REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

January 25, 2019

REVENUE ADMINISTRATIVE ORDER NO. 1 - 2019

SUBJECT : AMENDMENT OF REVENUE ADMINISTRATIVE ORDER (RAO) NO. 2-2014 DATED AUGUST 7, 2014 RELATIVE TO THE ORGANIZATION AND FUNCTIONS OF THE LEGAL GROUP, INCLUDING THE SERVICES, DIVISIONS AND SECTIONS UNDER IT

TO : All Internal Revenue Officials and Employees

I. OBJECTIVE:

This Order is issued to amend RAO No. 2-2014 dated August 7, 2014 relative to the Organization and Functions of the Legal Group per EO 366.

II. AMENDMENTS:

The Legal Group, including the Services, Divisions and Sections under it is hereby amended as follows:

ORGANIZATION:

Legal Group

I. Legal Service
   A. Legal and Legislative Division
   B. Appellate Division
   C. International Tax Affairs Division

II. Internal Affairs Service
   A. Internal Investigation Division
   B. Personnel Adjudication Division

III. Enforcement and Advocacy Service
   A. Prosecution Division
   B. Litigation Division
   C. National Investigation Division

FUNCTIONS:

LEGAL GROUP

I. LEGAL SERVICE

1. Provides functional direction to the preparation and interpretation of revenue laws, implementing regulations/issuances, decisions on administrative protests involving questions of law and/or fact and claims for tax credit/refund of taxes erroneously paid, tax treaties, international tax policies and agreements and other legal matters;

2. Reviews for the Commissioner's approval all decisions, rulings and opinions on legal questions, which are of first impression. No case involving legal questions which are of first impression shall originate from and be issued by the Regional Director;

3. Serves as repository of all original agreements or contracts entered into by the Bureau except administrative contracts;

4. Administers the Legal Information System;

5. Controls, monitors and coordinates the activities of the Legal Divisions of the Regional Offices pertaining to law and appellate works;

6. Formulates policies and administers work programs, standards, guidelines and procedures, including forms relative to the abovementioned functions;

7. Identifies risks and recommends possible mitigating action plan;

8. Monitors, evaluates and improves programs and activities under its responsibility;

9. Reviews, recommends and/or approves all reports and other actions of the divisions under its responsibility;

10. Consolidates and/or prepares prescribed reports for submission to the offices concerned;

11. Coordinates with offices concerned in the implementation of the abovementioned functions;

12. Provides policy guidance and operational directions to all divisions under the Service and to Regional & District Offices relative to the abovementioned functions; and

13. Performs other functions as may be assigned.

A. Legal and Legislative Division

1. Formulates policies, work programs, standards, guidelines and procedures, including forms for the conduct of legal operations in the Bureau including the interpretation of the provisions of the National Internal Revenue Code (NIRC) of 1997 and other laws related thereto, preparation of drafts of revenue regulations, circulars and other revenue issuances required to implement the Tax Code, including amendments thereto and other special tax laws administered by the Bureau for submission to the Department of Finance (DOF);

2. Serves as clearing house for Revenue Regulations and other issuances involving legal matters or with tax implications prepared by other offices of the Bureau;

3. Coordinates with the Planning and Management Service relative to economic research and with the Operations Group and Large Taxpayers Service and other offices on matters with possible revenue impact, including proposed bills or legislation with tax implications;

4. Attends Congressional/Senate hearings relative to proposed legislative measures with internal revenue tax implications;

5. Submits to Legal Service all signed/approved official rulings and revenue issuances prepared by the Division for the regular updates of the Legal Information System;

6. Implements the uniform application of tax laws and regulations;

7. Prepares prescribed reports for submission to the offices concerned;

8. Prepares revenue issuances relative to the abovementioned functions;

9. Coordinates with offices concerned in the implementation of the abovementioned functions; and

10. Performs other functions as may be assigned.

1. Law Section

1.1. Prepares drafts of all rulings and opinions on legal issues of first impression involving the interpretation of the NIRC of 1997 and other laws related thereto;

1.2. Acts on requests for tax exemption under the NIRC of 1997 and other tax laws for cases falling under its jurisdiction;

1.3. Prepares digest of rulings and opinions and codifies the same for dissemination to the public;

1.4. Evaluates and reviews applications for accreditation as donee institution;

1.5. Reviews contracts and prepares memorandum to clarify issues arising from contracts; and

1.6. Performs other functions as may be assigned.

2. Legislative Section

2.1. Conducts studies and research on any proposed legislative measure that may affect internal revenue collection and administration or which may have tax implications, and prepares comments/recommendations/correspondence;

2.2. Coordinates with the DOF and other offices, agencies and instrumentalities relative to comments/ recommendations/ correspondence on proposed legislative measures with internal revenue tax implications;

2.3. Acts as the duly authorized representative of the Bureau or resource person during legislative hearings of bills which may have tax implications; and

2.4. Performs other functions as may be assigned.

B. Appellate Division

1. Formulates policies, work programs, standards, guidelines and procedures, including forms relative to administrative appeals and protests of taxpayers involving questions of law and/or fact and claims for credit/refund of taxes erroneously or illegally collected;

2. Resolves protests and requests for reinvestigation/reconsideration whether or not the protest is in accordance with the provisions of Section 228 of the NIRC of 1997, as amended, and its implementing regulations; or whether or not the protest involved a question of fact or of law or both on cases falling under its jurisdiction;

3. Issues notices of conference hearing and subpoena witnesses when necessary for the resolution of pending protested tax cases and claims for tax credit/refund falling under its jurisdiction;

4. Submits to Legal Service all administrative decisions of the Commissioner and approved revenue issuances prepared by the Division for the regular updates of the Legal Information System;

5. Prepares digest of administrative decisions of the Commissioner;

6. Conducts studies and researches relative to the abovementioned functions;

7. Prepares prescribed reports for submission to the offices concerned;

8. Prepares revenue issuances relative to the abovementioned functions;

9. Coordinates with offices concerned in the implementation of the abovementioned functions; and

10. Performs other functions as may be assigned.

1. Protest and Appeal Section

1.1. Acts on protests and/or appeals of taxpayers relative to protested assessment involving questions of law and/or fact for cases falling under its jurisdiction;

1.2. Prepares administrative decisions on protested tax cases involving questions of law and/or fact, and digest of the said decisions;

1.3. Decides protests and appeals of taxpayers submitted to CIR relative to assessment cases involving questions of law and/or fact decided upon in the Regional Office and/or by the duly authorized representatives of the Commissioner in accordance with Section 228 of the NIRC of 1997;

1.4. Evaluates requests for reconsideration of assessments and recommends to the proper office, the reinvestigation of contested or disputed assessments if the arguments adduced by the parties so warrant;

1.5. Prepares notices of conference hearing and subpoena witnesses when necessary for the resolution of protested tax cases falling under its jurisdiction;

1.6. Gathers official administrative decisions/actions on protested cases necessary in updating the Legal Information System; and

1.7. Performs other functions as may be assigned.

2. Tax Credit/ Refund Section

2.1. Prepares guidelines and procedures on protest/appeal on partial or full denial of claims for tax credit/refund of taxes and penalties erroneously or illegally collected;

2.2. Acts on request for reconsideration/protest/appeal on partial or full denial of claims for tax credit/refund by the Regional Office or Large Taxpayers Service or by the duly authorized representative of the CIR;

2.3. Processes claims for tax credit/refund of taxes and penalties erroneously or illegally collected at the time of payment which are the subject of a request for reconsideration/protest/appeal on partial or full denial of claims for tax credit/refund;

2.4. Prepares notices of conference hearing and subpoena witnesses when necessary for the resolution of claims for tax credit/refund falling under its jurisdiction;

2.5. Refers to the appropriate office/s claims for tax credit/refund which are directly filed by the taxpayers with the Appellate Division prior to normal audit of the return;

2.6. Gathers official decisions on taxpayers' claims for tax credit/refund necessary to update the Legal Information System; and

2.7. Performs other functions as may be assigned.

C. International Tax Affairs Division

1. Formulates policies, work programs, standards, guidelines and procedures, including forms for the proper and effective implementation of tax treaties including provisions on Exchange of Information (EOI) and Mutual Agreement Procedures (MAP); international agreements; and Philippine tax laws as they affect international organizations/ taxpayers and international transactions;

2. Formulates and administers work plans for the effective discharge of international commitments and obligations of the BIR [e.g. Study Group on Asian Tax Administration and Research (SGATAR), Global Forum];

3. Studies and recommends measures/ issuances affecting international taxpayers (e.g. multinational enterprises) and international transactions (e.g. Transfer Pricing, Advance Pricing Agreements, etc.);

4. Implements the uniform application of international tax laws, court decisions, revenue regulations and other revenue issuances;

5. Monitors and evaluates the implementation of activities and works related to the abovementioned functions;

6. Conducts, when necessary, information and dissemination campaign of special topics in international tax and tax treaties, for BIR officials and taxpayers;

7. Conducts studies and researches relative to the abovementioned functions;

8. Prepares prescribed reports for submission to the offices concerned;

9. Prepares revenue issuances relative to the abovementioned functions;

10. Coordinates with BIR offices concerned in the implementation of the abovementioned functions; and

11. Performs other functions as may be assigned.

1. Rulings and Mutual Agreement Procedures Section

1.1. Prepares rulings on applications for tax treaty relief and on questions involving the proper interpretation of the provisions of tax treaties and other international tax agreements;

1.2. Serves the Competent Authority for purposes of implementing the MAP provisions of tax treaties;

1.3. Coordinates with the Tax Treaty Policy and Negotiation Section in providing comments and recommendations on proposed legislative bills, revenue issuances and procedures affecting international tax matters;

1.4. Attends legislative hearings, inter-agency and government meetings on proposed bills and measures affecting international tax matters;

1.5. Drafts revenue issuances relative to international taxation; and

1.6. Performs other functions as may be assigned.

2. Exchange of Information Section

2.1. Implements and manages the EOI Program of the BIR;

2.2. Serves the Competent Authority for EOI purposes;

2.3. Processes certificates of residency of Philippine residents for tax treaty purposes;

2.4. Studies, recommends and prepares the necessary revenue issuances relative to the above functions;

2.5. Prepares EOI reports for submission to the offices concerned; and

2.6. Performs other functions as may be assigned.

3. International Cooperation Section

3.1. Handles visit of tax authorities and other visitors (foreign and local) desiring to be briefed on international tax matters;

3.2. Coordinates visits of foreign delegates with other BIR offices, and assists such offices on protocols, where purpose of visit does not concern international tax matters;

3.3. Liaises with, prepares correspondence to, and addresses inquiries from foreign embassies and international organizations like Organization for Economic Cooperation and Development (OECD), Asian Development Bank (ADB), International Bureau of Fiscal Documentation (IBFD), Japan International Cooperation Agency (JICA), OECD-Korea, et al.;

3.4. Processes Value-Added Tax (VAT) Exemption Certificates (VECs) requested by foreign embassies under the principle of reciprocity;

3.5. Issues Tax Exemption Certificates (TECs) to qualified personnel of the ADB and other International Organizations;

3.6. Advises government entities, tax practitioners, taxpayers and other personnel of the BIR regarding international taxation and provides them with materials on such agreements and related revenue issuances;

3.7. Acts as secretariat of Study Group on Asian Tax Administration and Research (SGATAR), other international tax conferences, meetings and seminars;

3.8. Prepares the necessary revenue issuances relative to the above functions; and

3.9. Performs other functions as may be assigned.

4. Tax Treaty Policy and Negotiation Section

4.1. Develops, assesses and monitors Philippine International tax policies, tax treaties and other international agreements related to taxation;

4.2. Initiates studies on the actual contribution of tax treaties in attracting foreign investment vis-à-vis the extent of the taxing rights and amount of taxes foregone;

4.3. Recommends amendments to existing tax treaties and international tax agreements;

4.4. Conducts studies and researches to prepare the Bureau for the changing environment in the international tax arena;

4.5. Plans, supervises and coordinates the negotiations, conclusion, signing and ratification of tax treaties

4.6. Prepares documents relative to funding requirements/provision for tax treaty negotiations; and

4.7. Performs other functions as may be assigned.

II. INTERNAL AFFAIRS SERVICE

1. Provides functional direction to preliminary/fact-finding investigation and prosecution, formal investigation/hearing of administrative cases filed against revenue personnel and the security program of the Bureau, as well as the implementation of the anti-corruption program under the Integrity Development Action Plan (IDAP);

2. Formulates, implements and monitors the anti-corruption programs/projects, including other matters covered under the IDAP;

3. Conducts preliminary fact-finding investigation and prosecution of administrative cases filed against revenue personnel;

4. Conducts formal investigation/hearing of administrative charges formally filed against erring revenue personnel;

5. Prepares and recommends appropriate actions/decisions on administrative cases heard;

6. Implements physical security program to safeguard personnel, records, equipment, installation and other properties of the Bureau;

7. Monitors and coordinates the activities of the Regional Investigation Divisions of the Regional Offices pertaining to the fact-finding investigation of administrative cases of Bureau personnel;

8. Develops and implements policies and administers work programs, standards, guidelines and procedures, including forms relative to the abovementioned functions;

9. Identifies risks and recommends possible mitigating action plan;

10. Monitors, evaluates and improves programs and activities under the responsibility of the Service;

11. Reviews, recommends and/or approves all reports and other actions of the divisions under the Service;

12. Consolidates and/or prepares prescribed reports for submission to the offices concerned;

13. Coordinates with offices concerned in the implementation of the abovementioned functions;

14. Provides functional directions to all divisions under the Service and to Regional and District Offices relative to the abovementioned functions; and

15. Performs other functions as may be assigned.

A. Internal Investigation Division

1. Formulates and implements policies, work programs, standards, guidelines and procedures, including forms, relative to the preliminary/fact finding investigation and prosecution of administrative cases filed against revenue personnel and the physical security program of the Bureau;

2. Maintains systematic records of all administrative cases handled by the Division, courts and Civil Service Commission decisions, resolutions and doctrines on administrative cases;

3. Prepares prescribed reports for submission to the offices concerned;

4. Prepares revenue issuances relative to the abovementioned functions;

5. Coordinates with the offices concerned in the implementation of the abovementioned functions thru the Assistant Commissioner, Internal Affairs Service; and

6. Performs other functions as may be assigned.

1. Anti-Graft and Investigation Section

1.1. Evaluates the merits of all denunciations/complaints and reports against revenue officials and employees involving violations of the provisions of the Administrative Code of 1987 (EO 292) and the Omnibus Rules Implementing Book V of the said Code and related Civil Service Laws, the Code of Conduct and Ethical Standards of Public Officials and Employees (RA 6713), the Law on Sexual Harassment (RA 7877), Anti-Graft and Corrupt

Practices Act (RA 3019), Revised Code of Conduct as implemented by RMO 53-2010, dated June 11, 2010 illegal enrichment cases and other allied laws, administrative issuances, regulations and directives, and conducts the necessary investigation and prosecution thereon;

1.2. Investigates all allegations of fraud or falsification or those involving misrepresentation or misdeclaration in the personal data of BIR employees in their 201 files such as status, age, educational qualification, Board/Bar/Civil Service eligibility, and other pertinent data as may be referred for investigation;

1.3. Investigates matters regarding the failure of concerned revenue personnel to correct and/or submit his/her Statement of Assets, Liabilities and Networth and Disclosure of Business Interests & Financial Connections as mandated by law;

1.4. Conducts integrity monitoring and investigation as may be directed to determine whether the Bureau personnel are personally benefiting from taxpayers and their representatives, or from suppliers or others with whom the Bureau transacts official business;

1.5. Conducts spot-checking of revenue personnel to ascertain compliance with the Civil Service Laws and Revised Code of Conduct for Revenue Officials and Employees;

1.6. Collates and evaluates pieces of evidence gathered after the investigation; If prima facie case exists, prepares the appropriate Formal Charge/s and/or Preventive Suspension Order/s, if warranted, against revenue personnel concerned for consideration and approval of the Commissioner of Internal Revenue; If no prima facie case exists, prepares a closing memorandum for consideration and approval of the Deputy Commissioner, Legal Group, detailing therein the facts and the law upon which it is based and attaching therein pertinent records or documents;

1.7. Refers the entire docket of the administrative cases with the approved Formal Charges against revenue personnel to the Personnel Adjudication Division and retains certified photocopies of said dockets for the formal investigation or hearing, and acts as prosecutor in the proceedings of the said administrative cases;

1.8. Refers regional cases to the concerned Revenue Regional Director for the filing of the appropriate criminal case in case there are factual and legal bases therefor;

1.9. Processes and issues clearance and certification of no pending administrative case for revenue personnel; and

1.10. Performs other functions as may be assigned.

2. Security and Inspection Section

2.1. Oversees the implementation of approved physical security program and measures for the safeguarding of the personnel, records, supplies and materials, facilities and building of the Bureau, particularly its computers and other communication equipment;

2.2. Ensures that the security guards assigned in the Bureau perform their duties in accordance with the terms and conditions of the contract entered into between the BIR and the private security agency contractor;

2.3. Requires the submission of incident/spot reports by the private security agency, if necessary, and validates the same;

2.4. Conducts spot-checking of assigned security guards on duty;

2.5. Verifies the authenticity/correctness of the Summary Report of Attendance of Security Guards and other related documents for submission to the Accounting Division for Billing Statement purposes;

2.6. Prepares and submits pertinent documents for security service contract requirement to the Bids and Awards Committee as required under R.A. 9184;

2.7. Coordinates with other government agencies on security matters; and

2.8. Performs other functions as may be assigned.

B. Personnel Adjudication Division

1. Formulates and implements policies, work programs, standards, guidelines and procedures, including forms governing formal investigation/hearing of administrative cases of Bureau personnel for speedy, fair and judicious disposition of cases;

2. Ensures the proper conduct of administrative investigation/hearing without necessarily adhering strictly to the ethical rules of procedure and evidence applicable to judicial proceedings;

3. Prescribes and enforces rules and regulations to fulfill out its mandate;

4. Maintains a systematic compilation and computerized files and digest of decisions and doctrines of court and administrative bodies;

5. Prepares prescribed reports for submission to the offices concerned;

6. Prepares revenue issuances relative to the abovementioned functions;

7. Coordinates with the concerned offices and agencies of government in the implementation of the abovementioned functions; and

8. Performs other functions as may be assigned.

Hearing Panel Sections I, II and III

1. Conducts hearing of administrative charges filed by the Regional Offices, formal charges prepared by the Anti-Graft and Investigation Section and approved by the Commissioner of Internal Revenue, including Sworn Written Complaint by any person involving illegal enrichment cases against revenue personnel, violations of Anti-Graft and Corrupt Practices Act, offenses punishable under the Administrative Code of 1987 (EO 292), Civil Service laws and regulations and existing revenue laws, Revised Code of Conduct, rules, regulations and memoranda circulars;

2. Causes the service of the approved formal charge/s and/or preventive suspension order/s and other notices to the respondent/s and/or through his/her office;

3. Evaluates testimonies of witnesses, as well as evidence presented during formal investigation/hearing submitted by the Internal Investigation Division, acting as prosecutor, or those filed by respondent/s or his/her lawyer/s;

4. Conducts studies and researches and issues resolutions on all questions that may arise during formal investigation, including issues on existing jurisprudence and principles on administrative law and adjudication;

5. Prepares and recommends appropriate actions/decisions on administrative cases pending before it;

6. Serves the approved decision/resolutions to the Internal Investigation Division, respondent/s Regional Office, Personnel Division, Accounting Division and other offices concerned for proper action;

7. Processes and issues clearance and certification of employees of pending administrative case; and

8. Performs other functions as may be assigned.

III. ENFORCEMENT AND ADVOCACY SERVICE

1. Provides functional direction to tax fraud & intelligence operations, litigation & prosecution matters and development & investigation of tax cases including those under the Run After Tax Evaders (RATE) Program developed by Large Taxpayers Service (LTS), National Investigation Division (NID) and Regional Offices;

2. Processes Claims for Informer's Rewards;

3. Establishes database for criminal violations of internal revenue laws and all court decisions on cases filed and all approved revenue issuances prepared by the Service/Divisions under it for regular updates of the Legal Information System;

4. Controls, supervises and/or coordinates the activities of the Legal Division in the Regional Offices with respect to litigation and prosecution work;

5. Controls, supervises and/or coordinates the activities of the Regional Investigation Division in the Regional Offices with respect to tax fraud & intelligence operations and development & investigation of tax cases;

6. Formulates policies and administers work programs, standards, guidelines and procedures, including forms relative to its functions;

7. Identifies risks and recommends possible mitigating action plan;

8. Monitors, evaluates and improves programs and activities under its responsibility;

9. Reviews, recommends and/or approves all reports and other actions of the divisions under its responsibility;

10. Consolidates and/or prepares prescribed reports for submission to the offices concerned;

11. Coordinates with offices concerned in the implementation of its functions;

12. Provides policy guidance and operational directions to all divisions under the Service and to regional and district offices relative to its functions; and

13. Performs other functions as may be assigned.

A. Prosecution Division

1. Formulates policies, work programs, standards, guidelines and procedures, including forms relative to the criminal prosecution of violations of the NIRC of 1997, as amended and related laws and regulations;

2. Represents the Commissioner of Internal Revenue before the DOJ and the Courts in the preliminary investigation/hearing/trial of RATE cases and other criminal cases involving violations of NIRC of 1997, as amended, rules and regulations including other laws administered by the BIR;

3. Evaluates complaints of tax evasion referred to by the Large Taxpayers Service (LTS), National Investigation Division (NID) & Regional Investigation Division, and swears-in qualified affiants to the Affidavit of Confidential Information;

4. Evaluates Claims for Informer's Rewards and determines whether the informer is entitled to it;

5. Coordinates with concerned BIR offices and/or external offices for the successful prosecution of violations of internal revenue laws and regulations;

6. Submits to the Enforcement and Advocacy Service all court decisions on criminal cases filed and all approved revenue issuances prepared by the Division for regular updates of the Legal Information System;

7. Conducts studies and researches relative to the criminal violation of the NIRC of 1997, as amended;

8. Coordinates and extends all possible assistance to OSG in case the OSG represents the Bureau/People of the Philippines on criminal cases involving tax evasion and/or violations of internal revenue laws, rules and regulations including other laws administered by the BIR before the Courts;

9. Prepares prescribed reports for submission to the offices concerned;

10. Prepares revenue issuances relative to the abovementioned functions;

11. Coordinates with offices concerned in the implementation of the abovementioned functions; and

12. Performs other functions as may be assigned.

Prosecution Sections I and II

1. Institutes criminal actions against persons violating internal revenue laws and other tax laws administered by the Bureau of Internal Revenue;

2. Evaluates tax fraud cases referred by the National Investigation Division (NID), Regional Investigation Division, Large Taxpayers Service (LTS) and other offices involving a basic deficiency tax of at least One Million Pesos (P1,000,000.00) with the view of having them properly documented and substantiated to ensure successful prosecution thereof under the RATE Program;

3. Recommends and files complaints for preliminary investigation to the Office of the City Prosecutor or the Office of the Secretary of Justice, as the case may be, on violation/s of internal revenue laws and regulations;

4. Interviews/prepares witnesses and evaluates evidence in connection with cases filed for violation of tax laws;

5. Summons, examines and takes testimony of persons pursuant to Sec. 5 of the NIRC of 1997, as amended and other applicable laws;

6. Evaluates and receives confidential information filed by informants in relation to Section 282 of the NIRC of 1997, as amended;

7. Represents the Commissioner of Internal Revenue in the prosecution of criminal cases involving tax evasion and/or violations of internal revenue laws, rules and regulations including other laws administered by the BIR;

8. Acts on petitions for review filed by the taxpayers in the Department of Justice, Court of Tax Appeals and other judicial and administrative agencies relative to fraud cases under their jurisdiction;

9. Prepares all pleadings, briefs and memoranda to be filed with the Department of Justice, Court of Tax Appeals, regular courts and administrative agencies relative to tax fraud cases;

10. Submits to the Enforcement and Advocacy Service data or materials relative to criminal violations of internal revenue laws, rules and regulations as well as information on the effective enforcement of the prosecution processes for regular updates of Legal Information System;

11. Prepares Subpoena Ad Testificandum / Subpoena Duces Tecum, five (5) days VAT compliance notices, and closure orders upon request of concerned offices;

12. Receives documents (Tax Returns, Book of Accounts, etc.) and verifies compliance of taxpayers with Subpoena Duces Tecum;

13. Recommends deportation of alien taxpayers and/or inclusion in the Hold Order List and Watch List of persons prosecuted for violation of internal revenue laws, rules, regulations and other related laws and makes necessary representation as government counsel before the Deportation Board;

14. Refers cases for the filing of criminal action against employee/s to the Ombudsman;

15. Evaluates and processes claims for reward of confidential informers;

16. Prepares digest of court decisions involving criminal cases filed;

17. Prepares monthly accomplishment reports on cases being handled;

18. Represents revenue officials and personnel in criminal cases brought against them in connection with the lawful performance of their official functions; and

19. Performs other functions as may be assigned.

B. Litigation Division

1. Formulates policies, work programs, standards, guidelines and procedures, including forms relative to the litigation work on the civil aspect of internal revenue cases under the National Internal Revenue Code (NIRC) of 1997, as amended and other related laws and regulations;

2. Submits to the Enforcement and Advocacy Service all court decisions on civil cases filed and all approved revenue issuances prepared by the Division for regular updates of the Legal Information System;

3. Acts on request for tax credit/refund based on Writ of Execution issued by the Court of Tax Appeals and Supreme Court;

4. Conducts studies and researches relative to its functions;

5. Coordinates and extends all possible assistance to the Office of the Solicitor General (OSG) with regard to the cases of the Bureau of Internal Revenue being handled/represented by the OSG;

6. Prepares prescribed reports for submission to the offices concerned;

7. Prepares revenue issuances relative to its functions; and

8. Coordinates with proper offices in the implementation of the abovementioned functions; and

9. Performs other functions as may be assigned.

Litigation Sections I and II

1. Institutes civil actions involving internal revenue cases;

2. Represents the Commissioner of Internal Revenue in the hearing/trial and related proceedings involving internal revenue cases;

3. Acts on petitions for review filed by taxpayers in the Court of Tax Appeals, Regional Trial Courts and administrative agencies involving internal revenue cases;

4. Prepares all pleadings, briefs and memoranda to be filed with the Court of Tax Appeals, Regional Trial Courts, and other courts and administrative agencies in connection with internal revenue cases pending before the same;

5. Interviews/prepares witnesses and evaluates evidence in connection with internal revenue cases;

6. Summons, examines and takes testimony of persons pursuant to Sec. 5 of the NIRC of 1997, as amended, and other applicable laws;

7. Prepares digests of decisions rendered by the courts and other administrative agencies on cases involving internal revenue taxes;

8. Represents revenue officials and personnel in civil cases brought against them in connection with the lawful performance of their official functions;

9. Prepares monthly accomplishment report involving cases being handled before the Court of Tax Appeals (CTA), Supreme Court, Department of Justice (DOJ), Regional Trial Courts (RTCs) and other administrative agencies on the following;

a. Cases pending in courts involving refund and assessments;
b. Petitions for review, comments, answers, motions, reply memo en banc on assessment, refund and other cases before the CTA which were filed;
c. Hearings attended by Litigation Lawyers; and
d. Decisions involving refunds and assessment & other civil cases for and against the government which were received.

10. Prepares inventory of civil cases, including disputed assessment cases with deficiency taxes, cases involving claims for refund of taxes upheld on appeal, won/lost refund cases and won/lost assessment cases; and

11. Performs other functions as may be assigned.

C. National Investigation Division

1. Formulates policies, work programs, standards, guidelines and procedures, including forms relative to the investigation of tax fraud cases and the conduct of intelligence work;

2. Conducts preliminary investigation of confidential information filed by informants with the BIR;

3. Makes arrests and seizures in relation to the violation of any penal law, rule or regulation administered by the BIR as provided under Section 15 of the NIRC of 1997, as amended;

4. Conducts audit of policy cases and prepares audit manuals as a result of the audit conducted;

5. Coordinates and integrates all intelligence activities of Regional Offices;

6. Maintains systematic records of all cases handled by the Division;

7. Prepares prescribed reports for submission to the offices concerned;

8. Prepares revenue issuances relative to the abovementioned functions;

9. Coordinates with the offices concerned in the implementation of its functions; and

10. Performs other functions as may be assigned.

1. Intelligence Section

1.1. Sets-up work programs, standards, guidelines and procedures relative to the conduct of intelligence work;

1.2. Assists the Investigation Section by drawing up an effective intelligence operations;

1.3. Identifies vital third party information needed in the implementation of tax prosecution programs and requests such information from concerned office;

1.4. Obtains information on a regular basis from third parties through access to records;

1.5. Summons, examines and takes testimony of persons pursuant to Sec. 5 of NIRC of 1997, as amended and other applicable laws and regulations;

1.6. Conducts surveillance on persons identified and suspected to be involved in activities in violation of the NIRC of 1997, as amended to establish prima facie case of fraud on the basis of a tax assessment pursuant to Sec. 5 of the NIRC of 1997, as amended;

1.7. Consolidates and interprets intelligence information relating to tax fraud matters from all available sources;

1.8. Conducts liaison activities with other intelligence, police and other investigative agencies for the conduct of arrests as well as raids and seizures in cases referred/approved by the Commissioner;

1.9. Coordinates with the Regional Investigation Division concerned on all intelligence operations including those on activities pertaining to smuggling, syndicated crimes and the use of fake BIR accountable forms;

1.10. Supervises the safekeeping of confidential documents of the Division and controls all data and communications received pertinent to cases handled;

1.11. Prepares prescribed reports and updates/status for submission to the offices concerned; and

1.12. Performs other functions as may be assigned.

2. Investigation Section

2.1. Sets-up work programs, standards, guidelines and procedures relative to the conduct of investigation of tax fraud cases and those involving violations of the NIRC of 1997, as amended;

2.2. Prepares specific plans in the conduct of tax fraud investigation of suspected criminal violators of internal revenue laws and regulations in coordination with the Intelligence Section;

2.3. Investigates tax fraud cases as may be referred and/or approved by the Commissioner and those developed by the Division;

2.4. Investigates violations of the provisions of NIRC of 1997, as amended, committed by the taxpayers;

2.5. Plans, organizes and conducts inventory taking and surveillance work in order to establish a prima facie fraud case on the basis of tax assessment pursuant to Section 5 of the NIRC of 1997, as amended upon mission orders issued;

2.6. Develops and investigates criminal cases for prosecution;

2.7. Assists in the prosecution of criminal cases;

2.8. Maintains systematic records of tax fraud cases handled by the Section;

2.9. Prepares prescribed reports and updates/status for submission to offices concerned; and

2.10. Performs other functions as may be assigned.

3. Criminal Investigation Section

3.1. Sets-up work programs, standards, guidelines and procedures relative to the conduct of investigation of tax fraud by the BIR;

3.2. Prepares specific plans in the conduct of tax fraud investigation of suspected criminal violators of internal revenue laws and regulations in coordination with the Intelligence Section;

3.3. Investigates tax fraud cases as may be referred and/or approved by the Commissioner and those developed by the Division;

3.4. Investigates criminal violations of the provisions of NIRC of 1997, as amended, committed by taxpayers;

3.5. Plans, organizes and conducts inventory taking and surveillance work in order to establish a prima facie fraud case on the basis of tax assessment pursuant to Section 5 of the NIRC of 1997, as amended, upon mission orders issued;

3.6. Develops and investigates criminal cases for prosecution;

3.7. Assists in the prosecution of criminal cases;

3.8. Maintains systematic records of tax fraud cases handled by the Section;

3.9. Prepares prescribed reports and updates/status for submission to offices concerned; and

3.10. Performs other functions as may be assigned.

III. REPEALING CLAUSE:

All issuances or portions thereof not consistent with the provisions of this Order are hereby repealed or amended accordingly.

IV. EFFECTIVITY:

This Order shall take effect immediately.

(Original Signed)
CAESAR R. DULAY
Commissioner of Internal Revenue

Approved:

(Original Signed)
CARLOS G. DOMINGUEZ
Secretary of Finance

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