Republic of the Philippines
Department of Finance
BUREAU OF INTERNAL REVENUE
National Office
Quezon City

RA No. 11032; RR No. 2-98, as amended; RR No. 16-2021; RMC No. 29-2021; RMC No. 117-2021		OT- 062-2025 APR 15 2025

Person to Contact: Chief, Law Division
Tel Nos. 8926-55-36 / 8927-09-63

SM Investments Corporation
10th Floor One-Ecom Center
Harbor Drive, Mall of Asia Complex
Pasay City, 1300

Attention: **Atty. Cresencio T. Meneses I**

Gentlemen:

This refers to the request of **SM Investments Corporation** for confirmation that the submission of soft/electronic copies of certificates of creditable tax withheld at source (BIR Form No. 2307) with electronic signatures (e-signature) pursuant to Revenue Memorandum Circular (RMC) No. 29-2021 and RMC No. 117-2021, is sufficient compliance for purposes of filing of an application for income tax refund/tax credit certificates and the submission of documentary requirements relating to tax audits with the Bureau of Internal Revenue (BIR).

In reply, please be informed that ***RMC No.*** now allows the use of e-signature in BIR Form/Certificate Nos. 2304, 2306, 2307 and 2316 in order to better comply with Republic Act (RA) No. 11032 or the Ease of Doing Business and Efficient Government Service Delivery Act of 2018.

Under the said Circular, withholding agents, income payors, or their duly authorized representatives and income payees/recipients have the option to use e-signatures aside from physical signatures even without prior approval of the BIR.

In connection therewith, ***Revenue Regulations (RR) No. 16-2021***, which was further clarified by ***RMC No. 117-2021***, provides for the modes of submission of soft copies of BIR Form No. 2307 such as digital versatile disc-recordable (DVD-R), Universal Storage Bus (USB) memory stick or other similar storage devices. Also, said BIR Form may be submitted through the electronic audited financial statements (eAFS) system of the BIR.

Please note that the procedures and submission of soft copies of BIR Form No. 2307 pursuant to the aforementioned revenue issuance are for compliance purposes only and should be read together with ***RMC No. 50-18*** which provides the due date in filing said BIR Form.

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However, for purposes of filing applications for income tax refund/credit certificates or the submission of documents relating to ongoing tax audits, please note that the submission of hard copies, even if electronically signed, of BIR Form No. 2307 is still required.

Jurisprudence dictates that in a claim for tax refund or tax credit, the applicant must prove not only entitlement to the claim but also compliance with all the documentary and evidentiary requirements. Well-settled is the rule that tax refunds are in the nature of tax exemptions and as such they are regarded as in derogation of sovereign authority and to be construed in *strictissimi juris* against the person or entity claiming it[1]. Thus, it is incumbent upon the claimant to submit pertinent documents to prove his claim for tax refund or credit.

Moreover, the retention period of said BIR Forms and other accounting records must comply with ***RR No. 17-2013, as amended by RR No. 05-2014.*** According to said RRs, books of accounts and other accounting records must be preserved by the taxpayer for a period of ten (10) years from the day following the deadline of filing a return or from the date of its filing, whichever comes later. Within the first five years, hard copies of the accounting records must be preserved and kept. Thereafter, the taxpayer may retain only an electronic copy of such accounting records in an electronic storage system for the remaining five (5) year period.

In view of the foregoing, the submission of electronic copies or soft copies of BIR Form No. 2307 is not sufficient compliance in applications for tax refund or tax credit or submission of documents in tax audits.

This ruling is issued on the basis of the facts as represented. However, if upon investigation it shall be disclosed that the actual facts are different, then this ruling shall be without force and effect insofar as the herein parties are concerned.

Very truly yours,

ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue

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[1] *M.E.T.R.O. (Manufacture, Export, Trade, Research Office), Inc. v. Commissioner of Internal Revenue* (CTA Case No. 8921, March 6, 2018)