiling for socialized housing shall be jointly determined, reviewed, and revised by the DHSUD and the National Economic and Development Authority (NEDA) at any time, but not more than once every two (2) years, to align with the prevailing economic conditions;

WHEREAS, the current price ceiling for socialized housing, last adjusted on 27 April 2018 through Housing and Urban Development Coordinating Council (HUDCC) Resolution Nos. 1 and 2, series of 2018, establishes a tiered price ceiling for socialized subdivision and condominium projects, respectively, based on the corresponding minimum floor area requirements;

WHEREAS, the existing price ceiling for socialized housing no longer responds adequately to prevailing market conditions, including rising development and construction costs, thereby discouraging the private sector from building affordable houses for low-income and underprivileged families;

WHEREAS, to address the housing needs of approximately 6.5 million Filipino households, a two-pronged approach is necessary, which involves encouraging private sector participation in constructing socialized housing units and fully implementing the *Pambansang Pabahay para sa Pilipino* Housing (4PH) Program, led by DHSUD in collaboration with its Key Shelter Agencies (KSAs) and local government units;

WHEREAS, the DHSUD, in coordination with the NEDA, has reviewed the existing price ceiling for socialized housing and recommended the adjustment of the price ceiling;

WHEREAS, the review and revision of the price ceiling for socialized subdivision projects considered the definition of socialized housing under *Batas Pambansa Blg. 220*, cost breakdowns, affordability studies, and different scenarios involving subsidies and amortization options based on prevailing market conditions;

WHEREAS, based on the aforementioned considerations, the DHSUD finds the proposed two-tiered price ceiling for socialized housing projects reasonable;

NOW, THEREFORE, pursuant to the foregoing and in consideration of the pertinent factors, this Joint Memorandum Circular is hereby issued.

**Section 1. Adjustment of Price Ceiling for Socialized Housing Units.** The existing price ceiling for socialized housing units, as provided in HUDCC Resolution Nos. 1 and 2, series of 2018, is hereby adjusted.

**Section 2. Price Ceiling for Socialized Subdivision Projects.** The price ceiling for socialized subdivision projects set by HUDCC Resolution No. 1, series of 2018, is hereby adjusted to ₱850,000.00, with a minimum floor area of 28 sqm with a lot of at least 50% of the base structure, or 32 sqm, subject to existing rules and regulations.

**Section 3. Price Ceiling for Socialized Condominium Projects.** The tiered price ceiling for socialized condominium projects set by HUDCC Resolution No. 2, series of 2018, is hereby adjusted based on the minimum floor area requirement, as follows:

Building	Unit Sizes (sqm)	Price Ceiling (₱)
4 Floors	22	533,320
	25	1,060,581
	27	1,145,438
5-9 Floors	22	1,000,000
	25	1,138,384
	27	1,227,273
10 Floors and Above	22	1,320,000
	25	1,500,000
	27	1,620,000

The foregoing approved price ceiling for the socialized condominium projects does not include the land and land development costs.

As such, the DHSUD Secretary has the authority to approve land and land development costs; Provided, however, that the maximum selling price does not exceed ₱1,800,000.00.<sup>1</sup>

**Section 4. Implementation and Compliance.** All developers, stakeholders, and concerned parties engaged in the construction and sale of socialized housing units shall adhere to the updated price ceiling set forth in this Joint Memorandum Circular. They shall strictly comply with the prescribed pricing guidelines.

<sup>1</sup> The authority to approve land and land development costs is a valid exercise of the rule-making power of the Department Secretary pursuant to Section 7.3, Chapter 2, Book IV of the Revised Administrative Code of 1987 and likewise retained in substance under Section 7(c) of Republic Act No. 11221.

Page 2 of 3

# REVENUE REGULATIONS NO. 3-2024

## April 11, 2024



Implements the amendments introduced by Republic Act No. 11976 (Ease of Paying Taxes Act), on the relevant provisions of Title IV - Value-Added Tax and Title V - Percentage Tax of the NIRC of 1997, as amended  
(Date Posted: April 12, 2024)

**SECTION 1. Scope.** – Pursuant to the provisions of Sections 244 and 245 of the Tax Code, in relation to Section 47 of Republic Act (RA) No. 11976, otherwise known as the "Ease of Paying Taxes (EOPT) Act", these Regulations are hereby promulgated to implement the amendments on VAT and Percentage Tax provisions.

**SECTION 2. Amendments.** – The following words, phrases, or actions shall now be uniformly applied to the provisions affected under Revenue Regulations (RR) No. 16-2005 and its subsequent amendments:

- (A) **Gross Sales.** – The EOPT Act adopts the accrual basis of recognizing sales for both sales of goods and services, including transactions to government or any of its political subdivisions, instrumentalities or agencies, and government-owned or -controlled corporations (GOCCs). Hence, all references to "gross selling price", "gross value in money", and "gross receipts" shall now be referred to as the "**GROSS SALES**", regardless of whether the sale is for goods under Section 106, or for services under Section 108 of the Tax Code.
- (B) **Invoice.** – Inasmuch as there is a shift from cash basis to accrual basis for sale of service, the EOPT Act mandates a single document for both sales of goods and services. Hence, all references to **Sales/Commercial Invoices** or **Official Receipts** shall now be referred to as "**INVOICE**".
- (C) **Billings for sales of service on account.** – With the shift from cash basis to accrual basis for sale of service, all references to **receipts** or **payments** which was previously the basis for the recognition of sales of service under Title IV (Value-Added Tax) and Title V (Percentage Tax) of the Tax Code, shall now be referred to as "**BILLING**" or "**BILLED**", whichever is applicable.

(D) **VAT-exempt threshold.** – The EOPT Act re-introduced the regular updating of the VAT-exempt threshold every three (3) years pursuant to Section 109(CC), in relation to Section 116 of the Tax Code. Hence, all provisions mentioning the VAT-exempt threshold of three million pesos (P3,000,000.00) shall now be read as "**the amount of VAT threshold herein stated shall be adjusted to its present value every three (3) years using the Consumer Price Index (CPI), as published by the Philippine Statistics Authority (PSA)**".

(E) **Filing and payment.** – The filing of tax return shall be done **electronically** in any of the available electronic platforms. However, in case of unavailability of the electronic platforms, manual filing of tax returns shall be allowed. For tax payment with corresponding due dates, the same shall be made **electronically** in any of the available electronic platforms or **manually** to any AABs and RCOs.

**SECTION 3. Specific Amendments to Sale or Exchange of Service Under Section 108 of the Tax Code.** – Sections 4.108-1, 4.108-4, and 4.108-6 of RR No. 16-2005, as amended, shall now be read as follows:

**"SEC. 4.108-1. VAT on the Sale of Services and Use or Lease of Properties.** – Sale or exchange of services, as well as the use or lease of properties, as defined in Section 108(A) of the Tax Code shall be subject to VAT, equivalent to twelve percent (12%) of the gross sales (excluding VAT)."

**"SEC. 4.108-4. Definition of Gross Sales.** – 'Gross sales' refers to the total amount of money or its equivalent representing the contract price, compensation, service fee, rental or royalty, including the amount charged for materials supplied with the services during the taxable period for the services performed for another person, which the purchaser pays or is obligated to pay to the seller in consideration of the sale, barter, or exchange of services that has already been rendered by the seller and the use or lease of properties that have already been supplied by the seller, excluding VAT and those amounts earmarked for payment to third (3rd) party or received as reimbursement for payment on behalf of another which do not redound to the benefit of the seller as provided under relevant laws, rules or regulations: Provided, that for long-term contracts for a period of one (1) year or more, the invoice shall be issued on the month in which the service, or use or lease of properties is rendered or supplied."

**"SEC. 4.108-6. Allowable Deductions from Gross Selling Price.** – In computing the taxable base during the quarter, the following shall be allowed as deductions from gross sales:

- (a) The value of services rendered for which allowances were granted by a VAT-registered person during the quarter in which a refund is made or a credit memorandum of refund is issued.
- (b) Sales discount granted and indicated in the invoice at the time of sale and the grant of which is not dependent upon the happening of a future event may be excluded from the gross sales within the same quarter it was given."

# REVENUE REGULATIONS NO. 3-2024 (Continuation)



SECTION 4. *Specific Amendments to VAT-Exempt Transactions.* – Section 4.109(B)(cc) of RR No. 16-2005, as amended, shall now be read as follows:

“SEC. 4.109. *VAT-Exempt Transactions.* –

xxx xxx xxx

(B) **Exempt transactions.** – The following transactions shall be exempt from VAT:

xxx xxx xxx

(cc) Sale or lease of goods or properties or the performance of services other than the transactions mentioned in the preceding paragraphs, the gross annual sales do not exceed the amount of Three Million Pesos (P3,000,000.00); provided, that the amount herein stated shall be adjusted to its present values using the CPI, as published by the PSA every three (3) years.

Self-employed individuals and professionals availing of the 8% tax on gross sales and other non-operating income, under Sections 24(A)(2)(b) and 24(A)(2)(c)(2)(a) of the Tax Code shall also be exempt from the payment of twelve (12%) VAT.

xxx xxx xxx”

SECTION 5. *Specific Amendments to Tax Credits.* – Section 4.110-9 of RR No. 16-2005, as amended, is hereby added for the output VAT credit on uncollected receivables:

“SEC 4.110-1. *Credits for Input Tax.* – xxx xxx xxx

xxx xxx xxx

SEC. 4.110-9. *Output VAT Credit on Uncollected Receivables.* – A seller of goods or services may deduct the output VAT pertaining to uncollected receivables from its output VAT on the next quarter, after the lapse of the agreed upon period to pay: *Provided that*, the seller has fully paid the VAT on the transaction: *Provided further*, that the VAT component of the uncollected receivables has not been claimed as allowable deduction under Section 34(E) of the Tax Code.

**Uncollected Receivable** refers to sales of goods and/or services on account that transpired upon the effectivity of these Regulations which remain uncollected by the buyer despite the lapse of the agreed period to pay.

To be entitled to VAT credit, the following requisites must be present:

1. The sale or exchange has taken place after the effectivity of these Regulations;
2. The sale is on credit or on account;
3. There is a written agreement on the period to pay the receivable, i.e. credit term is indicated in the invoice or any document showing the credit term;

4. The VAT is separately shown on the invoice;
5. The sale is specifically reported in the Summary List of Sales covering the period when the sale was made and not reported as part of “various” sales;
6. The seller declared in the tax return the corresponding output VAT indicated in the invoice within the period prescribed under existing rules;
7. The period agreed upon, whether extended or not, has elapsed; and
8. The VAT component of the uncollected receivable was not claimed as a deduction from gross income (i.e. bad debt).

In case of recovery of uncollected receivables, the output VAT pertaining thereto shall be added to the output VAT of the taxpayer during the period of recovery.

These rules do not amend the conditions on the deductibility of bad debts expenses in the income tax returns as provided in RR No. 25-02.”

SECTION 6. *Specific Amendments to Claims for Refund/Tax Credit Certificate of Input Tax.* – The entire Section 4.112-1 of RR No. 16-2005, as amended, is hereby amended to read as follows:

“SEC. 4.112-1. *Claims for Refund/Tax Credit Certificate of Input Tax.* –

(a) **Zero-rated and Effectively Zero-rated Sales of Goods, Properties or Services**

A VAT-registered person whose sales of goods, properties or services are zero-rated or effectively zero-rated may apply for the issuance of a tax refund of input tax attributable to such sales. The input tax that may be subject of the claim shall exclude the portion of input tax that has been applied against the output tax. The application should be filed within two (2) years after the close of the taxable quarter when such sales were made.

In case of zero-rated sales under Secs. 106(A)(2)(a)(1) and (3), Secs. 108(B)(1) and (2) of the Tax Code, the payments for the sales must have been made in acceptable foreign currency duly accounted for in accordance with the BSP rules and regulations.

Where the taxpayer is engaged in both zero-rated or effectively zero-rated sales and in taxable (including sales subject to final withholding VAT) or exempt sales of goods, properties or services, and the amount of creditable input tax due or paid cannot be directly and entirely attributed to any one of the transactions, only the proportionate share of input taxes allocated to zero-rated or effectively zero-rated sales can be claimed for refund or issuance of a tax credit certificate.

In the case of a person engaged in the transport of passenger and cargo by air or sea vessels from the Philippines to a foreign country, the input taxes shall be allocated ratably between his zero-rated sales and non-zero-rated sales (sales subject to regular rate, subject to final VAT withholding and VAT-exempt sales).

(b) **Cancellation of VAT registration**

A VAT-registered person whose registration has been cancelled due to retirement from or cessation of business, or due to changes in or cessation of status under Sec. 106(C) of the Tax Code may, within two (2) years from the date of cancellation, apply for the issuance of tax credit certificate or cash refund for any unused input tax which he may use in payment of his other internal revenue taxes or apply for refund for any unused input tax: *Provided, however*, that the taxpayer-claimant shall be entitled to a refund if it has no internal revenue tax liabilities against which the tax credit certificate may be utilized: *Provided further*, that for purposes of dissolution or cessation of business, the date of cancellation being referred hereto is the date of the issuance of BIR Tax Clearance.

(c) **Where to file the claim for refund/credit**

Claims for tax credits/refunds shall be filed with the appropriate BIR Office that will be designated by the Commissioner of Internal Revenue for this purpose.

(d) **Period within which refund/credit of input taxes shall be made**

In proper cases, the Commissioner of Internal Revenue shall grant refund for creditable input taxes within ninety (90) days from the date of submission of the invoices and other documents in support of the application filed in accordance with subsections (a) and (b) hereof: *Provided that*, should the Commissioner find that the grant of refund is not proper, the Commissioner must state in writing the legal and factual basis for the denial.

The 90-day period to process and decide shall start from the filing of the claim up to the release of the payment of the VAT refund: *Provided that*, the claim/application is considered to have been filed only upon submission of the invoices and other documents in support of the application as prescribed under pertinent revenue issuances.

In case of full or partial denial of the claim for tax refund, the taxpayer affected may, within thirty (30) days from the receipt of the decision denying the claim, appeal the decision with the Court of Tax Appeals (CTA); or in case the VAT refund is not acted upon by the Commissioner within the period prescribed above, the taxpayer affected may, (1) appeal to the CTA within the 30-day period after the expiration of the 90 days required by law to process the claim or (2) forego the judicial remedy and await the final decision of the Commissioner on the application of VAT refund claim: *Provided that*, failure on the part of any official, agent or employee of the BIR to act on the application within the ninety (90)-day period shall be punishable under Section 269(J) of the Tax Code: *Provided further that*, in the event that the 90-day period has lapsed without having the refund released to the taxpayer-claimant, the VAT refund claim may still continue to be processed administratively. However, the BIR official, agent or employee who has found to have deliberately caused the delay in the processing of the VAT refund claim may be subjected to penalties imposed under said Section.

# REVENUE REGULATIONS NO. 3-2024 (Continuation)



**(e) Risk-based approach in the verification and processing of VAT refund claims**

VAT refund claims shall be classified into low-, medium-, and high-risk, with the risk classification based on the amount of VAT refund claim, tax compliance history, frequency of filing vat refund claims, among others: *Provided*, that medium- and high-risk claims shall be subject to audit or other verification processes in accordance with the BIR's national audit program for the relevant year.

**(f) Manner of giving refund**

Refund shall be made upon warrants drawn by the Commissioner of Internal Revenue or by his duly authorized representative without the necessity of being countersigned by the Chairman, Commission on Audit (COA), the provision of the Revised Administrative Code to the contrary notwithstanding: *Provided that*, refunds under this paragraph shall be subject to post audit by the COA following the risk-based classification above-described: provided, further, that in case of disallowance by the COA, only the taxpayer shall be liable for the disallowed amount without prejudice to any administrative liability on the part of any employee of the BIR who may be found to be grossly negligent in the grant of refund.

**(g) Automatic Appropriation**

An amount equivalent to five percent (5%) of the total VAT collection of the BIR and the BOC from the immediately preceding year shall be automatically appropriated annually and shall be treated as a special account in the general fund or as trust receipts for the purpose of funding claims for VAT refund: *Provided that*, any unused fund, at the end of the year shall revert to the general fund.

**(h) Quarterly Report**

The BIR and BOC shall be required to submit to the Congressional Oversight Committee on the Comprehensive Tax Reform Program (COCCTRP) a quarterly report of all pending claims for refund and any unused fund."

**SECTION 7. Transitory Provisions. –**

**(a) Billed but uncollected sale of services.** – These Regulations shall apply to sale of services that transpired upon its effectivity. Hence, for outstanding receivables on services on account that are rendered prior to the effectivity of these Regulations, the corresponding output VAT shall be declared once it has been collected. In case of collection, the sales and corresponding output VAT therefrom shall be declared in the quarterly VAT return when the collection was made and shall be supported with an invoice following the transitory provisions contained in the RR intended for invoicing requirements to implement the EOPT Act or the new BIR-approved set of Invoices, whichever is applicable.

BUREAU OF INTERNAL REVENUE

**(b) Uncollected receivables from sale of goods as of the effectivity of these Regulations** – For purposes of Section 4.110-9 of these Regulations, claim of output tax credit on uncollected receivables shall only apply to transactions that transpired upon the effectivity of these Regulations. No output tax credit shall be allowed for outstanding receivables from sale of goods on account prior to the effectivity of these Regulations

**SECTION 8. Administrative Provision.** – Separate RR shall govern the provisions of the EOPT Act covering Sections 113, 235, 236, 237, 238, 242 and 243 of the Tax Code particularly invoicing requirements, bookkeeping and accounting requirements, registration, filing, and payment including period to be given to the taxpayers to reconfigure machines and systems adjustments as a result of the shift from cash to accrual basis pursuant to the EOPT Act.

**SECTION 9. Separability Clause.** – If any of the provisions of these Regulations is subsequently declared invalid or unconstitutional, the validity of the remaining provisions hereof shall remain in full force and effect.

**SECTION 10. Repealing Clause.** – All other issuances and rules and regulations or parts thereof which are contrary to and inconsistent with any provisions of these Regulations are hereby repealed, amended, or modified accordingly.

**SECTION 11. Effectivity.** – These Regulations shall take effect fifteen (15) days following its publication in the Official Gazette or the BIR official website, whichever comes first.

  
**RALPH G. RECTO**  
Secretary of Finance  
APR 08 2024  


Recommending Approval:

# REVENUE REGULATIONS NO. 4-2024

## April 11, 2024



Implements Sections 22, 34, 51(A)(2)(e), 51(B), 51(D), 56(A)(1), 58(A), 58(C), 58(E), 77, 81, 90, 91, 103, 114, 128, 200 and 248 of the NIRC of 1997, as amended by Republic Act No. 11976 (Ease of Paying Taxes Act), on the filing of tax returns and payment of taxes and other matters affecting the declaration of taxable income  
(Date Posted: April 12, 2024)

**SECTION 1. Scope.** - Pursuant to the provisions of Sections 244 and 245 of the National Internal Revenue Code of 1997 (Tax Code), as amended, in relation to Section 47 of Republic Act (RA) No. 11976, Otherwise Known as the "Ease of Paying Taxes Act" (EOPT), these Regulations are hereby promulgated to implement Sections 22, 34, 51(A)(2)(e), 51(B), 51(D), 56(A)(1), 58(A), 58(C), 58(E), 77, 81, 90, 91, 103, 114, 128, 200 and 248 of the Tax Code on:

- (a) filing of tax returns and payment of taxes to be made electronically or manually, regardless of venue or jurisdiction of the Revenue District Office (RDO);
- (b) removal of civil penalty in case of filing of return at the wrong venue;
- (c) non-filing of income tax return by an Overseas Contract Worker (OCW) or Overseas Filipino Worker (OFW);
- (d) removal of additional requirements for deductibility of certain payments; and
- (e) withholding of tax at source and declaration of income of recipient.

**SECTION 2. Definition of Terms.** - When used in these Revenue Regulations, the following terms shall have the following meaning:

- (A) "**Filing of Return**" shall refer to the act of accomplishing and submitting the prescribed tax return, electronically or manually, to the Bureau of Internal Revenue (BIR), or through any Authorized Agent Bank (AAB) or Authorized Tax Software Provider (ATSP) for specific tax returns as approved by BIR.

(B) "**Payment of Tax or Remittance of Tax**" shall refer to the act of delivering the amount of tax due or withheld, either electronically or manually, to the BIR, or through any AAB or ATSP for specific tax returns as approved by BIR.

(C) "**Authorized Agent Banks (AABs)**" shall refer to financial institutions that are accredited to collect the payment of internal revenue taxes on BIR's behalf.

(D) "**Revenue Collection Officers (RCOs)**" shall refer to the BIR officers tasked to accept tax payments from taxpayers under certain limitations and remit the tax collected within the prescribed period.

(E) "**Authorized Tax Software Provider (ATSP)**" shall refer to an individual or organization whose business is to render electronic tax filing and/or tax payment services to taxpayer-clients by offering third-party solutions tested and certified by BIR, that is, an electronic tax return filing and/or payment solution.

(F) "**Overseas Filipino Worker (OFW)**" refers to a Filipino who is to be engaged, is engaged, or has been engaged in remunerated activity in a country of which he or she is not an immigrant, citizen or permanent resident or is not awaiting naturalization, recognition or admission, whether land-based or sea-based regardless of status; excluding a Filipino engaged under a government-recognized exchange visitor program for cultural and educational purposes. For purposes of this provision, a person engaged in remunerated activity covers a person who has been contracted for overseas employment but has yet to leave the Philippines, regardless of status and includes "**Overseas Contract Workers**" (OCWs). The term OFW is synonymous to the term "**Migrant Worker**" pursuant to Section 3[G] of RA No. 11641 or the "**Department of Migrant Workers Act**".

**SECTION 3. Modes of Filing of Tax Returns and Payment of Internal Revenue Taxes.** - The filing of tax returns shall be done **electronically** in any of the available electronic platforms. However, in case of unavailability of the electronic platforms, manual filing of tax returns may be allowed.

For tax payments, the same shall be made either **electronically** in any of the available electronic platforms or **manually** to any AABs and RCOs.

The terms "electronically" and "manually" means -

A. **Electronically** - when the filing of tax return and payment of tax is done through electronic means using the BIR's electronic platform (Electronic Filing and Payment System/eBIRForms), ePayment Channels of AABs (e.g. LinkBiz, PesoNet, UPay, MyEG, etc.) and ATSP (for specific returns as certified by BIR).

B. **Manually** - when the tax return is accomplished by writing or through the aid of electronic equipment but the act of submission and payment is done

# REVENUE REGULATIONS NO. 4-2024 (Continuation)



through over-the-counter with any AAB or RCO of the BIR. The RCO can accept payment in cash up to P 20,000.00, while for check payment, regardless of the amount.

In the case of filing of Income Tax Return (ITR) by married individuals, the husband and wife, whether citizens, resident or nonresident aliens, who are both self-employed, either engaged in business or practice of profession, shall file the said return for the taxable year jointly. However, where it is impracticable for the spouses to file one return, such as in the case of spouses whose businesses are registered under two different RDOs, each spouse shall file separately their respective ITRs.

AABs and RCOs shall only accept tax payments manually after the taxpayers have already electronically filed their tax returns, unless an advisory is issued allowing manual filing.

**SECTION 4. Removal of Civil Penalty in Case of Filing of Return at the Wrong Venue.** – With the repeal of Section 248(A)(2) of Tax Code, as amended, under the EOPT, the civil penalty of 25% of the amount due in case of filing a return with an internal revenue officer other than those with whom the return is required to be filed, shall no longer be imposed.

**SECTION 5. Individuals Not Required to File Income Tax Return.** – Section 9 of Revenue Regulations No. 8-2018 is hereby amended to read as follows:

***“SECTION 9. INDIVIDUALS NOT REQUIRED TO FILE INCOME TAX RETURN***

- A. An individual earning purely compensation income whose taxable income does not exceed Two Hundred Fifty Thousand pesos (P250,000.00)- the Certified List of Employees Qualified for Substituted Filing of Income Tax Return, reflecting the amount of income payment, the tax due and tax withheld, if any, filed by the respective employers, duly stamped “Received” by the Bureau, shall be tantamount to the substituted filing of income tax returns by said employees;*
- B. An individual whose income tax has been correctly withheld by his employer, provided that such individual has only one employer for the taxable year -- the Certified List of Employees Qualified for Substituted Filing of Income Tax Return, reflecting the amount of income payment, the tax due and tax withheld, if any, filed by the respective employers, duly stamped “Received” by the Bureau shall be tantamount to the substituted filing of income tax returns by said employees;*
- C. An individual whose sole income has been subjected to final withholding tax;*

*D. A minimum wage earner as defined in these regulations - The Certified List of Employees Qualified for Substituted Filing of Income Tax Return, reflecting the amount of income payment, the tax due and tax withheld, if any, filed by the respective employers, duly stamped “Received” by the Bureau shall be tantamount to the substituted filing of income tax returns by said employees; and*

*E. An individual citizen of the Philippines who is working and deriving income solely from abroad as an “Overseas Contract Worker (OCW)” or “Overseas Filipino Worker” as defined under Section 3(G) of RA No. 11641, or the “Department of Migrant Workers Act”.*

*In all cases, all individuals deriving compensation income, regardless of the amount, from two (2) or more concurrent or successive employers at any time during the taxable year, are not qualified for substituted filing. Thus, they are still required to file a return.”*

**SECTION 6. Removal of the Additional Requirement for Deductibility of Certain Payments.** – The entire provision of Section 34(K) of the Tax Code, as amended, on “Additional Requirements for Deductibility of Certain Income Payments” is repealed by EOPT. Therefore, upon the effectivity of the EOPT, Section 2.58.5 of RR No. 2-98, as amended, is hereby repealed: *Provided*, however, that the obligation to withhold tax on certain income payments and remit the same remains.



# REVENUE REGULATIONS NO. 4-2024 (Continuation)



**SECTION 7. Withholding of Tax at Source.** Section 2.57.4 of RR No. 2-98, as amended, shall now read as follows:

*"Sec. 2.57.4. Time of Withholding. - The obligation of the payor to deduct and withhold the tax under Section 2.57 of these Regulations arises at the time an income has become payable. The term "payable" refers to the date the obligation becomes due, demandable or legally enforceable. The obligation of the payor to deduct and withhold the tax arises at the time an income payment is accrued or recorded as an expense or asset, whichever is applicable, in the payor's books, or at the issuance by the seller of the sales invoice or other adequate document to support such payable, whichever comes first."*

**SECTION 8. Income of Recipient.** – Income upon which any creditable tax is required to be withheld at source under Section 57 of the Tax Code, as amended, shall be included in the return of its recipient but the excess of the amount of tax so withheld over the tax due on his return shall be refunded subject to the provision of Section 204 of the same Code.

**SECTION 9. Separability Clause.** – If any of the provisions of these Regulations is subsequently declared invalid or unconstitutional, the validity of the remaining provisions hereof shall remain in full force and effect.

**SECTION 10. Repealing Clause.** — Any other issuances and rules and regulations, issuances or parts thereof which are contrary to or inconsistent with the provisions of these Regulations are hereby repealed, amended, or modified accordingly.

**SECTION 11. Effectivity.** — These Regulations shall take effect fifteen (15) days following its publication in the Official Gazette or the BIR official website, whichever comes first.

Recommending Approval:

**ROMEO D. LUMAGUI, JR.**  
Commissioner of Internal Revenue



**RAI F. G. RECTO**  
Secretary of Finance  
APR 08 2024



# REVENUE REGULATIONS NO. 5-2024

## April 11, 2024



**Implements Sections 76(C), 112(C), 112(D), 204(C), 229, and 269(J) of the NIRC of 1997, as amended by Republic Act No. 11976 (Ease of Paying Taxes Act), on tax refunds (Date Posted: April 12, 2024)**

**SECTION 1. Scope.** – Pursuant to the provisions of Sections 244 and 245 of the National Internal Revenue Code of 1997, as amended (Tax Code), in relation to Section 47 of Republic Act (RA) No. 11976, otherwise known as the “Ease of Paying Taxes (EOPT) Act”, these Regulations are hereby promulgated to implement Section 112(C) of the Tax Code on the risk-based approach in verifying VAT refund claims, Section 112(D) of the Tax Code on the liabilities in case of disallowance by the Commission on Audit (COA), Section 76(C) of the Tax Code on the refund of unutilized excess income tax credit in case of dissolution or cessation of business, Section 204(C) of the Tax Code on the processing of tax refund, and Section 229 of the Tax Code on the policies for judicial claims.

**SECTION 2. Coverage.** – To provide ample time for the taxpayers and the BIR to adjust to the new requirements and procedures to be prescribed pursuant to the amendments introduced by the EOPT, these Regulations shall cover tax credit/refund claims that are filed starting 01 July 2024 onwards.

- (A) Section 112(C) of the Tax Code that introduced the risk-based approach to verification of VAT refund claims;
- (B) Section 112(D) of the Tax Code which clarified the liability of the taxpayer-claimant and the BIR in case of disallowance by the Commission of Audit (COA);
- (C) Section 76(C) of the Tax Code allowing the application for refund of unutilized excess income tax credit in case of dissolution or cessation of business. For purposes of these Regulations, the entire provision of 76(C) of the Tax Code shall be covered to include policies for the processing of income tax credit/refund of taxpayers who have chosen the option to apply for tax credit or refund the excess income tax in their Annual Income Tax Returns (AITR);
- (D) Section 204(C) of the Tax Code that introduced the one hundred eighty (180)-day processing of claims for tax refund except for VAT Refunds under Section 112 of the Tax Code; and
- (E) Section 229 of the Tax Code that outlined the policies for judicial claims and repealed the supervening clause provision thereof.

**SECTION 3. Risk-Based Approach to Verification of VAT Refund Claims.** - The EOPT Act introduced the risk-based approach to verification and processing of VAT refund claims under Section 112(C) of the Tax Code including the recourse of the taxpayer in case the ninety (90)-day processing period expires and the BIR has not yet rendered its decision on the claim. The following rules shall be followed:

- (A) VAT refund claims filed pursuant to Section 112(A) of the Tax Code shall be classified into low-, medium-, and high-risk claims. *Provided*, that, medium- and high-risk claims shall be subject to audit or other verification processes in accordance with the BIR’s national audit program for the relevant year or with the current policies and procedures applicable to the year of application of the VAT refund.
- (B) The scope of verification in accordance with the identified risks as follows:

Risk Level	Submission of Complete Documentary Requirements Prescribed by BIR*	Scope of Verification of Sales	Scope of Verification of Purchases
Low	Yes	No verification	No verification
Medium	Yes	At least 50% of the amount of sales <b>and</b> 50% of the total invoices/receipts issued including inward remittance and proof of VAT zero-rating	At least 50% of the total amount of purchases with input tax claimed <b>and</b> 50% of suppliers with priority on “Big-Ticket” Purchases
High	Yes	100%	100%

Note: \* - Based on initial checking of the documents submitted during check-listing procedures only. This does not include thorough verification of the supporting documents for sales and purchases.

**SECTION 4. Liability of the Taxpayer-claimants and BIR Officials/Employees in Case of COA Disallowances.** -

- (A) Refund shall be made upon warrants drawn by the Commissioner of Internal Revenue or by his duly authorized representative without the necessity of being countersigned by the COA Chairman, the provisions of the Revised Administrative Code to the contrary notwithstanding.
- (B) Approved VAT refunds under Section 112 of the Tax Code shall be subject to post audit by the COA following the risk-based classification above-described.
- (C) In case of disallowance by the COA, only the taxpayer shall be liable for the disallowed amount without prejudice to any administrative liability on the part of any employee of the BIR who may be found to be grossly negligent in the grant of the refund.
- (D) Procedures for the recovery of the disallowed amount will be in accordance with the

# REVENUE REGULATIONS NO. 5-2024 (Continuation)



## SECTION 5. *Credit/Refund of Unused Excess Income Tax Credit Under Section 76(C).* – In order to properly implement Section 76(C) of the Tax Code, the following rules shall apply:

- (A) **Regular Claims.** – This applies to claims for income tax credit/refund of taxpayers of “going-concern” status who have chosen the option to apply for tax credit or refund the excess income tax in their AITRs.
- (B) **Dissolution or Cessation of Business.** – As an exception to the irrevocability rule, the taxpayers who chose the option to “carry-over” may claim a refund provided that they have permanently ceased operations as also contemplated under Section 76(C) of the Tax Code.

## SECTION 6. *Processing of Tax Credit/Refund Claims Under Sections 204(C) and 229 of the Tax Code.* –

- (A) The Commissioner may credit/refund taxes erroneously or illegally received or penalties imposed without authority, refund the value of internal revenue stamps when they are returned in good condition by the purchaser, and, at the Commissioner’s discretion, redeem or change unused stamps that have been rendered unfit for use and refund their value upon proof of destruction.
- (B) No credit/refund of taxes or penalties shall be allowed unless the taxpayer files in writing with the Commissioner a claim for credit or refund within two (2) years after the payment of the tax or penalty as provided under Section 229 of the Tax Code: *Provided*, however, that a return filed showing an overpayment shall be considered as a written claim for credit/refund. *Provided*, further, that for purposes of the 180-day processing period, the counting shall begin upon submission of complete documents in support of the application that will be prescribed by the BIR for this purpose and should be within the 2-year prescriptive period.
- (C) Sections 204(C) and 229 of the Tax Code mandate that the time-frame to process and decide the tax credit/refund shall be 180 days from the date of submission of complete documents in support of the application as prescribed by the BIR up to the payment of the approved refund or receipt of the TCC.
- (D) Processing of income tax credit/refund under Section 76(C) for a taxpayer whose operations is a “going concern” requires checking of the books of accounts and thorough audit to properly establish the propriety of the refund. To comply with the 180-day processing required under Section 204(C) of the Tax Code, all offices concerned shall prioritize the processing of income tax credit/refund claim/s filed under Section 76(C), in relation to Section 204(C) and 229 of the Tax Code.

For purposes of these Regulations, the processing of income tax credit/refund shall be prioritized and should not be held in abeyance pending the completion of the audit for

all internal revenue tax liabilities.

- (E) Claim/s for tax credit/refund under Sections 204(C) and 229 of the Tax Code must conform with the following essential requisites:

1. The tax credit/refund claim pertains to erroneously or illegally received or collected taxes or penalties imposed without authority.
2. Filing of a claim for tax credit/refund must be done within two (2) years after payment of the tax or penalty.
3. The erroneously or illegally received or collected taxes must be supported with a copy of the duly filed tax return with the corresponding payment remitted to the BIR.

- (F) Should the Commissioner deny, in full or in part, the claim for credit/refund, the Commissioner shall state the legal and/or factual basis for the denial.

- (G) The result of the investigation of the claim, whether approval or denial, shall be communicated to the taxpayer-claimant signed by the authorized revenue official.

- (H) In case of full or partial denial of the claim for credit/refund, the taxpayer affected may, within thirty (30) days from the receipt of the decision denying the claim, appeal the decision with the Court of Tax Appeals (CTA).

- (I) In case the tax refund/credit is not acted upon by the Commissioner within the 180-day period, the taxpayer-claimant may opt to:

1. Appeal to the CTA within the 30-day period after the expiration of the 180 days required by law to process the claim; or
2. Forego the judicial remedy and await the final decision of the Commissioner on the application of VAT refund claim.

When the BIR failed to render a decision within the 180-day period and the taxpayer-claimant opted to seek for a judicial remedy within thirty (30) days from such period, administrative claim for refund shall be considered moot and shall no longer be processed.

- (J) Deliberate failure on the part of any official, agent, or employee of the BIR to process and decide on the application within the prescribed 180-day period shall be punishable under Section 269(J) of the Tax Code.

- (K) A TCC validly issued under the provisions of the Tax Code may be applied against any internal revenue tax liability, excluding withholding taxes, for which the taxpayer is directly liable. Any request for conversion into refund of unutilized TCC may be allowed, subject to the provisions of Section 230 of the Tax Code: *Provided*, That the original copy of the TCC showing a creditable balance is surrendered to the appropriate revenue officer for verification and cancellation. *Provided, further*, that in no case shall a tax refund be given resulting from availment of incentives granted pursuant to special laws for which no actual payment was made.

## SECTION 7. *Judicial Claim for Credit/Refund Under Section 229 of the Tax Code.* –

- (A) No suit or proceeding shall be maintained in any court for the recovery of any national internal revenue tax hereafter alleged to have been erroneously or illegally assessed or collected, or of any penalty claimed to have been collected without authority, or of any sum alleged to have been excessively or in any manner wrongfully collected without authority, or of any sum alleged to have been excessively or in any manner wrongfully collected, **until a claim for refund or credit has been duly filed with the Commissioner**; but such suit or proceeding may be maintained, whether or not such tax, penalty, or sum has been paid under protest or duress.
- (B) In any case, no such suit or proceeding shall be filed unless there is a full or partial denial of the claim for credit/refund by the Commissioner or there is a failure on the part of the Commissioner to act on the claim within the 180-day period under Section 204(C) of the Tax Code.
- (C) Judicial claim for tax credit/refund must be made within thirty (30) days from full or partial denial by the Commissioner or failure on the part of the Commissioner to act on the claim within the one hundred eighty (180)-day period under Section 204(C) of the Tax Code.
- (D) For tax refund claims of excess income taxes of taxpayers undergoing cessation or dissolution of business pursuant to Section 76(C) of the Tax Code, judicial claim for tax credit/refund must be made within thirty (30) days from full or partial denial by the Commissioner.

**SECTION 8. *Separability Clause.*** – If any of the provisions of these Regulations is subsequently declared invalid or unconstitutional, the validity of the remaining provisions hereof shall remain in full force and effect.

**SECTION 9. *Repealing Clause.*** – All other issuances and rules and regulations or parts thereof which are contrary to and inconsistent with any provisions of these Regulations are hereby repealed, amended, or modified accordingly.

**SECTION 10. *Effectivity.*** – These Regulations shall take effect fifteen (15) days following its publication in the Official Gazette or the BIR official website, whichever comes first.

# REVENUE REGULATIONS NO. 6-2024

## April 11, 2024



### Implements Section 45 of Republic Act No. 11976 (Ease of Paying Taxes Act), on imposition of reduced interest and penalty rates for micro and small taxpayers (Date Posted: April 12, 2024)

**SECTION 1. Scope.** – Pursuant to the provisions of Sections 244 and 245 of the National Internal Revenue Code of 1997, as amended (Tax Code), in relation to Section 47 of Republic Act (RA) No. 11976, otherwise known as the "Ease of Paying Taxes (EOPT) Act", these Regulations are hereby promulgated to implement Section 45 of the EOPT Act on the imposition of reduced interest and penalty rates for micro and small taxpayers.

**SECTION 2. Coverage.** – These Regulations shall cover micro and small taxpayers as classified under Section 21 (B) of the Tax Code, as amended by the EOPT Act, to wit:

- a. **"Micro Taxpayer"** – shall refer to a taxpayer whose gross sales for a taxable year is less than Three Million Pesos (P3,000,000.00).
- b. **"Small Taxpayer"** – shall refer to a taxpayer whose gross sales for a taxable year is Three Million Pesos (P3,000,000.00) to less than Twenty Million Pesos (P20,000,000.00).

**SECTION 3 Imposition of Civil Penalties.** – There shall be imposed, in addition to the tax required to be paid, a penalty equivalent to ten percent (10%) of the amount due, in the following cases:

- (A) Failure to file any return and pay the tax due thereon as required under the provisions of the Tax Code or rules and regulations, on the date prescribed.

Provided, that no penalty shall be imposed to an amendment of a tax return if the covered taxpayer filed the initial tax return and paid the tax due thereon, on or before the prescribed due date for its filing.

Provided, further, that in case of a deficiency tax assessment as a result of a tax audit, a penalty shall be imposed on the tax deficiency if the particular tax return being audited was found to have been filed beyond the prescribed period or due date;

- (B) Failure to pay the deficiency tax within the time prescribed for its payment in the notice of assessment; or
- (C) Failure to pay the full or part of the amount of tax shown on any return required to be filed under the provisions of the Tax Code or rules and regulations, or the full amount of tax due for which no return is required to be filed, on or before the date prescribed for its payment.

In case of a willful neglect to file a return within the period prescribed by the Tax Code or by rules and regulations, or for false or fraudulent filing of return, a penalty at the rate of fifty percent (50%) of the tax, or of deficiency tax in case of payment made before the discovery of the falsity or fraud, shall be imposed. Provided, that a substantial under-declaration of taxable sales or income, or a substantial overstatement of deductions, as determined by the Commissioner of Internal Revenue pursuant to the rules and regulations promulgated by the Secretary of Finance, shall constitute prima facie evidence of a false or fraudulent return.

For this purpose, "*substantial under-declaration of taxable sales or income*" shall mean failure to report sales or income in an amount exceeding thirty percent (30%) of the declared per return; while "*substantial overstatement of deductions*" shall mean a claim of deductions in an amount exceeding thirty percent (30%) of actual deductions.

**SECTION 4. Imposition of Interest** – There shall be assessed and collected on any unpaid amount of tax by the covered taxpayers, an interest at the reduced rate of fifty percent (50%) of the interest rate mandated in Section 249 of the Tax Code.

For this purpose, the legal interest imposable to covered taxpayers shall be six percent (6%). In case a new legal interest rate is prescribed, the Commissioner of Internal Revenue shall issue a separate Circular therefor.

**SECTION 5. Imposition of penalty for failure to file certain information returns.** – In case of failure to file an information return, statement or list, or keep any record, or supply any information as may be required, on the date prescribed therefor, a penalty of Five Hundred Pesos (P500.00) shall be paid for each such failure by the covered taxpayer, upon notice and demand by the Commissioner of Internal Revenue.

In no case shall the aggregate amount to be imposed for all such failures during a calendar year exceed Twelve Thousand Five Hundred Pesos (P12,500.00).

**SECTION 6. Compromise Penalty.** – In case of criminal violation by covered taxpayers of Sections 113, 237, and 238 of the Tax Code, not involving fraud, a reduced compromise penalty rate of fifty percent (50%) of the applicable rate or amount of compromise under Annex "A" of Revenue Memorandum Order No. 7-2015 and its subsequent amendments, if any, shall be applied.

For this purpose, the compromise penalty shall be collected in lieu of criminal prosecution for violation committed, where payment is based on a compromise agreement validly entered into between the covered taxpayer and the Commissioner of Internal Revenue.

Provided, that, in no case shall the compromise penalty differ in amount from those specified in these Regulations, except when duly approved by the Commissioner of Internal Revenue, or his duly authorized representatives.

Provided, further, that the compromise penalty herein prescribed shall not prevent the Commissioner of Internal Revenue, or his duly authorized representatives, from accepting a compromise amount higher than what is provided hereof.

Provided, lastly, that a compromise offer lower than the prescribed amount may be accepted after approval by the Commissioner of Internal Revenue, or his duly authorized representatives.

# REVENUE REGULATIONS NO. 7-2024

## April 11, 2024



Implements Sections 113, 235, 236, 237, 238, 242, 243 of the NIRC of 1997, as amended by Republic Act No. 11976 (Ease of Paying Taxes Act), on the registration procedures and invoicing requirements (Date Posted: April 12, 2024)

**SECTION 1. Scope.** – Pursuant to the provisions of Sections 244 and 245 of the National Internal Revenue Code of 1997, as amended (Tax Code), in relation to Section 47 of Republic Act (RA) No. 11976, otherwise known as the "Ease of Paying Taxes (EOPT) Act", these Regulations are hereby promulgated to implement the amendments on Registration Procedures and Invoicing Requirements Tax provisions.

**SECTION 2. Definition of Terms.** –

**1. Invoice** – it is a written account evidencing the sale of goods and/or services issued to customers in the ordinary course of trade or business. This includes Sales Invoice, Commercial Invoice, Cash Invoice, Charge/Credit Invoice, Service Invoice, or Miscellaneous Invoice. It is also referred to as a "principal invoice" and is categorized as follows:

**1.1 VAT Invoice** – it is a written account evidencing the sale of goods, properties, services and/or leasing of properties subject to VAT issued to customers or buyers in the ordinary course of trade or business, whether cash sales or on account (credit) or charge sales. It shall be the basis of the output tax liability of the seller and the input tax claim of the buyer or purchaser.

**1.2 Non-VAT Invoice** – it is a written account evidencing the sale of goods, properties, services and/or leasing of properties not subject to VAT issued to customers or buyers in the ordinary course of trade or business, whether cash sales or on account (credit) or charge sales. It shall be the basis of the Percentage Tax liability of the seller, if applicable.

Invoice may also serve as a written admission or acknowledgement of the fact that money has been paid and received for the payment of goods or services.

**2. Supplementary Document** – is a written document, other than sales or commercial invoice, which serves as source of accounting entries in the books of accounts.

This includes but not limited to official receipt, delivery receipt, order slip, debit and/or credit memo, purchase order, acknowledgement or cash receipt, collection receipt, bill of lading, billing statement, statement of account and any

other documents, by whatever name it is known or called, whether prepared manually (hand written information) or pre-printed/pre-numbered loose leaf (information typed using spreadsheet program or typewriter) or computerized as long as they are used in the ordinary course of business and being issued to customers or otherwise.

For purposes of VAT, Supplementary Documents are not valid proof to support the claim of input taxes by the buyers/purchasers of goods and/or services.

**SECTION 3. Invoicing and Accounting Requirements for Value-Added Tax (VAT) Registered Persons under Section 113 of the Tax Code.** –

All VAT-registered persons and those required to register for VAT shall comply with the following:

**A. Invoicing Requirements**

1. A VAT-registered person shall issue a duly registered VAT Invoice, for every sale, barter, exchange or lease of goods or properties, and for every sale, barter or exchange of services regardless of the amount of the transaction.

2. A VAT Invoice shall be issued as evidence of sale of goods and/or properties and sale of services and/or leasing of properties issued to customers in the ordinary course of trade or business, whether cash sales or on account (credit), which shall be the basis of the output tax liability of the seller and the input tax claim of the buyer.

**B. Information Contained in a VAT Invoice** – The following information shall be indicated in the VAT Invoice:

1. A statement that the seller is a VAT-registered person followed by the seller's Taxpayer Identification Number (TIN) and Branch Code (e.g., VAT Reg TIN 123-456-789-00000);

2. The total amount which the purchaser pays or is obligated to pay to the seller with the indication that such amount includes the VAT; provided that:

2.1 The VAT amount is shown as a separate item;

2.2 The term "VAT-Exempt Sale" is written or printed, if the sale is exempt from VAT;

2.3 The term "Zero-Rated Sale" is written or printed, if the sale is subject to zero percent (0%) VAT;

2.4 If the sale involves goods, properties or services some of which are subject to and some of which are VAT Zero-Rated or VAT-Exempt, the invoice shall clearly indicate the breakdown of the sale price between taxable, exempt and zero-rated components and the calculation of the VAT on each portion of the sale shall be shown on the invoice; Provided, that the seller may issue separate invoices for the taxable, exempt and zero-rated components of the sale.

3. The date of transaction, quantity, unit cost and description of the goods or properties or nature of the service;

4. In the case of sales in the amount of One thousand pesos (P1,000) or more where the sale or transfer is made to a VAT-registered person, the registered name or name, address and TIN of the purchaser, customer or client; and

5. Other information required under Section 6(B) of these Regulations.

**C. Accounting Requirements** – All persons subject to VAT under Sections 106 and 108 of the Tax Code shall maintain a subsidiary sales journal and subsidiary purchase journal on which the daily sales and purchases are recorded, in addition to the regular accounting records required.

**D. Consequence of Issuing Erroneous VAT Invoice**

1. All persons who are not VAT-registered and issued a VAT Invoice showing the person's TIN followed by the word "VAT" or showing the information under Section 3(B)(1) of these Regulations, shall, in addition to other percentage taxes, be liable to (i) VAT imposed under Section 106 or 108 Tax Code, without the benefit of any input tax credit and (ii) a fifty percent (50%) surcharge under Section 248(B) of the Tax Code.

The VAT shall be recognized as an input tax credit under Section 110 of the Tax Code, to the purchaser, buyer or receiver of erroneous VAT Invoice if all the required information under Section 3(B)(1) of these Regulations are shown on the invoice.

2. A VAT-registered person or seller issuing a VAT Invoice for a VAT-Exempt transaction, but fails to display the term "VAT-Exempt Sale" or clearly provide a breakdown of the VAT-Exempt Sale on the invoice as provided for under Section 3(B)(2.4) of these Regulations, shall be liable for the VAT in Section 106 and 108 as if Section 109 of the Tax Code did not apply.

3. Lack of information required under Section 3(B) of these Regulations – If a VAT-registered person or seller issues a duly registered VAT Invoice to another VAT-registered person or buyer/purchaser with lacking information required under Section 3(B) of these Regulations, the seller or issuer shall be liable for non-compliance with the invoicing requirements. However, the VAT amount shall still be allowed to be used as an input tax credit under Section 110 of the Tax Code, on the part of the purchaser or buyer, except if the lacking information pertains to any of the following:

- Amount of sales;
- VAT amount;
- Registered name and TIN as shown on the Bureau of Internal Revenue (BIR) Certificate of Registration of both purchaser or buyer and issuer or seller;

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- d. Description of goods or nature of services; and
- e. Date of transaction.

**SECTION 4. Preservation of Books of Accounts and Other Accounting Records under Section 235 of the Tax Code. –**

**A. Preservation**

1. All Books of Accounts, including the subsidiary books and other accounting records of corporations, partnerships, or persons, shall be preserved by the taxpayer for a period of five (5) years reckoned from the day following the deadline in filing a return, or if filed after the deadline, from the date of the filing of the return, for the taxable year when the last entry was made in the Books of Accounts.

Type	5 years
1. Manual Books of Accounts and other accounting records	In hard copies
2. Manual Bound Loose Leaf Books of Accounts and other accounting records	In hard copies
3. Computerized Books of Accounts and other accounting records	In electronic copies

2. The term “other accounting records” includes the corresponding invoices, receipts, vouchers and returns, and other source documents supporting the entries in the Books of Accounts.
3. The term “last entry” refers to a particular business transaction or an item thereof that is entered or posted last or the latest in the Books of Accounts when the same was closed.
4. The foregoing notwithstanding, if the taxpayer has any pending protest or claim for tax credit/refund of taxes, and the books and records concerned are material to the case, the taxpayer is required to preserve the Books of Accounts and other accounting records until the case is finally resolved in support of their defenses and aid, even beyond the prescribed 5-year retention period.
5. Unless a longer period of retention is required under the Tax Code or other relevant laws, the independent Certified Public Accountant (CPA) who audited the records and certified the financial statements of the taxpayer, has the responsibility – similar to that of the taxpayer - to maintain and preserve electronic copies of the audited and certified financial statements including the audit working papers for a period of five (5) years from the due date of filing the annual income tax return or the actual date of filing thereof, whichever comes later.
6. Books of Accounts and Other Accounting Records shall be subject to examination and inspection by internal revenue officers; Provided, that for income tax purposes, such examination and inspection shall be made only once in a taxable year, except for the following cases:
  - (a) Fraud, irregularity or mistakes, as determined by the Commissioner;

- (b) The taxpayer requests reinvestigation;
- (c) Verification of compliance with withholding tax laws and regulations;
- (d) Verification of capital gains tax liabilities; and

- (e) In the exercise of the Commissioner's power under Section 5(B) of the Tax Code, to obtain information from other persons, another or separate examination and inspection may be made. Examination and inspection of Books of Accounts and other accounting records shall be done in the taxpayer's office or place of business or in the office of the BIR. All corporations, partnerships or persons that retire from business shall, within ten (10) days from the date of retirement or within such period of time as may be allowed by the Commissioner in special cases, submit their Books of Accounts, including the subsidiary books and other accounting records, to the Commissioner or any of his deputies for examination, after which they shall be returned. Corporations and partnerships contemplating dissolution must notify the Commissioner and shall not be dissolved until cleared of any tax liability.

7. Any provision of existing general or special law to the contrary notwithstanding, the Books of Accounts and other pertinent records of tax-exempt organizations or grantees of tax incentives shall be subject to examination by the BIR for purposes of ascertaining compliance with the conditions under which they have been granted tax exemptions or tax incentives, and their tax liability, if any.

**B. Examination and Inspection**

1. In general, all books, registers, records, vouchers and other supporting papers and documents prescribed by the BIR and other records kept by the taxpayers shall be preserved intact, unaltered and unmitigated and shall be kept at all times in the place of business of the taxpayer, subject to inspection by any internal revenue officer, and upon demand, the same must be immediately produced and submitted for inspection.
2. The books of accounts and other accounting records may be examined and inspected for purposes of audit, request for exchange of information by a foreign tax authority under Sections 6 and 71 of the Tax Code, and in the exercise of the Commissioner's power to obtain information under Section 5 of the Tax Code, among others.
3. Examination and inspection of Books of Accounts and other accounting records shall be done in the taxpayer's office or place of business or in the office of the BIR.

**SECTION 5. Registration Requirements under Section 236 of the Tax Code. –**

- A. Manner and Time of Registration** – Every person subject to any internal revenue tax shall register, either electronically or manually, with the Revenue District Office (RDO) as follows:

1. **On or before the commencement of business** for Self-employed individuals, estates and trusts, corporations, and their branches, if any.

Commencement of business shall be reckoned from the day when the first sale transaction occurred or upon the lapse of thirty (30) calendar days from the issuance of the Mayor's Permit/Professional Tax Receipt (PTR)/Occupational Tax Receipt (OTR) by Local Government Unit (LGU), or the Certificate of Business Name Registration (CBNR) issued by the Department of Trade and Industry (DTI), or the Certificate of Registration (COR) issued by the Securities and Exchange Commission (SEC), whichever comes first.

A person shall be considered to have violated this provision when such person failed to register with the BIR within thirty (30) calendar days from the issuance of Mayor's Permit/PTR by the concerned LGU, or COR/CBNR issued by the SEC/DTI or the date of its first sales transaction prior to its registration with the BIR.

2. **Before payment of any tax due** for Corporations (Taxable or Non-taxable)/ One Time Transaction (ONETT).

Parties to ONETT transactions who, at the time of their transaction, have not yet been issued a TIN shall apply for issuance thereof at the time of payment of the tax due. Such TIN issued to the party involved shall be permanent and may be updated for future transactions of such person with the BIR, e.g. subsequent employment, establishing a business, etc.

3. **Before or upon filing of any applicable tax return, statement or declaration** as required by the Tax Code for Corporations, Partnerships, Associations, Cooperatives, Government Agencies and Instrumentalities (GAIs).

4. **Within ten (10) days from date of employment for Employees.**

Newly hired employees with no existing TIN are required to register through their employer via BIR's online registration system.

5. **Application under Executive Order (EO) No. 98, series of 1999.**

Individuals required to secure TIN for their transactions with government agencies shall apply for their TIN online via BIR's online registration system or from BIR Revenue District Office having jurisdiction over the place of their residence, at any time before they complete their transaction with such government agency. TINs issued under EO No. 98, series of 1999, shall be permanent and may be updated for future transactions of such person with the BIR (e.g., subsequent employment, establishing a business, etc.).

In any case, the Commissioner of Internal Revenue or his duly authorized representative may, for meritorious reasons, deny or revoke any application for registration.

**Place of Registration** – the following taxpayers shall be registered either electronically or manually, with the appropriate RDO.

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Type	Manner and Place of Registration
1. Self-employed individuals 1.1 Single Proprietors 1.2 Professionals in practice of profession	Online or manual registration at the RDO having jurisdiction over the place of business address.  In case of professionals who do not have a physical place of business, registration shall either be online or manual means at the RDO having jurisdiction over the place of residence.
2. Corporations, Partnerships, Associations, Cooperatives, Government Agencies and Instrumentalities (GAls), Non-individuals	Online or manual registration at the RDO having jurisdiction over the place of business address.
3. Nonresident Filipino Citizens, Nonresident Aliens, Nonresident Foreign Corporations  Overseas Filipino Workers (OFW)/ Filipino Overseas Contract Workers (OCW) (not engaged in business)	Online registration or manual registration at RDO No. 39 – South Quezon City.  Online or manual registration at the RDO having jurisdiction over the place of residence of the OFW/OCW.
4. Hired Employees 4.1 Local Employees 4.2 Resident Alien Employees  4.3 Nonresident Alien Employees (NRAE)	Online registration through employer or manual registration at the RDO having jurisdiction over the place of residence.  In case of NRAE, registration shall be online or manual at RDO No. 39 – South Quezon City.
5. Executive Order (EO) No. 98	Online or manual registration at the RDO having jurisdiction over the place of residence of the applicant.
6. Non-registered Parties to a One-Time Transaction (ONETT) 6.1 Donation 6.2 Estate	Online or manual registration at the RDO having jurisdiction over the place of residence of the parties or where the corresponding tax return will be filed.

Type	Manner and Place of Registration
6.3 Sale of real property 6.4 Sale of shares of stocks	
7. Estate 7.1 Engaged in business  7.2 Not engaged in business	RDO having jurisdiction of the place of the Head Office of the business of the decedent.  Where the estate tax return will be filed.
8. Trust	RDO having jurisdiction over the registered address of the Trustee. Provided, however, that in case such Trustee is not registered, registration of the trust shall be made with the RDO having jurisdiction over the business address of the Trustee.
9. Branch and Facility	RDO having jurisdiction over the place of business address or location of the facility. In case of taxpayers under the jurisdiction of the Large Taxpayers Service, its branches and facilities shall be registered at the concerned Large Taxpayers (LT) Office/Division where the Head Office is registered.

In case of system downtime or technical issues or errors, manual application for registration shall be processed at the concerned BIR offices. In any case, the Commissioner of Internal Revenue may issue and change the manner of registration through revenue issuances or circulars for tax administration purposes.

The requirement of payment of Annual Registration Fee of Five Hundred Pesos (P500.00) for every separate or distinct establishment or place of business is repealed and shall no longer be applicable effective January 22, 2024.

The place of residence may refer to the taxpayer's legal residence, principal residence, current residence or permanent residence.

**C. Registration of Business Taxpayers** – All persons engaged in business or practice of profession, self-employed and professionals not under employer-employee relationship, juridical entities, online sellers/merchants including those engaged in providing digital goods and services, unless otherwise exempted, shall:

1. Register and secure a BIR Certificate of Registration (COR) by the prescribed deadline under Section 5(A) hereof;

2. Comply with the invoicing requirements:
  - a. For manual issuance of invoice – secure an Authority to Print (ATP) or avail of BIR Printed Invoice;
  - b. For computer-aided issuance - secure Permit to use loose leaf invoice and ATP;
  - c. For Computerized Accounting System (CAS) and/or components thereof - secure Acknowledgement Certificate (AC).
3. Comply with the bookkeeping requirements:
  - a. For manual – register books of accounts;
  - b. For Loose-leaf and CAS – register books of accounts within the prescribed period.
4. Secure “Notice to Issue Invoices”; and
5. Attend the taxpayer’s initial briefing to be conducted by the respective RDOs to inform newly registered businesses of their rights and obligations.

The concerned RDO shall include the newly registered business taxpayers who registered electronically or manually in their monthly conduct of Tax Compliance Verification Drive (TCVD) after thirty (30) calendar days from the date of business registration to validate declarations in their applications and verify their existence.

All online sellers/merchants shall register with the BIR on or before the commencement of business in an e-markeplace platform in accordance with Section 236 of the Tax Code. Consequently, and in furtherance to the government’s thrust to protect and uphold the interests of the buyers/consumers from trade malpractices, e-marketplace operators shall require from their respective sellers/merchants the submission of their Certificate of Registration (COR) or BIR Form No. 2303, and include the same as part of e-marketplace operators’ minimum seller/merchant accreditation requirements.

- D. Registration of Business Name** – Each Business Name used, including the “store name” used in any online store or e-commerce platform, shall be registered with the BIR and shall be reflected in the BIR Certificate of Registration, provided, that each Business Name or “store name” is also registered with the Securities and Exchange Commission (SEC) or Department of Trade and Industry (DTI) as evidenced by a valid DTI Certificate of Business Name Registration or SEC Certificate of Registration or Articles of Incorporation or Partnership.
- E. BIR Business Registration Date** – The BIR Business Registration shall be reckoned from the date when the taxpayer registered its business and/or Business Name as reflected in the BIR Certificate of Registration.
- F. Issuance of Certificate of Registration to Head Office, Branch and Facility**– Subject to the provisions of Section 5(C) hereof, each Head Office, Branch and Facility shall be issued a Certificate of Registration or Electronic Certificate of Registration within the period/time prescribed in the BIR Citizen’s Charter, upon submission of complete documentary requirements.

# REVENUE REGULATIONS NO. 7-2024

## (Continuation)



Employees, ONETT taxpayers, individuals who have secured a TIN under EO No. 98 and/or non-business taxpayers, non-business Estate and Trust shall not be issued a Certificate of Registration.

A thirty pesos (P30.00) Documentary Stamp Tax (loose DST) shall be paid upon issuance of BIR Certificate of Registration or Electronic Certificate of Registration.

**G. Posting of Certificate of Registration** – All persons subject to the provisions of Section 5(C) and (D) hereof shall post or exhibit their original COR/Electronic Certificate of Registration (eCOR) at the place where the business is conducted and at each branch and/or facility in a way that is clearly and easily visible to the public. In case of a peddler or other persons not having a fixed place of business, the COR/eCOR shall be kept in the possession of the holder thereof or at the place of residence or at the Head Office's address, if applicable, subject to production upon demand of any internal revenue officer.

**H. Posting of Proof of Registration on Online Websites, E-Commerce or E-Marketplace Seller/Merchant's Page and other Platforms** – All online businesses, sellers or merchants and service providers operating a business through a website, social media or any digital or electronic means, shall display conspicuously the electronic copy of the BIR Certificate of Registration on their website, seller/merchant's account or profile pages of the e-commerce platform or mobile application. The displayed proof of registration shall be easily accessible and visible to buyers or customers visiting the seller's merchant page or online/e-commerce shop.

**I. Registration of Each Type of Internal Revenue Tax** – Every person who is required to register with the BIR under Section 5(A) hereof, shall register each type of internal revenue tax for which such person is obligated; file a return and pay the tax due thereon, either electronically or manually; and update such registration of any changes thereof.

**J. Cancellation of Registration** – The registration of any person shall be cancelled upon mere filing, either electronically or manually, of an application for registration information update in a form prescribed therefor with the RDO where such person is registered. However, this shall not preclude the Commissioner of Internal Revenue or his authorized representative from conducting an audit in order to determine any tax liability.

**K. Transfer of Registration** – In case a registered person decides to transfer the place of business or head office or branch/es, it shall be the person's duty to update the registration status by merely filing, either electronically or manually, an application for registration information update in the form prescribed therefor: Provided, however, that if the transferring registered person is subject of an audit investigation, the RDO which initiated the audit investigation shall continue the same.

1. **Transfer of Registration of Non-business Taxpayers** – Taxpayers not engaged in business may submit their application for transfer of registration, either manually or via BIR online registration system, at the new RDO having jurisdiction over the place of residence of the taxpayer. In case of individuals who are registered as non-business taxpayers and subsequently applies for registration of business, the

application for business registration shall be directly submitted to the new RDO having jurisdiction over the business address.

2. **Transfer of Registration of Business Taxpayers** – Taxpayers engaged in business may submit their application for transfer of registration, either manually or via BIR online registration system at the current RDO where the taxpayer is registered. All open-cases/stop-filer cases shall be settled at the new RDO, except for those who are subject to audit investigations in which case any audit findings including open-cases/stop-filer cases shall be settled at the RDO which initiated the same. Thus, taxpayers with open-cases/stop-filer cases who are not subject to audit investigations shall be transferred to the new RDO within the prescribed period together with its open-cases/stop-filer cases.

The concerned taxpayer shall secure a new BIR Certificate of Registration from its new RDO. The new RDO shall include all newly transferred business taxpayers in its monthly TCVD after thirty (30) days from the issuance of new BIR Certificate of Registration.

**L. Unlawful Pursuit of Business** – Any person who carries on or engages in any business and is not duly registered with the BIR shall, upon conviction for each act or omission, be punished in accordance with the penalty provided in Sec. 258 of the Tax Code.

### SECTION 6. Issuance of Invoices under Section 237 of the Tax Code. –

#### A. Issuance –

1. All persons subject to an internal revenue tax shall, at the point of each sale and transfer of merchandise or for services rendered valued at Five hundred pesos (P500.00) or more, issue duly registered invoices, showing the name, Taxpayer Identification Number (TIN), date of transaction, quantity, unit cost and description of merchandise or nature of service.

The P500.00 amount shall be adjusted to its present values every three (3) years using the consumer price index, as published by the Philippine Statistics Authority (PSA).

2. The seller shall issue Invoice when the buyer so requires regardless of the amount of transaction. Provided, however, that if the sales amount per transaction is below the threshold but the aggregate sales amount at the end of the day is at least five hundred pesos (P500.00), the seller will issue one (1) invoice for the aggregate sales amount for such sales at the end of the day: Provided, finally, that VAT-registered persons shall issue duly registered invoice regardless of the amount of the sale and transfer of merchandise or for services rendered.

3. The word "Invoice" shall be printed on the face of the invoice to be issued to buyers or customers. The term Cash Sales or Charge Sales, at the seller's option, can be indicated in the Invoice as checkboxes to reflect the type of transactions. However, should the taxpayer opt to have a separate set of invoices for cash sales or charge sales, the word "Invoice" maybe printed indicating the transactions that will be issued such invoices. E.g. Cash Invoice, Charge Invoice/Credit Invoice, Billing

Invoice, Service Invoice, etc. Provided, that the word "Invoice" is prominently printed or larger than the word describing the transaction.

4. Considering that the Ease of Paying Taxes Act no longer requires the issuance of Official Receipts, it operates to establish the Invoice as the primary evidence for both sales of goods and services. The taxpayer, however, may issue Official Receipt, Collection Receipt or Payment Receipt as supplementary document showing proof of payment. To promote ease of doing business, the remaining unused Official Receipts can still be used at the option of the taxpayer, pursuant to Section 8(2) of these Regulations.

#### B. Information Contained in the Invoice – The Invoice shall contain the following information:

1. Taxpayer (Seller) Registered name as shown in BIR Certificate of Registration;

At the option of the taxpayer, in addition to its BIR-registered name, the taxpayer may choose to add its DTI Registered Business Name or Trade Name in SEC Articles of Incorporation/Partnership/Certificate of Incorporation of the taxpayer (seller).

2. A statement that the seller is a VAT or Non-VAT registered person followed by the seller's Taxpayer Identification Number (TIN) and Branch Code (e.g. VAT Reg TIN 123-456-789-00000, Non-VAT Reg TIN 987-654-321-00000);

3. Registered business address where the invoice shall be used;

4. The term Invoice is printed or included (e.g. Sales Invoice, Commercial Invoice, Cash Invoice, Charge Invoice, Credit Invoice, Service Invoice or any similar description followed by the word "Invoice");

5. Date of transaction;

6. Space provided for the registered name, registered business address and TIN of the buyer. If the sale of goods or services are directly between a business and consumers [Business-to-Consumer (B2C)] who are the end-users of its products or services, the, business address and TIN of the buyer are not required to be included;

7. Serial number printed prominently;

8. Quantity;

9. Unit cost;

10. Description of the goods or properties or nature of the service;

11. Total amount of sale. If VAT-registered, VAT is included in the total amount;

12. The VAT amount shall be shown as a separate item;



# REVENUE REGULATIONS NO. 7-2024

## (Continuation)



13. If the VAT taxpayer is engaged in mixed transactions, the sales involved shall be broken down into: VATable Sales, VAT Amount, Zero Rated Sales, and VAT Exempt Sales.

14. If the VAT taxpayer opts to issue separate invoices for the VATable sale, exempt and zero-rated components of the sale, the term 'VAT-Exempt Sale' is written or printed if the sale is exempt from VAT; or term 'Zero-rated Sale' is written or printed if the sale is subject to zero percent (0%) VAT.

15. For supplementary documents such as official receipts, delivery receipts, order slips, purchase orders, acknowledgment receipts, collection or cash receipts, credit/debit memo, job orders and other similar documents that form part of the accounting records of the taxpayer and/or issued to their customers, it is required, in addition to the above-enumerated applicable information, that the phrase "THIS DOCUMENT IS NOT VALID FOR CLAIM OF INPUT TAX." in bold letters, be conspicuously printed at the face of such supplementary documents.

16. Taxpayers whose transactions are not subject to VAT or percentage tax shall issue Non-VAT Invoice indicating at the face of such invoice the word "EXEMPT".

17. If the taxpayer is not VAT-registered and is subject to percentage tax under Title V of the Tax Code, but sells goods/services under Section 109 (A) to (CC) except (E) of the same Section, then the Non-VAT Invoice shall indicate the breakdown of Sales Subject to Percentage Tax (SSPT) and Exempt Sales.

18. For taxpayers transacting with (1) Senior Citizen/s (SC/s) and/or Person/s with Disability (PWD) pursuant to RA No. 7432, as amended and RA No. 7277, as amended, respectively; (2) National Athletes and Coaches (NAAC) pursuant to RA No. 10699; (3) Solo Parent pursuant to RA No. 8972, as amended; and (4) Medal of Valor (MOV) Awardee or his/her dependents pursuant to RA No. 9049, it is required that - in addition to the information enumerated above, a space for the following be provided:

- i. SC ID No. or any other government issued ID showing the name, picture, date of birth and nationality/PWD ID No./Philippine National Sports Team (PNSTM) ID No./Solo Parent ID No./MOV ID or MOV Dependent ID No.;
- ii. Amount of discount showing detailed breakdown of the 5% or 20% discount and 12% VAT Exemption, whichever is applicable;
- iii. Signature of the Senior Citizen/PWD/NAAC/Solo Parent/MOV Awardee or his/her qualified dependent: Provided, that for qualified purchases made by Senior Citizens/PWDs online or through mobile application, their physical signatures in the invoice are not required.

19. The following information shall be printed at the bottom portion of the manual Invoices:

- i. ATP Number/Outbound Correspondence Number (OCN), date issued;

ii. BIR Permit Number (if loose leaf Invoice);

iii. Approved inclusive serial numbers of Invoice;

20. The following information shall be printed at the top or bottom portion of the Invoices generated from Cash Register Machine (CRM)/Point of Sale Machine (POS)/Other Similar Machines or Software:

*Top portion:*

- i. Machine Identification Number (MIN);
- ii. Serial Number of the CRM/POS machine (if branded machine) and/or the Serial Number of the Hard Disk Drive and/or Software License Number (if cloned machine);
- iii. For reprinting of invoice, the word "REPRINT" should be prominently indicated;

*Bottom portion:*

- i. BIR Final Permit to Use (PTU) Number.

21. The following information shall be printed at the top or bottom portion of the Invoices of the system-generated from Computerized Accounting System (CAS), Computerized Books of Accounts (CBA) with Accounting Record and/or its Components and Other Similar System:

*Top portion:*

- i. For reprinting of invoice, the word "REPRINT" should be prominently indicated;

*Bottom portion:*

- i. BIR Permit to Use (PTU) Number or Acknowledgement Certificate Control Number (ACCN);
- ii. Series range to be used; and
- iii. Date Issued (mm/dd/yyyy).

**C. Tickets and other Similar Forms as Invoice** – Tickets, such as transportation tickets, event tickets, amusement tickets, movie tickets, parking tickets, raffle tickets, gaming/gambling tickets, electronic tickets, and other similar tickets, regardless of form or name, including those issued by ticketing machines, shall serve as both an invoice and proof of payment, if the word "Invoice" is printed therein and it contains all the required information outlined in Section 6(B) hereof. Otherwise, the same shall be considered as supplementary document and a separate invoice shall still be issued therefor.

**SECTION 7. Printing of Invoices under Section 238 of the Tax Code. –**

1. All persons, whether private or government, who are engaged in business and will use manual invoices shall secure/apply from the BIR an Authority to Print (ATP) principal

and supplementary documents free of charge, before an Accredited Printer of Invoices can print the same.

National Government Agencies (NGAs), Government Owned and Controlled Corporation (GOCCs) and Local Government Units (LGUs) engaged in proprietary functions shall apply for ATP in the printing of their principal and supplementary documents.

2. No authority to print invoices shall be granted unless the invoices to be printed are serially numbered and shall show, among other things, the name, TIN and business address of the person or entity to use the same, and such other information set forth under these Regulations.
3. All persons or Accredited Printers who print invoices shall maintain a logbook/register of taxpayers who availed of their printing services. The logbook/register shall contain the following information:
  - a. Names, TIN of the persons or entities for whom invoices were printed; and
  - b. Number of booklets, number of sets per booklet, number of copies per set and the serial numbers of the invoices in each booklet.

**SECTION 8. Transitory Provisions. –**

1. **Certificate of Registration (COR) reflecting the Registration Fee** – Business taxpayers are not required to replace its existing BIR Certificate of Registration that includes Registration Fee. The COR shall retain its validity although the Registration Fee is shown therein, and taxpayers are no longer required to pay the Annual Registration Fee. Updating the COR is only necessary if there are changes to the registration information, excluding the Registration Fee, reflected on the COR.
2. **Unused Official Receipts** –
  - 2.1 **Taxpayer to continue the use of remaining Official Receipts as supplementary document.** – All unused or unissued Official Receipts may still be used as supplementary document until fully consumed, provided that the phrase "THIS DOCUMENT IS NOT VALID FOR CLAIM OF INPUT TAX." is stamped on the face of the document upon effectivity date of these Regulations. The Official Receipt, along with other equivalent documents such as Collection Receipt, Acknowledgement Receipt and Payment Receipt are all the same, serve as proof of payment that cash has been received or that payment has been collected/made for goods and/or services.
  - 2.2 **Taxpayer to convert and use the remaining Official Receipts as Invoice.** – For ease of doing business, taxpayers shall be allowed to strikethrough the word "Official Receipt" [e.g. ~~Official Receipt~~] on the face of the manual and loose leaf printed receipt and stamp "Invoice", "Cash Invoice", "Charge Invoice", "Credit Invoice", "Billing Invoice", "Service Invoice", or any name describing the transaction, and to be issued as primary invoice to its buyer/purchaser until

# REVENUE REGULATIONS NO. 7-2024 (Continuation)



December 31, 2024. These documents shall be valid for claim of input tax by the buyer/purchaser for the period issued from January 22 to December 31, 2024, provided that the invoice to be issued bears the stamped "Invoice" and contains information required under Section 6(B) of these Regulations. The converted invoice as defined in Section 2 hereof can serve as proof of sales transaction and proof of payment at the same time. Any Official Receipts, whether stamped with "Invoice" or unstamped, issued after December 31, 2024, will be considered supplementary documents as provided in Section 8(2.1) of hereof and ineligible for input tax claims.

The stamping of official receipts as invoices by taxpayers does not require approval from any Revenue District Offices/LT Offices/LT Divisions but must comply with Section 8(2.3) hereof. Taxpayers should obtain newly printed invoices with an Authority to Print (ATP) before fully using or consuming the converted Official Receipts or before December 31, 2024, whichever comes first.

**2.3 Reportorial Requirement of Unused Official Receipts to be Used as Invoice Upon Effectivity of these Regulations** – All unused manual and loose leaf Official Receipts to be converted as Invoice shall be reported by submitting an inventory of unused official receipts, indicating the number of booklets and corresponding serial numbers within thirty (30) days upon effectivity of these Regulations, to the RDO/LT Office/LT Division where the Head Office or Branch Office is registered, in duplicate original copies. The receiving Branch RDO shall transmit the Original copy to the Head Office RDO and retain the duplicate copy.

**3. Cash Register Machines (CRM) and Point-of-Sales (POS) Machines and E-receipting or Electronic Invoicing Software** – Taxpayers using CRM/POS/E-receipting/E-invoicing may change the word "Official Receipt (OR)" to "Invoice", "Cash Invoice", "Charge Invoice", "Credit Invoice", "Billing Invoice", "Service Invoice", or any name describing the transaction, without the need to notify the Revenue District Office(s) having jurisdiction over the place of business of such sales machines, since the reconfiguration shall be considered as minor system enhancement which shall not require the reaccreditation of sales software/system on the part of the software supplier nor the reissuance of the Permit to Use on the part of the taxpayer-user. Provided further, that the serial number of the renamed Invoice shall start by continuing the last series of the previously approved Official Receipt and shall submit notice, indicating the starting serial number of the converted invoice, to the RDO/LT Office/LT Division where the machines are registered, in duplicate original copies. The receiving Branch RDO shall transmit the duplicate copy to the Head Office RDO.

Taxpayers that are using duly registered Computerized Accounting System (CAS) or Computerized Books of Accounts (CBA) with Accounting Records need to revisit their system to comply with the provisions of the EOPT Act. Since the system reconfiguration will have a direct effect on the financial aspect, it shall be considered as major enhancement which will require taxpayer to update their system registration following the existing policies and procedures of filing a new application. The previously issued Acknowledgement Certificate (AC) or Permit to Use shall be surrendered to the RDO where the concerned taxpayer is registered, and a new AC shall be issued to the Head Office/Branch(es). The required Annex of the AC shall indicate

all the branches (if applicable) that are using the said system/software and the sets of series of accountable forms (Invoice) to be used by each of the branches, if applicable.

In order to provide ample time in reconfiguring machines and systems, adjustments shall be undertaken on or before June 30, 2024. Any extension due to enhancements of system shall seek approval from the concerned Regional Director or Assistant Commissioner of the Large Taxpayers Service which shall not be longer than six (6) months from the effectivity of these Regulations.

Documents issued by CRM/POS, e-receipting or electronic invoicing software containing the word "Official Receipt" beginning the effectivity of these Regulations shall not be considered as valid for claim of input tax by the buyer/purchaser.

Issuance of "Official Receipt" for the sale of goods or services after June 30, 2024 will not be considered as evidence of sales of goods or services and shall be tantamount to failure to issue or non-issuance of Invoice required under Section 6(A) hereof subject to penalty of not less than One Thousand Pesos (Php 1,000.00) but not more than Fifty Thousand Pesos (Php 50,000.00) and suffer imprisonment of not less than two (2) years but not more than four (4) years pursuant to Section 264(a) of the Tax Code.

**SECTION 9. Separability Clause.** – If any of the provisions of these Regulations is subsequently declared invalid or unconstitutional, the validity of the remaining provisions hereof shall remain in full force and effect.

**SECTION 10. Repealing Clause.** – All other issuances and rules and regulations or parts thereof which are contrary to and inconsistent with any provisions of these Regulations are hereby repealed, amended, or modified accordingly.

**SECTION 11. Effectivity.** – These Regulations shall take effect fifteen (15) days following its publication in the Official Gazette or the BIR official website, whichever comes first.

# REVENUE REGULATIONS NO. 8-2024

## April 11, 2024



### Implements Sections 21(b) of the NIRC of 1997, as amended by Republic Act No. 11976 (Ease of Paying Taxes Act), on the classification of taxpayers (Date Posted: April 12, 2024)

**SECTION 1. Scope.** – Pursuant to the provisions of Sections 244 and 245 of the National Internal Revenue Code of 1997, as amended (Tax Code), in relation to Section 47 of Republic Act (RA) No. 11976, otherwise known as the “Ease of Paying Taxes (EOPT) Act”, these Regulations are hereby promulgated to implement Section 21(b) of the Tax Code on the classification of taxpayers.

**SECTION 2. Coverage and Classification of Taxpayers.** – Taxpayers shall be classified, and be covered by these Regulations, as follows:

- A. **Micro Taxpayer** – shall refer to a taxpayer whose gross sales for a taxable year is less than Three Million Pesos (₱3,000,000.00).
- B. **Small Taxpayer** – shall refer to a taxpayer whose gross sales for a taxable year is Three Million Pesos (₱3,000,000.00) to less than Twenty Million Pesos (₱20,000,000.00).
- C. **Medium Taxpayer** – shall refer to a taxpayer whose gross sales for a taxable year is Twenty Million Pesos (₱20,000,000.00) to less than One Billion Pesos (₱1,000,000,000.00).
- D. **Large Taxpayer** – shall refer to a taxpayer whose gross sales for a taxable year is One Billion Pesos (₱1,000,000,000.00) and above.

For purposes of classification of taxpayers under these Regulations, gross sales shall refer to total sales revenue, net of VAT, if applicable, during the taxable year, without any other deductions.

Gross sales shall only cover business income, excluding compensation income earned under employer-employee relationship, passive income under Sections 24, 25, 27 and 28, and income excluded under Section 32(B), all of the Tax Code.

Business income shall include income from the conduct of trade or business or the exercise of a profession.

**SECTION 3. Initial Classification of Taxpayers.** - Taxpayers who will register to engage in business or practice of profession upon the effectivity of these Regulations shall initially be classified based on its declaration in the Registration Forms starting from the year they registered, and shall remain as such unless reclassified.

The concerned taxpayer shall be reclassified in accordance with the threshold values as stated under Section 2 of these Regulations.

**SECTION 4. Notification on the Classification/Reclassification.** – Taxpayers shall be duly notified by the BIR of their classification or reclassification, as may be applicable, in a manner or procedure to be prescribed in a revenue issuance to be issued separately.

**SECTION 5. Transitory Provisions.** - Taxpayers registered in 2022 and prior years shall be classified on the basis of their gross sales for taxable year 2022.

For taxpayers registered in 2022 and prior years but without any submitted information on their gross sales for taxable year 2022, and taxpayers registered in 2023 or in 2024 before the effectivity of these Regulations, they shall initially be classified as MICRO, except VAT-registered taxpayers, who shall be classified as SMALL.

# REVENUE MEMORANDUM ORDER NO. 14-2024

## April 12, 2024



### Creates Alphanumeric Tax Code (ATC) for Creditable Withholding Tax on Certain Income Payments by Joint Ventures/Consortiums

TO : All Collection Agents, Revenue District Officers and Other Internal Revenue Officers Concerned

#### I. OBJECTIVE:

To facilitate the proper identification and monitoring of payment for creditable withholding tax on certain income payments by joint ventures/consortiums pursuant to the issuance of Revenue Regulations (RR) No. 14-2023, the following ATCs are hereby created:

ATC	Description	Tax Rate	Legal Basis	BIR Form No.
WI750 WC730	Income payments made by joint ventures, whether incorporated or not, taxable or non-taxable, to their local/resident supplier of goods. Individual Corporate	1%	RR No. 14-2023	1601-EQ/ 2307
WI760 WC740	Income payments made by joint ventures, whether incorporated or not, taxable or non-taxable, to their local/resident supplier of services. Individual Corporate	2%		
WC750	On the share of each co-venturer/member from the net income of the joint venture/consortium not taxable as corporation prior to actual or constructive distribution thereof. Corporate	15%		

#### II. REPEALING CLAUSE:

This Revenue Memorandum Order (RMO) revises portions of all other issuances inconsistent herewith.

#### III. EFFECTIVITY:

This RMO shall take effect immediately.

Access here: [Full Text](#)

# REVENUE MEMORANDUM CIRCULAR NO. 56-2024

## April 17, 2024



### Clarifies the issuance of Electronic Certificate Authorizing Registration relative to One-Time Transaction (ONETT)

REVENUE MEMORANDUM CIRCULAR NO. 56-2024

**SUBJECT :** Clarification on the Issuance of Electronic Certificate Authorizing Registration Relative to One-Time Transaction (ONETT)

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

With the passage of the Republic Act No. 11976, known as the "Ease of Paying Taxes (EOPT) Act", the filing of any tax return shall now be made electronically in any of the available electronic platforms [e.g., Electronic Filing and Payment System, eBIR Forms Facility, tax returns filing application/solutions of Authorized Taxpayer Service Providers (ATSPs)], while the payment of tax due thereon can either be made electronically or manually through any Authorized Agent Banks (AABs), Revenue Collection Officers (RCOs), regardless of where the taxpayer is registered. Thus, concerns on the processing and issuance of electronic Certificate Authorizing Registration (eCAR) pertaining to One-Time Transaction (ONETT) arose since under current policy, the payment of taxes related to ONETT is required to be made with AABs/RCOs under the jurisdiction of the Revenue District Office (RDO) responsible in the processing and issuance of eCAR to facilitate validation of tax payments prior to the approval of eCAR.

In view thereof, this Circular is issued to put clarity on the aforesaid concern. The venue for the processing and issuance of eCAR, regardless of where the tax return and the tax payments were made, shall still be at the RDO which has jurisdiction over the ONETT, as follows:

- a. **Sales of real property** – RDO which has jurisdiction over the location of the property subject of sale;
- b. **Sale of personal property**- RDO which has jurisdiction over the residence of the seller;
- c. **Donation** – RDO which has jurisdiction over the residence of the donor (individual)/ RDO where the donor is registered (non-individual); and
- d. **Estate** – RDO which has jurisdiction over the issued Taxpayer Identification Number (TIN) of the Estate of the Decedent.

If the decedent has registered business, however, the processing of eCAR shall be processed by the RDO where the business is registered since it is where the TIN for

the decedent shall likewise be secured pursuant to existing policy. In case the decedent has no registered business, the TIN may be secured from the RDO where the administrator or heirs intend to apply for the issuance of eCAR.

Taxpayers who will need BIR's assistance in the computation of tax pertaining to ONETT are encouraged to proceed with the RDO which has jurisdiction over the ONETT as stated above to secure approved ONETT Computation Sheet, which shall then be the basis in the subsequent filing of the requisite tax return.

For taxpayer's convenience, they may also use the electronic ONETT (eONETT) system in the application for the issuance of eCAR. This system can be accessed anytime, anywhere, provided there is an internet connection.

All are enjoined to give this Circular a wide publicity as possible.



  
ROMEO D. LUMAGUI, JR.  
Commissioner of Internal Revenue



# FISCAL INCENTIVES REVIEW BOARD



# FIRB MEMORANDUM CIRCULAR NO. 001-2024

## March 27, 2024



### Online submission of ATIR and ABR through FIRMS

**Section I. Background.** The Implementing Rules and Regulations (IRR) of the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act mandates the following:

1. The Fiscal Incentives Review Board (FIRB) to develop a single database for monitoring and analysis of fiscal incentives granted to RBEs.<sup>1</sup>
2. The RBEs availing of tax incentives to submit to the IPAs the ATIR and ABR, furnishing a copy to the FIRB, within thirty (30) calendar days from the statutory deadline for filing of annual income tax returns and payment of taxes.<sup>2</sup>
3. The heads of the respective IPAs to submit the firm-level and project-level data of RBEs to the FIRB in a machine-readable format.<sup>3</sup>

**Section II. Purpose.** This Circular is issued to inform all IPAs, RBEs, and other stakeholders of the availability of the electronic ATIR and ABR data entry and submission module in FIRMS, which allows the RBEs to input their project-level data and the IPAs to validate, consolidate, and transmit to the FIRB the consolidated data through FIRMS. This circular also provides guidelines on the modes of submission of ATIR and ABR to facilitate accurate and timely reporting.

**Section III. Modes of submission.** The RBEs and IPAs are directed to comply with the following modes of submission of the ATIR and ABR:

#### A. Modes of RBE submission of the ATIR and ABR

1. **Electronic ATIR and ABR data entry and submission.** The new ATIR and ABR data entry module in FIRMS digitalizes the data input process of RBEs by directly inputting their data within the system. This development ensures that recurring data fields are automatically pulled within the report resulting in as much as a 50%<sup>4</sup> reduction of data fields to be filled-out. In addition, the digital user interface and embedded data validation are designed to support a more intuitive and user-friendly experience in filling out the ATIR and ABR, as compared to the structural limitations of the Excel/spreadsheet template.
2. **Submission through the prescribed Excel template (FIRB Form No. 3000AS).** For RBEs using the FIRB Form No. 3000AS, the accomplished template must be uploaded to FIRMS through the "Manual submission" submodule for purposes of copy furnishing the FIRB.

#### B. Modes of IPA submission of the consolidated ATIR and ABR

1. **For RBE submissions received through the electronic ATIR and ABR in FIRMS,** the respective IPAs shall consolidate the submissions through the new module within FIRMS. As this module is designed to provide the IPAs with more time to validate the data submitted by removing the mechanical aspect of consolidation, this mode is expected to improve data quality and reinforce efficiency.
2. **For RBE submissions received through the Excel ATIR and ABR template (FIRB Form No. 3000AS),** the respective IPAs are responsible for manually consolidating the reports in the prescribed Excel template (FIRB Form No. 3001AS). Once consolidated, the consolidated report must be emailed directly to the FIRB Secretariat at [firbsecretariat@ntrc.gov.ph](mailto:firbsecretariat@ntrc.gov.ph).

Access here: [FIRB MC No. 001-2024](#)

# FIRB MEMORANDUM CIRCULAR NO. 001-2024 (Continuation)



**Section IV. Period of submission.** All RBEs availing of tax incentives shall submit to their respective IPAs the ATIR and ABR for the taxable year 2023 **no later than 15 May 2024**.<sup>5</sup> Further, the IPAs shall submit to the FIRB the consolidated reports **no later than 14 June 2024**.<sup>6</sup>

For RBEs that have submitted their ATIR and ABR to their respective IPAs using the previously circulated modes of submission<sup>7</sup>, such RBEs shall be considered compliant with the ATIR and ABR requirement. Nonetheless, the respective IPAs may opt to direct their RBEs to input or upload their ATIR and ABR data in FIRMS in order to facilitate a more efficient consolidation and review process. However, the original date of submission for these RBEs shall remain unchanged, provided that the mode of submission is aligned with FIRB Memorandum Circular No. 001-2023.

Additionally, the initial submission date of the ATIR and ABR by an RBE will be recognized as the actual date of submission for establishing compliance timelines, which must be thirty (30) calendar days from the statutory deadline for filing of tax returns. However, the submitted reports must be complete and accurate.

Please note that the submission of incomplete and inaccurate ATIR and ABR within the prescribed deadline may still be considered non-compliance, subjecting the entity to penalties under Section 308 of the Tax Code, and may serve as a ground for the cancellation/suspension/withdrawal of incentives under FIRB Administrative Order No. 004-2023.

**Section V. Contingency submission procedure.** In the event that the electronic ATIR and ABR module in FIRMS becomes temporarily inaccessible, the FIRB secretariat shall issue a separate advisory stating such fact.

In this regard, the mode of submission shall be in accordance with the FIRB Memorandum Circular No. 001-2023. Nonetheless, the advisory will detail the steps to be taken, informing both the IPAs and RBEs of the alternative submission procedures to ensure compliance and continuity in the reporting process.

All concerned stakeholders are encouraged to monitor the FIRB website and official IPA and FIRB correspondences for any updates or advisories regarding the operational status of the FIRMS, including frequently asked questions (FAQs) on the ATIR and ABR.

The FIRB secretariat is committed to providing up-to-date information and assistance to ensure full compliance with the reportorial requirements.

You may reach out to your designated IPAs for any questions or clarifications. Alternatively, the FIRB Secretariat's Monitoring and Evaluation Group can assist you with any inquiries or clarifications. They may be contacted at (02) 5317-6363 loc. 8854 or through email at [firbmeg@ntrc.gov.ph](mailto:firbmeg@ntrc.gov.ph).





# ANTI-MONEY LAUNDERING COUNCIL



# AMLC REGULATORY ISSUANCE NO. 01, SERIES OF 2024

## April 8, 2024



### Guidelines on Compliance Optimization and Registration System

#### Section 3. Registration of Covered Persons.

3.1. The following covered persons shall register with the AMLC:

(a) The following financial institutions:

1. Persons supervised and/or regulated by the Bangko Sentral ng Pilipinas (BSP), including their subsidiaries and affiliates, which are also covered persons, supervised and/or regulated by the BSP such as:
  - (a) Banks;
  - (b) Quasi-banks;
  - (c) Trust entities;
  - (d) Pawnshops;
  - (e) Non-stock savings and loan associations;
  - (f) Other Non-bank financial institutions which under special laws are subject to BSP supervision and/or regulation;
  - (g) Electronic money issuers; and
  - (h) Foreign exchange dealers, money changers, and remittance and transfer companies.

4. Persons, including lawyers, accountants and other professionals, who provide any of the following services:

- (a) Managing of client money, securities or other assets;
- (b) Management of bank, savings, securities or other assets;
- (c) Organization of contributions for the creation, operation or management of companies; and
- (d) Creation, operation or management of juridical persons or arrangements, and buying and selling business entities.

5. Casinos, including internet-based casinos and ship-based casinos.

6. Real Estate Brokers and Developers.

For this purpose, real estate brokers, whether practicing in individual capacity or under a real estate brokerage firm, shall register individually as a covered person.

7. Offshore Gaming Operators and their service providers.

Access here: [AMLC RI No. 1, series of 2024](#)

# AMLC REGULATORY ISSUANCE NO. 01, SERIES OF 2024

## April 8, 2024



### Section 4. AMLC Registration.

All covered persons shall register with the AMLC and comply with the following requirements:

(a) *Transaction Reporting.*

All covered persons shall register with the AMLC to be able to access its electronic reporting system—the AMLC Portal—and file covered and suspicious transaction reports, if warranted.

(b) *Customer Due Diligence.*

All covered persons transacting with covered person-clients shall require the AMLC Certificate of Registration (COR) or Provisional Certificate of

Registration (PCOR) as part of customer identification process and risk profiling.

(c) *Market Entry.*

Consistent with their respective authorities, Supervising Authorities, or other licensing or business registration authorities, shall prescribe registration with the AMLC as a requirement for continued licensing and/or operations of covered persons.

For this purpose, newly established DNFbps shall register with the AMLC prior to commencement of its operation as a DNFbp, pursuant to Department of Interior and Local Government (DILG) – Anti-Money Laundering Council (AMLC) Joint Memorandum Circular No. 01, Series of 2023 (*Guidelines in the Issuance of Business Permit/License of the Designated Non-Financial Businesses and Professions (DNFBPs) Pursuant to RA 9160, Also Known as the Anti-Money Laundering Act of 2001, as Amended*).

### Section 5. Online Registration System.

5.1. *AMLC Portal.*

Covered persons shall access the online registration system at <https://portal.amlc.gov.ph>.

5.2. *Monitoring of User Accounts.*

The ORS shall provide a mechanism for monitoring the covered person's user accounts by requiring COs and their alternates to update their information every two (2) years or whenever there are changes in their registration information.

5.3. *Directory of Compliance Officers.*

The ORS shall serve as AMLC's directory of COs and their alternates.

### Section 6. Requirements for Registration.

6.1. *General Requirements.*

Covered persons shall ensure that the following requirements are present before proceeding with AMLC registration:

- (a) Designation of a CO and their alternate/s, if applicable;
- (b) Use of an electronic device with internet access;
- (c) Complete basic information and contact details;
- (d) Complete set of documentary requirements; and
- (e) Valid e-mail address;

6.2. *Compliance Officer.*

Covered persons shall designate their COs and their alternates whose basic information and contact details shall be indicated in the ORS.

6.3. *Electronic Device.*

Covered persons shall use an electronic device with internet browser and access to internet to be able to use the AMLC Portal and proceed with AMLC registration.

6.4. *Mandatory Basic Information and Contact Details.*

Covered persons shall provide the following information in the ORS:

- (a) Covered Person Information
  - (1) Nature of Business;
  - (2) Covered Person Name;
  - (3) Mailing address (Head Office); and
  - (4) Zip Code.
- (b) Contact Details (Chief Executive Officer/Managing Partner/Real Estate Broker)
  - (1) Title;
  - (2) First Name;
  - (3) Last Name;
  - (4) Position;
  - (5) Email Address; and
  - (6) Telephone Number.

### Section 7. Procedure.

7.1. The following shall be the streamlined procedure in registering with the AMLC:

- (a) Open the internet browser in the electronic device and go to <https://portal.amlc.gov.ph>.
- (b) Fill up the required basic information and contact details.
- (c) Upload the required supporting documentary requirements.
- (d) Verify the email addresses.

The COs and their alternates shall verify their email addresses within 72 hours from receipt of system generated email containing the link for "Email Address Verification". Otherwise, the link will expire after the period mentioned and the COs and their alternates shall all repeat the online registration.

(e) *Receipt of the Provisional Certificate of Registration.*

- (1) After all email addresses have been validated, an email will be sent containing the link for a digital copy of the PCOR.
- (2) The PCOR shall contain a unique control number and shall be valid for six (6) months from the date of issuance. Date of issuance pertains to the date when the email address/es have been validated. The institution code, username and password will not yet be provided during this stage. These shall be provided after the AMLC has reviewed, validated and approved the application for registration.

(f) *Accomplishment of the DNFbp Risk Assessment and Data Collection Questionnaire.*

# AMLC REGULATORY ISSUANCE NO. 01, SERIES OF 2024 (Continuation)



For newly registered DNFBBPs, a link for the *DNFBFP Risk Assessment and Data Collection Questionnaire* (Questionnaire) shall be provided together with the link of the digital copy of the PCOR. The Questionnaire should be accomplished within thirty (30) days from date of issuance and shall be sent to the following:

- (1) Lawyers/law firms providing the covered services under the AMLA;
- (2) Accountant/accounting firms providing the covered services under the AMLA;
- (3) Other persons and entities providing the covered services under the AMLA;
- (4) Jewelry dealers and/or dealers of precious metals and stones;
- (5) Real estate developers; and
- (6) Real estate brokers.

(g) *Multi-factor Authentication.*

(1) *One-time Password (OTP).*

To utilize the multi-factor authentication feature, all users must first log-in to the AMLC Portal. This will prompt the user to read and accept the terms and conditions of the OTP feature. After which, an OTP will be sent to the registered email, which shall be entered in the OTP field of the log-in page.

(2) *Succeeding log-in to the AMLC Portal.*

An OTP will be sent to the registered email every time the COs and their alternates will access the AMLC Portal using their log-in credentials. The OTP shall then be entered in the OTP field of the log-in page.

(h) *Approval of Registration.*

- (1) The AMLC shall review the covered person's registration within six (6) months from the issuance of the PCOR.
- (2) Once approved, the covered person shall receive an email notification from the AMLC about the approval. The email containing the approval will be sent to all registered COs and their alternates and shall contain the name of the covered person, Institution Code, user type (compliance officer or alternate) usernames and passwords of the COs and their alternates, and approval and expiration dates of the user account.

(i) *Issuance of the Certificate of Registration (COR).*

The AMLC shall issue a COR, with the facsimile signature or QR code of the Executive Director or, in his absence, the Officer-in-Charge, of the AMLC upon determination of the completeness of the documentary requirements and accuracy of the registration information.

7.2. *Denial of Registration.*

The AMLC may deny the issuance of the COR or cancel a previously issued one, if the covered person fails to provide truthful, accurate, and complete registration requirements. An email will be sent to the CO advising them of the reason for Denial and the action to be taken:

- (a) Repeat the process in case of incomplete or wrong documents attached, or inconsistency/ies in the information provided and documents submitted.
- (b) No more action if found to be not a CP.

7.3. *Mandatory Updating of Registration.*

7.3.1. Covered persons shall update their registration via the Account Setting of the ORS every two (2) years. An email notification reminding CPs to update registration, will be sent starting from thirty (30) days from account expiration and every five (5) days thereafter. Failure to update the registration shall result in the deactivation of the covered person's user access in the AMLC Portal.

In case of deactivation, the CO will be redirected to a window showing the CP's information. In case there is no change in the registration information and list of authorized officers, CO shall be required to update by clicking the "Submit" button, otherwise if there are changes, the CO will be required to repeat the whole online registration process.

7.3.2. Covered persons shall immediately update its online registration whenever there are changes in the profile of its COs and their alternates, its address and contact details, or any material change in its registration.

7.4. *Notification Requirements for DNFBBPs.*

DNFBFBPs, through its CO shall notify the AMLC via email at [dpd-csg@amlc.gov.ph](mailto:dpd-csg@amlc.gov.ph), about the occurrence of the following:

- (a) *At the commencement of operations.* The DNFBFP shall notify AMLC within five (5) working days from the start of operations of each individual office of the DNFBFP.

(b) *Transfer of location.* The DNFBFP shall notify within five (5) working days from the actual date of transfer. For corporation and partnership, it shall also submit a copy of a board resolution or a partners' resolution for the transfer of location.

(c) *Closure of office.* The DNFBFP shall notify AMLC within five (5) working days from the actual date of closure. For corporation and partnership, it shall also submit a copy of a board resolution or a partners' resolution for the closure of office.

(d) *Closure of business.* The DNFBFP shall notify AMLC within five (5) working days from the actual date of closure. For corporation and partnership, it shall also submit a copy of a board resolution or a partners' resolution for the closure of business.

(e) *Change of name.* The DNFBFP shall notify AMLC before the change of name takes effect. It shall also submit a COR from the DTI, SEC, or other relevant government agencies, indicating the new business/registered name.

(f) *Change of ownership or control.* The DNFBFP shall notify AMLC before the change of ownership or control takes effect. Change of ownership or control shall refer to any transaction involving the transfer of equity that will result in ownership or control of at least twenty percent (20%) of the assets or voting shares of stock, as the case may be, of the DNFBFP by any person, whether natural or juridical, or any transfer of interest or equity, which will enable the buyers to elect or to be elected as, a director or officer of equivalent power or authority. For corporation and partnership, it shall also submit a copy of a board resolution or a partners' resolution for the change of ownership or control.

7.5. *AMLC Website Posting.*

The list of successfully approved and registered covered persons, which will be updated monthly, shall be published in the AMLC website.



***Reference Disclaimer:***

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