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

January 19, 2017

REVENUE MEMORANDUM CIRCULAR NO. 10-2017

SUBJECT : **Clarification on Bookkeeping Requirements of National Government Agencies, Government Agencies and Instrumentalities and Government-Owned and -Controlled Corporations**

TO : All Internal Revenue Officers and Others Concerned

This Circular is being issued to clarify the bookkeeping requirements of National Government Agencies (NGAs), Government Agencies and Instrumentalities (GAIs) and Government-Owned and -Controlled Corporations (GOCCs).

Section 232 of National Internal Revenue Code, as amended provides:

" Sec. 232. Keeping of Books of Accounts –

(A) Corporations, Companies, Partnerships or Persons Required to Keep Books of Accounts. - All corporations, companies, partnerships or persons required by law to pay internal revenue taxes shall keep a journal and a ledger or their equivalents: xxx"

Batas Pambansa Bilang 68 (The Corporation Code of the Philippines) provides:

"Section 2. Corporation defined. A corporation is an artificial being created by operation of law, having the right of succession and the powers, attributes and properties expressly authorized by law or incident to its existence.

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Section 4. Corporations created by special laws or charters. – Corporations created by special laws or charters shall be governed primarily by the provisions of the special law or charter creating them or applicable to them, supplemented by the provisions of this Code, insofar as they are applicable."

In view of the foregoing, NGAs, GAIs, and GOCCs fall under the term 'corporation' created by special law or charter. Thus, NGAs, GAIs, and GOCCs vested with functions relating to public needs whether governmental or proprietary in nature are required to register and keep their books of accounts.

(1) Those who are using the Commission on Audit (COA)-developed Electronic New Government Accounting System (eNGAS) are not required to apply for its Permit to Use. Considering however, the requirement for payment/remittance and verification of tax liabilities, these entities shall submit the eNGAS in electronic format.

(2) Those who are using a computerized accounting system and/or components thereof other than the eNGAS are required to apply for Permit to Use and shall submit and register the same in electronic format.

The submission is to the RDO having jurisdiction over the principal place of business or to the LTAD/ELTRD/LTD-Cebu/LTD-Davao where the head office is duly registered within thirty (30) days from the close of each taxable year or within 30 days upon the termination of its use, following the existing revenue issuances on computerized accounting system.

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

BUREAU OF INTERNAL REVENUE
RECORDS MGT. DIVISION
3:09 P.M.
JAN 19 2017
RECEIVED

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CAESAR R. DULAY
Commissioner of Internal Revenue

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