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

February 2, 2005

REVENUE MEMORANDUM CIRCULAR NO. 6 - 2005

SUBJECT: Salient Features of Supreme Court Decision on Waiver of the Statute of Limitations under the Tax Code

TO : All Internal Revenue Officers and Others Concerned

For the information and guidance of all internal revenue officers, employees and others concerned, the following are the salient features of the decision of the Supreme Court in the case of **Philippine Journalists, Inc. vs. Commissioner of Internal Revenue, G.R. No. 162852, promulgated on December 16, 2004,** to wit:

1. A waiver of the statute of limitations under the Tax Code must conform strictly with the provisions of Revenue Memorandum Order No. 20-90 in order to be valid and binding.

    1.1. The waiver must specify a definite agreed date between the BIR and the taxpayer within which the former may assess and collect revenue taxes.

    1.2. The waiver must be accepted by the Commissioner of Internal Revenue or his duly authorized representative, and the date of acceptance must be indicated.

    1.3. The taxpayer must be furnished a copy of the waiver accepted by the BIR.

2. A waiver of the statue of limitations under the Tax Code, to a certain extent, is a derogation of the taxpayer's right to security against prolonged and unscrupulous investigations and must therefore be carefully and strictly construed.

3. A waiver of the statute of limitations is not a waiver of the right to invoke the defense of prescription. It is an agreement between the taxpayer and the BIR that the period to issue an assessment and collect the taxes due is extended to a date certain.

4. A waiver of the statute of limitations is not a unilateral act by the taxpayer or the BIR, but is a bilateral agreement between two parties.

All internal revenue officers and others concerned are enjoined to give this Circular as wide a publicity as possible.

(Original Signed)
GUILLERMO L. PARAYNO, JR.
Commissioner of Internal Revenue