



# LEGAL GAZETTE

**GOVERNMENT ISSUANCES: MAY - JUNE 2024**



# BUREAU OF INTERNAL REVENUE



# REVENUE MEMORANDUM CIRCULAR NO. 60-2024

## May 9, 2024



### Provides clarifications and guidance on Section 6 of RR No. 4-2024 on the repeal of Section 34 (K) of the NIRC of 1997, as amended

This Circular is hereby issued to provide clarification and guidance on the amendments introduced by Republic Act No. 11976 otherwise known as the "Ease of Paying Taxes (EOPT) Act", particularly on the repeal of Section 34 (K) of the National Internal Revenue Code (Tax Code) of 1997, as amended. The amendment is implemented through Section 6 of Revenue Regulations No. 4-2024.

Quoted hereunder is the provision of Section 34 (K) of the Tax Code, as amended:

*"Section 34 (K) – Additional Requirements for Deductibility of Certain Payments. – Any amount paid or payable which is otherwise deductible from, or taken into account in computing gross income or for which depreciation or amortization may be allowed under this Section, shall be allowed as a deduction only if it is shown that the tax required to be deducted and withheld therefrom has been paid to the Bureau of Internal Revenue in accordance with this Section, Section 58 and 81 of this Code."*

With the repeal of the above-quoted provision under the EOPT Act, a particular income payment where a tax is required to be withheld can now be allowed as deduction from the gross income, even if no tax was withheld, provided the same is necessary, ordinary and duly substantiated expense related to the registered business of the taxpayer.

Since the EOPT Act took effect on January 22, 2024, a question arose if the repeal of the said provision may be applied to all assessed cases and on-going audits covering taxable periods prior to the effectivity of EOPT Act.

In this regard, all concerned are hereby advised of the following policies and clarifications:

1. On all ongoing audit covering taxable period prior to January 1, 2024 – expenses subject to withholding tax shall be allowed as deductions from gross income by the Revenue Officers (RO) **only** if the corresponding tax required to be withheld have been paid, whether prior to audit or submission of the audit report to the Reviewing Office.
2. In a scenario where taxpayer failed to withhold the tax required to be withheld on expenses subject to withholding tax and the taxpayer did not pay the same prior to submission of the audit report to the reviewing office, the RO has to recommend for the issuance of assessment notice both on income and withholding tax. This is in line with the provisions of Revenue Regulations No. 6-2018.
3. On audit cases which are already submitted to the Reviewing Office
  - a. Paid Case – same application stated under item 1 hereof;
  - b. Assessed Case – apply the requirement of deductibility under the then Section 34 (K) of the Tax Code, thus, assessment on both income tax and withholding tax shall be issued.

For taxable year covering January 1, 2024 onwards, expenses/income payments subject to withholding tax shall be allowed as deductions from gross income for purposes of computing taxable income even if no tax was withheld, provided the other requirements for deductibility have been met. However, the taxpayer shall still be liable for the payment of the corresponding withholding tax due on said income payments.

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

# REVENUE MEMORANDUM CIRCULAR NO. 62-2024

## May 16, 2024



### Announces the availability of the "Taxpayer Classification Inquiry" functionality in the Online Registration and Update System

Pursuant to the provisions of Republic Act No. 11976, otherwise known as "Ease of Paying Taxes (EOPT) Act", and pursuant to Revenue Regulations No. 8-2024, taxpayers shall be classified into Micro, Small, Medium and Large Taxpayers, based on their annual gross sales from their business, to wit:

**A. Micro Taxpayer** – a taxpayer whose gross sales for a taxable year is less than Three Million Pesos (P 3,000,000.00)/

**B. Small Taxpayer** – a taxpayer whose gross sales for a taxable year is Three Million Pesos (P 3,000,000.00) to less than Twenty Million Pesos (P 20,000,000.00).

**C. Medium Taxpayer** – a taxpayer whose gross sales for a taxable year is Twenty Million Pesos (P 20,000,000.00) to less than One Billion Pesos (P 1,000,000,000.00).

**D. Large Taxpayer** – a taxpayer whose gross sales for a taxable year is One Billion Pesos (P 1,000,000,000.00) and above.

In relation to the foregoing, this Circular is hereby issued to announce the availability of the functionality for online Taxpayer Classification inquiry in the BIR's Online Registration and Update System (ORUS) through its "BIR Registered Business Search and Taxpayer Classification Inquiry" functionality.

To view/inquire on the Taxpayer's Classification under the EOPT Act, taxpayer-applicants shall access ORUS through <https://orus.bir.gov.ph/home> and follow the procedures below.

1. In ORUS Homepage, select the "Verify TIN/Search BIR-Registered Business" from the displayed functionalities.
2. Select "BIR-Registered Business Search and Taxpayer Classification Inquiry" from the dropdown list.

3. Click the "Proceed" button.
4. Taxpayer shall be required to input the following details:
  - a. Registered Name or Trade Name (as shown on the Certificate of Registration – BIR Form No. 2303)
  - b. TIN and Branch Code
5. Tick the box for verification (I'm not a robot), then click the "Search" button. Taxpayer's Classification will be displayed (Micro, Small, Medium, Large). Note your Taxpayer Classification.
6. Should you disagree with your initial Taxpayer Classification, send a letter to the Revenue District Office (RDO) where you are registered and inform the said RDO of your correct Taxpayer Classification. Proof of your claim for the correct classification [i.e. Taxable Year (TY) 2022 Income Tax Return or TY 2022 Income Statement showing the Gross Sales, etc.] should be attached to the letter.
7. The RDO shall evaluate the documents submitted by the taxpayer and make the necessary correction in the Taxpayer Classification, if the taxpayer's claim is correct/valid.
8. The RDO shall inform the taxpayer of the result of the evaluation and the action taken.

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

# REVENUE MEMORANDUM CIRCULAR NO. 64-2024

## May 28, 2024



### Clarification on the Ante-dating of Deeds of Sale Involving Real Properties

This Circular is hereby issued to provide policies and clarifications on ante-dating of deeds of sale involving real properties.

In case of delay in the presentation of notarized deeds of sale or other transfer documents, the relevant laws and regulations on the kind of tax, rate of tax, zonal or fair market values, effective at the date of notarization shall be applied, but the corresponding penalties and interest for late filing of return and payment of applicable taxes shall be imposed.

However, in cases where it is found that the deeds of sale or other transfer documents are ante-dated, the laws and regulations effective at the time of presentation of the deeds of sale or other transfer documents shall be applied. Unless the taxpayer proves otherwise, a deed of sale or transfer document may be considered as ante-dated in the following instances:

1. Documents dated before the effectivity of the capital gains tax law;
2. Documents dated before the effectivity of the regulations imposing the creditable withholding tax on sales or transfers of real property; and
3. Documents dated before the effectivity of the current zonal values as reflected in the latest Revised Schedules of Zonal Values of Real Properties within the jurisdiction of the concerned Revenue District Office.

In order to show that there is no ante-dating of public instruments, a taxpayer may submit supporting documents such as, but are not limited to, cancelled checks, invoices, contracts to sell, or certifications from the appropriate Clerk of Court or Executive Judge, or the National Archives of the Philippines.

# REVENUE MEMORANDUM ORDER NO.18-2024

May 28, 2024



## Modifies Alphanumeric Tax Code for Creditable Withholding Tax on certain income payments by joint ventures/consortiums

### 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 modified:

EXISTING (per ATC Handbook)					MODIFIED/ NEW
ATC	Description	Tax Rate	BIR Form No.	Legal Basis	ATC
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%	1601-EQ/ 2307	RR No. 14-2023	WI770 WC770
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%			WI780 WC780
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%			WC790

# REVENUE REGULATIONS NO. 11-2024

## June 13, 2024



### Amending the transitory provisions of Revenue Regulations No. 7-2024 relative to the deadlines for compliance with the invoicing requirements

#### SECTION 2. Amendments and Extension of Deadlines for Compliance. –

Section 8 – Transitory Provisions of RR No. 7-2024 is hereby amended to read as follows:

#### “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 displays the 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 Registration Fee, reflected on the COR.
2. **Unused Official Receipts –**
  - 2.1. **Taxpayers may continue the use of remaining Official Receipts as supplementary document.** – All unused or unissued Official Receipts may still be used as supplementary document upon the effectivity date of these Regulations 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. 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 may convert and use the remaining Official Receipts as Invoice and convert the Billing Statement/Statement of Account/Statement of Charges into Billing Invoice.** – For ease of doing business, taxpayers shall be allowed to strikethrough the word “Official Receipt” [e.g. ~~Official Receipt~~] or “Billing Statement/Statement of Account/Statement of Charges into Billing Invoice” [e.g. ~~Billing Statement~~] 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 fully consumed. Provided, that the converted “Official Receipt” or “Billing Statement/Statement of Account/Statement of Charges” shall contain the required information provided under Section 6(B) of RR No. 7-2024, including the quantity, unit cost and description or nature of service pursuant to Sec. 237 of the Tax Code. Such information and other required information may also be stamped if not originally indicated in the old Official Receipt/Billing Statement/Statement of Account/Statement of Charges to comply with these requirements.



The above documents shall be considered valid for claiming of input tax by the buyer/purchaser and can serve as proof of both sales transaction and payment at the same time for the period issued from April 27, 2024 until they are fully consumed, provided that the converted Invoice/Billing Invoice to be issued bears the stamped “Invoice/Billing Invoice” and there is no missing information as enumerated under Section 3(D)(3) of RR No. 7-2024.

Effective April 27, 2024, any manual/loose leaf “Official Receipts” issued without a stamped “Invoice” will be considered supplementary documents as provided in Section 8(2.1) of these Regulations, and ineligible for input tax claims.

The stamping of Official Receipt as Invoice or Billing Statement/Statement of Account/Statement of Charges as Billing Invoice 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/Billing Statement/Statement of Account/Statement of Charges.

# REVENUE REGULATIONS NO. 11-2024 (Continuation)



2.3. **Reportorial requirement for unused Official Receipts/Billing Statement/Statement of Account/Statement of Charges to be used as Invoice or Billing Invoice upon effectivity of these Regulations** – All unused manual and loose leaf Official Receipts/Billing Statement/Statement of Account/Statement of Charges to be converted as Invoice or Billing Invoice shall be reported by submitting an inventory of unused Official Receipts/Billing Statement/Statement of Account/Statement of Charges indicating the number of booklets and corresponding serial numbers on or before July 31, 2024, to the RDO/LT Office/LT Division where the Head Office or Branch Office is registered, in duplicate 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 inform of such change the Revenue District Office(s) having jurisdiction over the place of business of such sales machines. Such 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.

Taxpayers that are using duly registered Computerized Accounting System (CAS) or Computerized Books of Accounts (CBA) with Accounting Records (AR) need to revisit their system to comply with the provisions of the EOPT Act. Since the system enhancement 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 in registering use of CAS or CBA with AR. 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 enhancement of CAS/CBA with AR, adjustments shall be undertaken on or before December 31, 2024. Any extension due to

the reconfiguration/enhancements of system must be approved by the concerned Regional Director or Assistant Commissioner of the Large Taxpayers Service which shall not be longer than six (6) months from December 31, 2024.

The serial number of the renamed Invoice to be issued by CRM/POS machines, e-receipting or electronic invoicing software, CAS or CBA with AR shall start by continuing the last series of the previously approved Official Receipt and shall submit notice after the completion of reconfiguration/enhancement, indicating the starting serial number of the converted Invoice, to the RDO/LT Office/LT Division where the machines are registered, in duplicate copies, within thirty (30) days from the completion of machine/system reconfiguration/enhancement or on December 31, 2024, whichever comes first. The receiving Branch RDO shall transmit the original copy to the Head Office RDO.

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Documents issued by CRM/POS machines, e-receipting or electronic invoicing software, CAS or CBA with AR containing the word “Official Receipt” from April 27, 2024 until the completion of machine/system reconfiguration/enhancement shall be considered as valid for claiming of input tax by the buyer/purchaser until December 31, 2024 or until the completion of machine/system reconfiguration/enhancement, whichever comes first. Provided, that there is no missing information as enumerated under Section 3(D)(3) of RR No. 7-2024 and the machine/system printed/generated “Official Receipt/ Billing Statement/Statement of Account/Statement of Charges” is converted by striking through the term “Official Receipt/ Billing Statement/Statement of Account/Statement of Charges” and stamping the word “Invoice/Billing Invoice” on the document.

4. Issuing “Official Receipt” (with or without strikethrough) generated by CRM/POS machines, e-receipting, electronic invoicing software, CAS or CBA with AR for the sale of goods or services after December 31, 2024 or until the completion of machine/system reconfiguration/ enhancement, whichever comes first, and issuing manual/loose leaf “Official Receipt” without converting them to “Invoice” for the sale of goods or service starting April 27, 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. Such failure is 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.



# REVENUE MEMORANDUM CIRCULAR NO. 65-2024

## June 14, 2024



### Clarifies certain issues relative to the implementation of Section 19 of RA No. 11976 (Ease of Paying Taxes Act), which added Section 110(D) of the National Internal Revenue Code of 1997, as amended (Tax Code), that introduced the Output VAT Credit on uncollected receivables

This Circular is issued to clarify issues and set guidelines for the effective implementation of Section 110(D) of the Tax Code, as introduced in Republic Act (RA) No. 11976, also known as "Ease of Paying Taxes Act", which provides that:

**"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 this Code.**

**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."**

**Q1: What is the rationale of Section 110(D) above?**

**A1:** Sales are either made in cash or on account.

In Cash sales, the seller, who has passed-on the VAT to the buyer has no problem in the corresponding VAT due thereon to the Bureau since the seller has already collected the agreed selling price, including the corresponding VAT.

In credit sales, the seller, without having received the payment therefor, agreed to part the goods or properties, or lease the properties, or to render service, upon sale, barter or exchange, secured only by a written agreement that the buyer thereof promises to pay the money owed including the VAT at a certain period (credit term). The seller, being the person statutorily liable for the payment of the VAT, pays in advance the VAT passed-on to the buyer to the Bureau. In some cases, the receivables are not collected. Under these circumstances, the seller would ordinarily recognize the uncollected receivable including the VAT as a bad debt and claim the same as a deduction from gross income following the provisions set forth under Revenue Regulations (RR) No. 5-99, as amended by RR No. 25-2002.

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Founded on the interests of justice, the provision therefore provides an avenue by which a VAT-registered seller of goods or services can recoup the VAT paid in advance which was passed-on to the buyer and made part of the consideration resulting from the sale, barter or exchange on account or on credit, where such trade receivable has not been collected after the agreed period with the buyer. This rule covers credit of VAT shouldered and paid for by the seller.

**Q2: What is the meaning of the phrase "after the lapse of the agreed upon period to pay"?**

**A2:** For purposes of this Circular, the phrase "after the lapse of the agreed upon period to pay" means that the buyer, to whom goods or properties were sold, bartered or exchanged or to whom a property has been leased, or to whom service has been rendered upon written promise to pay the money owed and the passed on VAT at a certain period and where such period or extended date, as the case may be, has lapsed without the buyer having fulfilled the promise.

**Q3: Who can claim or deduct output VAT credit on uncollected receivables?**

**A3:** Only the seller of goods and/or services may deduct the output VAT which corresponds to the uncollected receivables originating from the sales on account that transpired upon the effectivity of RR No. 3-2024 from the output VAT of the next quarter after the lapse of the agreed upon period to pay.

**Q4: What are the conditions before a seller can credit the VAT paid on the uncollected receivables?**

**A4:** To be entitled to VAT credit, the following requisites must be present:

1. The sale or exchange has taken place after the effectivity of RR No. 3-2024;
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 on 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 BIR Form No. 2550Q or the quarterly VAT Return (QVR) 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 lapsed; and
8. The VAT component of the uncollected receivable was not claimed as a deduction from gross income (i.e. bad debt) pursuant to Section 34(E) of the Tax Code.

# REVENUE MEMORANDUM CIRCULAR NO. 66-2024

## June 14, 2024



### Submission of Inventory Report and Notice in Compliance with Transitory Provisions of Revenue Regulations No. 7-2024

Relative to the implementation of the transitory provisions of Revenue Regulations (RR) No. 7-2024, as amended, taxpayers can convert unused Official Receipts/Billing Statement/Statement of Account/Statement of Charges into Invoices/Billing Invoices. Additionally, they are required to submit Inventory Report related to these conversions **on or before July 31, 2024**; and Notice on the renaming of Official Receipt/Billing Statement/Statement of Account/Statement of Charges **within thirty (30) days from the completion** of machine/system reconfiguration/enhancement or on December 31, 2024, whichever comes first.

To streamline the process of report submission, taxpayers shall have the option to submit their Inventory Report and/or Notice being required under RR No. 7-2024 electronically : a) via email through **Taxpayer Registration-Related Applications (TRRA) Portal** which is accessible in the BIR Website under the eServices section (refer to Annex A for the User Guide); or b) via **direct email** of the Inventory Report and Notice to the Compliance Section of the Revenue District Office (RDO) – refer to Annex B for the List of Email Address of RDO's Compliance Section.

Taxpayers without email or internet access may still manually submit their Inventory Report and Notice to the Compliance Section of the RDO where the concerned Head Office or Branch is registered.

All concerned are hereby enjoined to be guided accordingly and give this Circular as wide a publicity as possible.

# REVENUE MEMORANDUM CIRCULAR NO. 67-2024

## June 18, 2024



### Clarifying the Deadline for Filing of Documentary Stamp Tax Return and Payment of the Corresponding Taxes

This Circular is issued to clarify the deadline for filing of Documentary Stamp Tax (DST) Return and payment of DST, considering the passage of Republic Act No. 11976, otherwise known as the "Ease of Paying Taxes Act" (EOPT Law).<sup>1</sup>

Section 200(B) of the National Internal Revenue Code of 1997, as amended (Tax Code), states:

*"Section 200. Payment of Documentary Stamp Tax. –*

*xxx xxx xxx*

*(B) Time for Filing and Payment of the Tax. – Except as provided by rules and regulations promulgated by the Secretary of Finance, upon recommendation of the Commissioner, the tax return prescribed in this Section shall be filed, either electronically or manually,<sup>2</sup> within ten (10) days after the close of the month when the taxable document was made, signed, issued, accepted, or transferred, and the tax thereon shall be paid at the same time the aforesaid return is filed.* (Underscoring supplied)

Based on the above provision, the Secretary of Finance, upon recommendation of the Commissioner of Internal Revenue, may prescribe the deadline for filing of DST returns and payment of DST. Pursuant to this authority, the Secretary of Finance issued Revenue Regulations (RR) No. 6-2001 which prescribes that the DST return shall be filed within **FIVE (5) DAYS** after the close of the month when the taxable document was made, signed, accepted, or transferred, and the tax thereon shall be paid at the same time the DST return is filed.

Since the EOPT Law did not introduce any amendment to the deadline for filing of DST return and payment of DST, the current rule under RR No. 6-2001 applies. Hence, the DST return shall be filed within **FIVE (5) DAYS** after the close of the month when the taxable document was made, signed, accepted, or transferred, and the tax thereon shall be paid at the same time the DST return is filed.

# REVENUE MEMORANDUM CIRCULAR NO. 68-2024

## June 19, 2024



### Circularizing the availability of the revised BIR Form No. 2550Q [Quarterly Value-Added Tax (VAT) Return] April 2024 (ENCS)

This Circular is issued to prescribe the newly revised BIR Form No. 2550Q [Quarterly Value-Added Tax (VAT) Return] April 2024 (ENCS) version.

The said return, attached herein as Annex "A", contains the items/fields listed below in compliance with the provisions of Republic Act (R.A.) No. 11976, otherwise known as the "Ease of Paying Taxes (EOPT) Act":

Item No.	Particulars
35	Output VAT on Uncollected Receivables
36	Output VAT on Recovered Uncollected Receivables Previously Deducted
55	Input VAT on Unpaid Payables
58	Input VAT on Settled Unpaid Payables Previously Deducted

The revised BIR Form No. 2550Q is already available in the BIR website ([www.bir.gov.ph](http://www.bir.gov.ph)) under the BIR Forms-VAT/Percentage Tax Returns Section. However, the Form is not yet available in the Electronic Filing and Payment System (eFPS) and Electronic Bureau of Internal Revenue Forms (eBIRForms), thus, filing of the returns and payment of the VAT payable, if any, shall be made as follows:

#### A. eFPS Filers

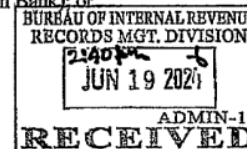
File using the existing version of BIR Form No. 2550Q in the eFPS and pay the VAT payable thereon, if any, through the eFPS-Authorized Agent Banks (AABs) where they are enrolled.

#### B. eBIRForms Filers

File using the existing version of BIR Form No. 2550Q in the Offline eBIRForms Package v7.9.4.2 and pay the VAT payable thereon, if any, through:

#### a) Online Payment

- **Landbank of the Philippines (LBP) Link.BizPortal** – for taxpayers who have LANDBANK/OFBank ATM account or for taxpayer utilizing PCHC PayGate or PESONet facility (depositors of Rizal Commercial Banking Corporation (RCBC), Robinsons Bank, Union Bank, Bank of the Philippine Island (BPI), Philippine Savings Bank (PSBank) and Asia United Bank); or
- **Development Bank of the Philippines' (DBP PayTax Online)** – for taxpayers-holders of VISA/MasterCard Credit Card and/or BancNet ATM/Debit Card; or
- **Union Bank of the Philippines (UBP) Online/The Portal Payment Facilities** – for taxpayers who have an account with UBP or Instapay using UPAY Facility (for individual Non-Account holder of Union Bank); or
- **Tax Software Provider (TSP)** – Maya or MyEG



#### b) Manual Payment

- Any Authorized Agent Bank (AAB); or
- In places where there are no AABs, the VAT payable shall be paid with the Revenue Collection Officer (RCO) under any Revenue District Office (RDO). RCO may accept cash payment up to P20,000.00 only or in check regardless of amount, payable to the "Bureau of Internal Revenue".

In cases where the eFPS or eBIRForms filers have amount to be indicated in any of the mentioned items in page 1 of this RMC (Items 35, 36, 55 and 58), they shall use the manual form to file their Value-Added Tax. They shall download and print the PDF version of the revised BIR Form No. 2550Q, and must fill out all the applicable fields; otherwise, penalties under Sec. 250 of the Tax Code, as amended, shall be imposed. If there's VAT payable, payment shall be made through:

- a) Any Authorized Agent Bank (AAB); or
- b) In places where there are no AABs, the return shall be filed and the VAT payable shall be paid with the Revenue Collection Officer (RCO) under any Revenue District Office (RDO). RCO may accept cash payment up to P20,000.00 only or in check regardless of amount, payable to the "Bureau of Internal Revenue".

#### C. Manual Filers

Download and print the PDF version of the revised BIR Form 2550Q, and must fill out all the applicable fields; otherwise, penalties under Sec. 250 of the Tax Code, as amended, shall be imposed. Payment of the tax due thereon, if any, shall be made through:

- a) Any AAB; or
- b) In places where there are no AABs, the return shall be filed and the VAT payable shall be paid with the RCO under any RDO. RCO may accept cash payment up to P20,000.00 only or in check regardless of amount, payable to the "Bureau of Internal Revenue".

# REVENUE MEMORANDUM ORDER NO. 23-2024

## June 19, 2024



**Prescribes the guidelines, policies and procedures in the implementation of the risk-based approach in the verification and processing of Value-Added Tax (VAT) refund claims, as introduced in Republic Act No. 11976 (Ease of Paying Taxes Act)**

### **I. GENERAL POLICIES**

1. The policies on risk-based verification of VAT refund claims pursuant to Section 112(A) of the Tax Code, as implemented under Section 3 of RR No. 5-2024, shall be strictly followed.
2. The assigned Revenue Officer/s (RO) of the VAT refund claim shall evaluate and ascertain from the necessary data available (i.e., documents submitted by the taxpayer-claimant and including those available in the records/database of the BIR) for purposes of classifying the risk level of VAT refund claims.
3. The concerned BIR office/s that possess/es the necessary data or information related to the risk factor identified in the matrix shall respond to the processing office/s within five (5) days upon receipt of the request for data from the latter. Requests and responses may be sent electronically via the dedicated email address of the concerned BIR office/s and processing office/s.  
  
Inasmuch as there is a 90-day period mandated by law to process VAT refund claims, BIR office/s that failed to provide the data within the prescribed 5-day period shall be administratively dealt with pursuant to Section 269(J) of the Tax Code, if such failure or inaction has become the cause of the delay in the processing of the VAT refund claim.
4. The assigned ROs of the VAT refund claim shall include in their respective working papers the matrix on how the risk level of the VAT refund claim was determined, providing justifications and supporting documentations, if any.

5. The assigned ROs shall follow the scope of the verification of sales and purchases of the VAT refund claims depending on the risk-level identified under Section II (2) of this Order.
6. The processing offices shall verify the record of VAT refund claims processed for the immediately preceding six (6) years with details of the taxpayer-claimant, amount of claim, period of claim, date of application, amount granted/denied and percentage of disallowance over the amount of claim, among others, which will be used by the assigned ROs in determining the risk-classification of the VAT refund claims.
7. For taxpayer-claimant filing other than the annual basis (i.e., quarterly, semestral, covering 3 quarters), the risk classification shall be made for every filing.
8. The processing offices shall furnish the Department of Finance, the BIR Management, and the Commission on Audit (COA), a monthly report on the VAT refund claims processed to include the risk level identified for each taxpayer-claimant.

# REVENUE MEMORANDUM ORDER NO. 23-2024 (Continuation)



## II. IDENTIFICATION OF THE RISK CLASSIFICATION OF THE CLAIM

1. The following VAT refund claims shall be automatically considered as high-risk or shall require full verification:
  - a. Claims filed on April 27, 2024 to June 30, 2024;
  - b. Filed by first-time claimant which will remain as such for the succeeding three (3) VAT refund claims;
  - c. The fourth (4<sup>th</sup>) claim following the three (3) consecutive low-risk classification of processed VAT refund claims;
  - d. Filed pursuant to Section 112(B) of the Tax Code;
  - e. Filed by taxpayer-claimant tagged as Cannot Be Located (CBL);
  - f. Filed by taxpayer-claimants with complaints duly filed at the Department of Justice (DOJ) and/or those facing criminal cases before the Courts under the Run After Tax Evaders (RATE) and Run After Fake Transactions (RAFT) programs;
  - g. Filed by taxpayer-claimant who has fully denied claim from its immediately preceding VAT refund claim; and
  - h. Applications for VAT refund claim covering more than one taxable quarter, where at least one taxable quarter is already prescribed.

For purposes of this Order, first-time claimant shall refer to those with no history of VAT refund application since registration with the BIR or no previous administrative claim for VAT refund for the last five (5) years prior to the application of claim as certified by BIR Assessment Programs Division (APD).

The enumeration under (a) to (h) shall not be considered exclusive. Other cases may be considered as high-risk claims as determined by the Commissioner of Internal Revenue based on reasonable criteria (e.g. relevant risk factors not otherwise captured in the risk matrix under item 2 of this Section). These shall be covered by a separate revenue issuance.

2. The risk classification shall be determined using a point system which considers the following main risk factors:

- a. Amount of VAT refund claim;
- b. Frequency of filing VAT refund claims;
- c. Tax compliance history; and
- d. Other risk factors (e.g., level of disallowance from previous claims)

3. The risk matrix attached hereto as Annex "A" shall be used as guide by the processing offices in determining a particular VAT refund claim's risk level.

4. Failure to secure data from the concerned office or the unavailability of data related to a specific risk factor (e.g., data on COA disallowance, etc.) shall automatically be excluded from the matrix and the corresponding weight assigned thereto shall be reallocated to the risk factor that has corresponding data/information within the same category under the main risk factors mentioned in no. 2 above.

Proof that efforts have been made to secure data from the concerned office which have become futile must be properly documented such as, but not limited, to email/letter requests, follow-ups and other similar communications.

5. The resulting weighted average following the prescribed pointing system shall be interpreted as follows:

**Low-risk:** 35.00% and below  
**Medium-risk:** above 35.00% but not exceeding 60.00%  
**High-risk:** above 60.00%

6. The risk matrix and risk factors shall be revisited and adjusted accordingly, if deemed necessary.

## III. REFUND CLAIMS PROCEDURES BASED ON RISK CLASSIFICATION

The scope of verification may be reduced in accordance with the identified risks as follows:

Risk Level	Submission of Complete Documentary Requirements Prescribed by the 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 <u>and</u> 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 VAT claimed <u>and</u> 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.

1. Before officially receiving the application, the assigned RO in the processing office shall perform the checklisting and pre-verification procedures to ensure the completeness of the submitted documentary requirements by the taxpayer-claimant. Only applications with complete documentary requirements shall be received and processed by the authorized processing office.
2. Processing of VAT refund claims classified as low-risk shall be limited only to the checking of the authenticity and completeness of documentary requirements under the Checklist of Mandatory Requirements in RMO No. 71-2023 (Annex A.1). Verification procedures for sales of goods and services as well as purchases and input tax shall no longer be performed.

# REVENUE REGULATIONS NO. 12-2024

## June 20, 2024



## Amending Sections 5 and 6 of RR No. 3-2019 on the validity of Certificate Authorizing Registration and its revalidation. (Date Posted: June 20, 2024)

### SECTION 1. BACKGROUND

The Certificate Authorizing Registration (CAR) being issued by the Bureau of Internal Revenue (BIR) allows the Land Registration Authority (LRA) to transfer ownership of real properties resulting from sale, donation and other mode of transfers. The CAR is issued by the BIR as a proof that the transfer of property was reported and that all necessary taxes were paid in full by the taxpayer.

BIR is currently issuing Electronic CAR (eCAR) with a validity period of five (5) years. The eCAR has an embedded barcode, which is being used by the Land Registration Authority System (LRA PHILARIS-RD System) to validate the pertinent data needed to proceed with the processing and issuance of a new property title.

However, not all eCARs issued by the BIR are presented within the five (5) year validity period, thus concerned parties have to request for the reissuance of the eCAR, thereby resulting to additional cost on the part of the taxpayer and work load on the part of the processing office. This is the reason why the current provisions of RR No. 3-2019 issued on March 28, 2019 relative to eCAR's validity is amended to remove the five (5) year validity of eCAR.

### SECTION 2. SCOPE

Pursuant to the provisions of Section 244 in relation to Sections 58(E), 95 and 97 of the National Internal Revenue Code of 1997, as amended, these Regulations are hereby promulgated in order to amend pertinent provisions of RR No. 3-2019, which prescribed the use of eCAR System.

### SECTION 3. AMENDMENTS

Sections 5 and 6 of RR No. 3-2019 are hereby amended to read as follows:

**"SEC. 5 –VALIDITY OF eCAR** - The eCAR shall be valid from the date of its issuance until such time that it is presented to the concerned Registry of Deeds (RD)."

**"SEC. 6 - REVALIDATION** – Only CARs issued outside of the BIR's eCAR System, if any, shall be allowed for revalidation.

### SECTION 4. TRANSITORY PROVISIONS

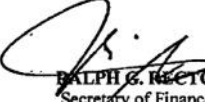

All eCARs issued through the BIR's eCAR System which is linked to the LRA PHILARIS-RD System shall remain to be valid and will no longer require revalidation even if the same is presented to the RD beyond the specified validity period.

### SECTION 5. REPEALING CLAUSE

Any rules and regulations, issuances or parts thereof inconsistent with the provisions of these Regulations are hereby repealed, amended or modified accordingly.

### SECTION 6. EFFECTIVITY

These Regulations shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

  
RALPH G. RECTO  
Secretary of Finance  
MAY 16 2024  


Recommended Approval:

  
ROMEO D. LUMANOG, JR.  
Commissioner of Internal Revenue  




# ANTI-MONEY LAUNDERING COUNCIL





## AMLC Advisory dated 14 May 2024



### ALL COVERED PERSONS TO DEAL ONLY WITH DESIGNATED NON-FINANCIAL BUSINESSES AND PROFESSIONS REGISTERED WITH THE AMLC

AMLC Resolution No. 81 dated 09 May 2019 directed the issuance of an advisory to covered persons (CPs) dealing with clients who are classified under the sector of Designated Non-Financial Businesses and Professions (DNFBPs) to demand presentation of their Certificate of Registration (COR) or Provisional COR (PCOR) with the AMLC as part of Customer Due Diligence (CDD) measures under Section 3.5(b)(1) of the 2018 Implementing Rules and Regulations of the AMLA, as amended. Failure of a DNFBP to supply its P/COR is a ground to conduct enhanced due diligence measure (EDD) and/or to re-evaluate the business relationship. On the part of the CP failing to comply with this directive, it may be cited for the applicable administrative sanctions under the Rules of Procedure in Administrative Cases (RPAC). [PRINT](#)

All CPs must deal only with registered DNFBPs with valid or subsisting P/COR or may risk being cited for a Serious Violation under Section 2(C)(25), Rule IV, of the RPAC.

The updated list of Registered DNFBPs as of *26 April 2024* is posted at [Registered DNFBPs](#).

For the names of newly registered DNFBPs not yet included in the list, CPs may contact for confirmation/validation the Registration Staff of the Compliance and Supervision Group, Detection and Prevention Department, at telephone numbers (632) 5302-3848, 5310-3244, 8708-7067.

Posted at [www.amlc.gov.ph](http://www.amlc.gov.ph) on 14 May 2024

Access here : <http://www.amlc.gov.ph>



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