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

BUREAU OF INTERNAL REVENUE
RECORDS MGT. DIVISION
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June 20, 2012

REVENUE ADMINISTRATIVE ORDER NO. 2-2013

SUBJECT : ORGANIZATION AND FUNCTIONS OF THE ENFORCEMENT AND ADVOCACY SERVICE, ITS DIVISIONS AND SECTIONS

TO : All Internal Revenue Officials and Employees

I. OBJECTIVE:

This Order defines the organization and functions of the Enforcement and Advocacy Service including its divisions and their sections pursuant to the Rationalization Plan under Executive Order No. 366.

II. ORGANIZATION:

The Enforcement and Advocacy Service shall be under the direct supervision of the Deputy Commissioner for Legal Group. It shall be headed by an Assistant Commissioner and shall be composed of the following divisions with their respective sections:

A. Litigation Division
   1. Litigation Section I
   2. Litigation Section II

B. Prosecution Division
   1. Prosecution Section I
   2. Prosecution Section II

C. National Investigation Division
   1. Intelligence Section
   2. Investigation Section
   3. Criminal Investigation Section

III. FUNCTIONS:

ENFORCEMENT AND ADVOCACY SERVICE

1. Performs staff, advisory and consultative functions relative to tax fraud & intelligence operations, litigation & prosecution matters and development & investigation of tax cases including those under the Run After Tax Evaders (RATE) Program;

2. Processes Claims for Informer's Rewards;

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

4. Provides policy guidance and operational directions to all divisions under the Service relative to its functions;

5. 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;

6. Supervises and/or coordinates the activities of the Legal Division in the Regional Offices with respect to litigation and prosecution work;

7. Supervises and/or coordinates the activities of the Regional Investigation Division in the Regional Offices with respect to development of cases under the RATE Program;

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

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

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

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

12. Performs other functions as may be assigned.

A. 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;

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RECORDS MGT. DIVISION
MAR 01 2013
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2. Submits to the 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. Conducts studies and researches relative to its functions;

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

5. Actively 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. 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;

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RECORDS MGT. DIVISION
MAR 01 2013
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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. Received 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.

B. 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 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 other BIR offices and/or external offices for the successful prosecution of violations of internal revenue laws and regulations;

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RECORDS MGT. DIVISION
MAR 01 2013
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6. Submits to the 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. Actively 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. Coordinates with proper offices in the implementation of the abovementioned functions;

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

11. Prepares revenue issuances relative to 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;

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RECORDS MGT. DIVISION
MAR 0 1 2013
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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 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 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 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

BUREAU OF INTERNAL REVENUE
RECORDS MGT. DIVISION
MAR 01 2013
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19. 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. Coordinates with the proper offices in the implementation of its functions;

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

9. Prepares revenue issuances relative to the abovementioned 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;

BUREAU OF INTERNAL REVENUE
RECORDS MGT. DIVISION
MAR 01 2013
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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. Prepares prescribed reports and updates/status for submission to the offices concerned;

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

BUREAU OF INTERNAL REVENUE
RECORDS MGT. DIVISION
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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. Prepares prescribed reports and updates/status for submission to the offices concerned;

2.9. Maintains systematic records of tax fraud cases handled by the Section; 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 Prepares prescribed reports and updates/status for submission to the offices concerned;

BUREAU OF INTERNAL REVENUE
RECORDS MGT. DIVISION
MAR 01 2013
RECEIVED

3.9 Maintains systematic records of tax fraud cases handled by the Section; and

3.10 Performs other functions as may be assigned.

IV. REPEALING CLAUSE:

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

V. EFFECTIVITY:

This Order shall take effect immediately.

KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

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Approved:

CESAR V. PURISIMA
Secretary of Finance
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