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

January 15, 2007

REVENUE MEMORANDUM CIRCULAR NO. 5-2007

SUBJECT : Guidelines in the Implementation of Revenue Regulations (RR) Nos. 13-2001 and 15-2006 for Taxpayers Under The Jurisdiction of the Large Taxpayers Service

---

This Circular is issued to clarify the procedures to be adopted in processing, evaluating and approving applications for abatement and cancellation of penalties/surcharges and interest on delinquent accounts and assessments (preliminary or final, disputed or not) of taxpayers under the jurisdiction of Large Taxpayers Service (LTS).

In as much as the LTS has a separate division for its collection and enforcement activities, *i.e.* the Large Taxpayers-Collection and Enforcement Division (LTCED), and in order to shorten the review process of applications for abatement of taxpayers which are under the jurisdiction of LTS, and thereby expedite the processing thereof, it is hereby mandated that:

(1) all applications for abatement under RR No. 13-2001 of taxpayers under the jurisdiction of LTS shall henceforth be processed and evaluated by the LTS *sub-Technical Working Committee (LTS sub-TWC) created under Revenue Special Order (RSO) No. 374-2006 dated July 27, 2006,* without the need of indorsing them further to the Technical Working Committee (TWC) on Abatement for evaluation. The LTS sub-TWC shall be the one in-charge of coming up with final recommendations for approval/disapproval of applications for abatement of said taxpayers of LTS, for submission to the Commissioner of Internal Revenue; and

(2) all applications for abatement filed pursuant to RR No. 15-2006 ("One-Time Administrative Abatement Program") by taxpayers under the jurisdiction of LTS shall, unless they are otherwise pending with other divisions of the Bureau of Internal Revenue such as the Litigation, Prosecution or Appellate Divisions or other concerned offices in which case said divisions are in-charge of processing the applications, be initially processed by the concerned division/s of the LTS and elevated to the LTS sub-TWC for final evaluation and recommendation, before dockets are transmitted directly to the Office of the Commissioner (OCIR) for approval/disapproval of the Commissioner of Internal Revenue.

All pending applications for abatement pursuant to RR Nos. 13-2001 and 15-2006 of taxpayers under the jurisdiction of the LTS upon the issuance of this Circular shall be processed in accordance herewith.

The LTS sub-TWC is, however, required to submit every 5th day of the following month, list/s of applications for abatement processed by the LTS with pertinent details of evaluation/action taken to the Collection Service for monitoring of the results and effectiveness of the Abatement Program.

Any provision of existing issuance/s which may be inconsistent with the foregoing is hereby deemed superseded/amended accordingly. All concerned are hereby enjoined to comply with the foregoing, and give this Circular as wide a publicity as possible.

(Original Signed)
JOSE MARIO C. BUÑAG
Commissioner