REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

Sec. 270 NIRC
BIR Ruling No. 120-2013
#135-2016
4-18-2016

Commission on Audit (COA)
Office of the Auditor- Bureau of Internal Revenue
BIR National Office, Agham Road
Diliman, Quezon City

Attention: **Gloria M. Bacani**
Supervising Auditor
Audit Group NGS2-F-BIR

Gentlemen:

This refers to your letter dated September 2, 2015 requesting read/view and print access to the Mobile Revenue Collection Officers System (MRCOS) to the COA audit teams assigned to the Bureau of Internal Revenue (BIR).

It is represented that with the implementation in 2013 of the MRCOS by the BIR, the Revenue/Special Collection Officers (RCOs/SCOs) issue electronic Revenue Official Receipts/Official Receipts (eRORs/eORs) as evidence of collections; that electronic receipts are made acceptable based on Section 7 of Republic Act (RA) 8792, otherwise known as the "Electronic Commerce Act of 2000"; that recognizing the need to adapt to the subject development, the Commission on Audit issued COA Circular 2013-007 prescribing the "Guidelines for the Use of Electronic Official Receipts (eORs) to Acknowledge Collection of Income and Other Receipts of Government"; and that relative thereto, you are requesting read/view and print access to the MRCOS for your audit teams assigned to the BIR to effectively discharge its audit functions , particularly in the audit of collections.

In reply, please be informed that your request for read/view and print access to MRCOS cannot be granted. The MRCOS contains details of information about taxpayers the divulgence of which is strictly prohibited under Section 270 of the 1997 Tax Code, as amended. The aforesaid provision penalizes any officer or employee of the Bureau of Internal Revenue who, without authority, divulges 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. Section 270 is clear in its intent to protect taxpayers from having their otherwise sensitive and private information unnecessarily revealed to other parties.

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While there are exceptions to the aforementioned provision, to wit: (1) inspection of income tax returns upon the order of the President of the Philippines under Section 71 of the Tax Code; (2) disclosure of income tax returns under Section 26 of RA 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, the subject request for access to the MRCOS which contains details of information about taxpayers does not fall under any of the above exceptions. (*BIR Ruling No. 120-2013* dated March 22, 2013)

Moreover, paragraph X of Joint Administrative Order (JAO) No. 2 [Guidelines Implementing RA 8792 on Electronic Payment and Collection System (EPCS) in Government] dated October 25, 2006, issued by the Department of Finance (DOF) and the Department of Trade and Industry (DTI), provides that electronic data messages or electronic documents of Government Entities shall not be disclosed to any third party, except as otherwise allowed under existing laws. As discussed above, the subject request may involve disclosure of taxpayer's information which is strictly prohibited under Section 270 of the 1997 Tax Code, as amended.

Please be guided accordingly.

Sincerely yours,

KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

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