REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

OT-010-2020
JAN 21 2020

HEAD AGENT EDWIN E. LABAO
Chief, Counter Intelligence Division
Intelligence Service, National Bureau of Investigation
Taft Avenue, Manila

Sir:

This refers to your letter dated January 14, 2019 requesting for verification of all or any tax records of Dennis B. Adre, Romeo D. Alberto, Datu Masiding M. Alonto, Jr., Khaliquzzaman M. Macabato, and Meriam Grace G. Pamonag, in connection with the lifestyle check investigation being conducted by your Office.

In reply, please be informed that Section 270 of the National Internal Revenue Code of 1997, as amended[1], provides that:

"**SEC. 270. Unlawful Divulgence of Information.** — Except as provided in Sections 6(F) and 71 of this Code and Section 26 of Republic Act No. 6388, any officer or employee of the Bureau of Internal Revenue who divulges to any person or makes known in any other manner than may be provided by law information regarding the business, income or estate of any taxpayer, the secrets, operation, style or work, or apparatus of any manufacturer or producer, or confidential information regarding the business of any taxpayer, knowledge of which was acquired by him in the discharge of his official duties, shall, upon conviction for each act or omission, be punished by a fine of not less than Fifty thousand pesos (P50,000) but not more than One hundred thousand pesos (P100,000), or suffer imprisonment of not less than two (2) years but not more than five (5) years, or both.

Any officer or employee of the Bureau of Internal Revenue who divulges or makes known in any other manner to any person other than the requesting foreign tax authority information obtained from banks and financial institutions pursuant to Section 6 (F), knowledge or information acquired by him in the discharge of his official duties, shall, upon conviction, be punished by a fine of not less than Five hundred thousand pesos (₱500,000) but not more than One million pesos (₱1,000,000), or suffer imprisonment of not less than two (2) years but not more than five (5) years, or both."

[1] As amended by Section 24 of Republic Act No. 11213 otherwise known as "Tax Amnesty Act".

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It is evident from the above provision that under the "unlawful divulgence" rule, personnel of the Bureau of Internal Revenue (BIR) cannot divulge information gained from taxpayers concerning the latter's business, income, or estate as well as the secrets, operation, style or work, or apparatus of any manufacturer or producer, or confidential information regarding the business of any taxpayer. Section 270 of the National Internal Revenue Code of 1997, as amended, is clear in its intent to protect taxpayers from having their otherwise sensitive and private information unnecessarily revealed to other parties. ***(BIR Ruling No. 211-2015 dated June 19, 2015 and BIR Ruling No. 188-2014 dated June 16, 2014)***

It is to be noted that there are exceptions to the aforementioned provision: (1) disposition of income tax returns under Section 71 of the National Internal Revenue Code of 1997, as amended; (2) disclosure of income tax returns under Section 26 of Republic Act No. 6388 in case of an individual who files a certificate of candidacy and executes a waiver for the examination of his returns; and (3) information given by the BIR pursuant to a request by a foreign tax authority under an existing tax treaty under Section 4 of Revenue Regulations No. 10-2010. ***(BIR Ruling No. 120-2013 dated March 22, 2013).*** However, your request does not fall under any of the above exceptions.

The divulgence of confidential information does not only erode the confidence of the taxpaying public in the reliability and ability of the BIR to safeguard the secrecy of the information, but also puts life and safety in danger. As such, the BIR issued Revenue Memorandum Circular (RMC) 50-2016, reminding its officials and employees that the unauthorized disclosure or divulgence of official or confidential information is criminally and administratively punishable by law and existing revenue issuances. The circular serves as a warning to revenue officials and employees that they will be held criminally and administratively liable if they violate the law.

In view of the foregoing, we regret to inform you that this Office is constrained to withhold such information pursuant to the prohibition under Section 270 of the National Internal Revenue Code of 1997, as amended.

Please be guided accordingly.

Very truly yours,

MARISSA O. CABREROS
Deputy Commissioner, Legal Group

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