April 5, 2019

BIR RULING NO. 238-19

Sec. 270 of the National Internal Revenue Code of 1997, as amended; BIR Ruling No. 211-2015; BIR Ruling No. 188-2014; BIR Ruling No. 120-2013

Department of Trade and Industry
2nd Floor Trade and Industry Building,
361 Sen. Gil J. Puyat Avenue,
1200 Makati City

Attention: *Asst. Dir. Lilian G. Salonga*
OIC, Consumer Protection and Advocacy Bureau

Gentlemen :

This refers to your letter dated June 09, 2017, endorsing the letter of AAA, _____ of the University of the Philippines-National College of Public Administration and Governance dated May 29, 2017, requesting for Annual Financial Reports of all sole proprietor PUV Operators in the National Capital Region.

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

> *"SEC. 270. Unlawful Divulgence of Trade Secrets. — 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."*

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,

Copyright 2020 CD Technologies Asia, Inc.

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, the subject request of AAA does not fall under any of the above exceptions.

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,

(SGD.) CAESAR R. DULAY
Commissioner of Internal Revenue

Copyright 2020 CD Technologies Asia, Inc.