13 April 2015

REVENUE MEMORANDUM CIRCULAR NO. 19-2015

SUBJECT: Clarifications/Resolutions on Issues and Concerns to the Frequently Asked Questions (FAQs) Relative to the Implementation of the Electronic Platform in Filing Tax Returns under eFPS or eBIRForms for filing Income Tax Returns for Calendar Year 2014 Due on or before April 15, 2015, and others.

TO : All Internal Revenue Officials, Employees and Others Concerned

In connection with the implementation of the Electronic Platform in Filing Tax Returns under eFPS or eBIRForms specially for those filing or filing and payment of Income Tax Returns for Calendar Year 2014 due on or before April 15, 2015, this Circular is issued to provide answers/resolutions to FAQs in addition to those already posted in the eFPS/eBIRForms Systems available in the BIR website.

1. **What are the available electronic platforms of the BIR in filing tax return?**

   There are 2 electronic platforms available:
   a) Electronic Filing and Payment System (eFPS)
   b) Electronic Bureau of Internal Revenue Forms System (eBIRForms)

2. **How do I make use of eBIRForms?**

   The taxpayer must first download the Offline eBIRForms Package from either of the following webistes:
   a) www.bir.gov.ph
   b) www.knowyourtaxes.ph
   c) www.dof.gov.ph
   d) www.bamaquino.com
   e) Dropbox using this link: http://goo.gl/UCr8XS
   f) Direct link using: http://ftp.pregi.net/bir/ebirforms_package_v4.7.08_ITRv2013.zip;

   or copy through taxpayer's USB flash drive from the RDO e-Lounge and install it in his/her computer.

   The package contains the thirty-six (36) BIR Forms comprised of Income Tax Returns (ITR); Excise Tax Forms; VAT Forms; Withholding Tax Forms; Documentary Stamp Tax Forms; Percentage Tax Forms; ONETT Forms and Payment Form. It is used in the preparation of tax returns. Users must click on the "SUBMIT" button after successful form validation.

   After downloading the package, the taxpayer should now close the website, specially the BIR website or go offline, so as not to congest traffic going to the websites. After downloading, install the said package, and prepare the returns offline. After preparing the returns offline, you should save the copy of the return you will be filing by clicking the button, Final Copy, and then click Submit. When you are ready to click the Submit button, make sure you are online. When you click Submit, you will be redirected to eFile using Online eBIRForms System. After submitting the returns online, the system will prompt you if you are already enrolled in the Online eBIRForms System or not. If yes, you will be asked to provide your user name and password. If not, you will be asked to enroll and you will be redirected to the enrollment site. To enroll, click on the "SIGN UP" tab.

   Online eBIRForms System is a filing infrastructure that accepts tax returns submitted online and automatically computes penalties for tax returns submitted beyond the due date.

3. **What are the systems requirements?**

- Supported Operating System: Windows Vista, Windows 7;
- Hard disk drive space needed: at least 100 MB free space;
- RAM memory needed: Runs best on 2GB or higher;
- ActiveX components via Internet Explorer version 9;
- Java Run-time Environment version 1.7; and
- eBIRForms Package is best viewed in 1152 x 864 screen resolution.

4. **What are the browser requirements?**

a. Internet Explorer v9
b. Mozilla Firefox v16 or up
c. Google Chrome v23 or up

Note: You can use any of the above browsers during enrollment but you must have Internet Explorer v9 to be able to submit online.

5. Who are those mandated to use eFPS?

Those mandated are the following:

- Taxpayer Account Management Program (TAMP) Taxpayers (RR No. 10-2014)
- Accredited Importer and Prospective Importer required to secure the BIR-ICC & BIR-BCC (RR No. 10-2014)
- National Government Agencies (NGAs) (RR No. 1-2013)
- All Licensed Local Contractors (RR No. 10-2012)
- Enterprises Enjoying Fiscal Incentives (PEZA, BOI, Various Zone Authorities, Etc.) (RR No. 1-2010)
- Top 5,000 Individual Taxpayers (RR No. 6-2009)
- Corporations with Paid-Up Capital Stock of P10 Million and above (RR No. 10-2007)
- Corporations with Complete Computerized Accounting System (CAS) (RR No. 10-2007)
- Procuring Government Agencies with respect to Withholding of VAT and Percentage Taxes (RR No. 3-2005)
- Government Bidders (RR No. 3-2005)
- Insurance companies and Stock brokers (RMC No. 71-2004)
- Large Taxpayers (RR No. 2-2002, as amended)
- Top 20,000 Private Corporation (RR No. 2-98, as amended)

6. **Who are those mandated to use eBIRForms and eFile?**

RR 6-2014 mandates the use of eBIRForms as follows:

- ACCREDITED TAX AGENTS/ PRACTITIONERS & all its client-taxpayers who authorized them to file in their behalf
- ACCREDITED PRINTERS of Principal and Supplementary Receipts/Invoices
- One-Time Transaction (ONETT) taxpayers
- Those engaged in business, or those with mix income (both compensation and business income) who shall file a "NO PAYMENT" Return (exception under RMC No. 12-2015)
- Government-Owned or Controlled Corporations (GOCCs)
- Local Government Units (LGUs), except barangays
- Cooperatives, registered with National Electrification Administration (NEA) and Local Water Utilities Administrations (LWUA)

NOTE: For the filing of ITR for taxable Year 2014, those mandated to use eBIRForms will be allowed to eFile even before enrollment and receive a system generated email notification as an evidence of filed return. Enrollment to eBIRForms will follow after the eFiling process.

7. **Under Sec. 4(3) of RR 6-2014 and RR 5-2015 mandating the use of eBIRForms and electronically filing "No Payment Returns", who are those exempted and may file manually?**

The following can file **manually** their "No Payment Returns":

- Senior Citizen (SC) or Persons with Disabilities (PWDs) filing for their own return;
- Employees deriving purely compensation income whether from one or more employers, whether or not they have any tax due that need to be paid;
- Employees qualified for substituted filing under RR 2-98 Sec. 2.83.4, as amended, but opted to file for an Income Tax Return (ITR) and are filing for purposes of promotion (PNP/AFP), loans, scholarship, foreign travel requirements, etc.

8. **What are the steps in enrolling?**

Step 1: Access BIR website at **www.bir.gov.ph** using your internet browser.
Step 2: Click eServices.
Step 3: Click either eFPS or eBIRForms
Step 4: From the Login page, click on '**Enroll to eFPS or eBIRForms**'
Step 5: The eFPS or eBIRForms online enrollment form appears. Complete the required fields on the Enrollment Form page. Then, click on the **"Submit"** button.
Step 6: Submit to BIR a certificate authorizing any three (3) officers designated to file the return.

(Under Section 52 (A) of the Tax Code (President or representative and Treasurer or Asst. Treasurer of the Corporation). Individuals enrolling online for themselves shall be automatically activated without submitting any documents to BIR.

Note: Detailed process is enumerated in RMO 24-2013.

9. **Are all taxpayers required to electronically file returns?**

NO, NOT ALL TAXPAYERS ARE REQUIRED TO FILE ELECTRONICALLY. Only taxpayers enumerated in items no. 5 and 6 of this RMC are required/mandated to file electronically. Other taxpayers such as Micro Small Medium Enterprises (MSME) who are filing their own returns and have tax payment due are not required to file electronically. However, nothing prevents them to voluntarily enrol and file using either the eFPS/eBIRForms electronic platform of the BIR. Thus, the existing procedures on MANUAL FILING shall still apply.

10. **Is using eBIRForms mandatory to all taxpayers?**

NO. Only those taxpayers enumerated under item no. 6 of this RMC (and as mentioned under RR No. 6-2014) are mandated to use and enroll in the eBIRForms System. Individual and non-individual taxpayers who do not fall under those categories may still file manually using the printed BIR Forms or file using the generated form from the Offline eBIRForms either manually or electronically by online submission or e-Filing.

Illustration No. 1. Mr. A is a Single Proprietor who owns a Barbershop and started his business operations last January 01, 2015. He is not required to enroll and file electronically using eBIRForms. On April 2015, his business has no operations thus he is going to file a No Payment Return on May 2015. This time, Mr. A is mandated to file electronically his No Payment Return using eBIRForms since all No Payment returns are mandated to file electronically using eBIRForms under RR 6-2014, as amended by RR 5-2015 and enroll in the eBIRForms system.

On the succeeding month, if Mr. A tax return is with payment, can he still file manually using the printed BIR Forms or eBIRForms? No. Since Mr. A is already enrolled in the eBIRForm, he is henceforth required to file his return electronically.

Illustration No. 2. Mr. B is a Single Proprietor who is an Accredited Printer of the BIR. He is mandated to enroll and file electronically using eBIRForms whether it is a No Payment or with Payment tax return.

11. **Should the Revenue District Offices (RDOs) and Authorized Agent Banks (AABs) still accept the manual filing of tax returns for Income Tax Returns for Calendar Year ending December 31, 2014?**

YES, RDOs and AABs should continue to accept manually filed returns (either printed BIR Forms or generated forms from the Offline eBIRForms). However, for taxpayers that are mandated to use eFPS & eBIRForms but continue to file manually, the taxpayer shall be subjected to the P 1,000 penalty per return pursuant to Section 250 of the NIRC of 1997 and 25% surcharge for wrong venue under RR No. 5-2015. The RDOs shall assess the penalties and surcharge after the filing of the returns.

12. **What are the steps to efile a return?**

Step 1. Go to any of the website mentioned in item no. 2 of this RMC and **DOWNLOAD** the **Offline eBIRForms Package**;
Step 2. After downloading the Package, log off the website.
Step 3.. **INSTALL** the Package you have previously downloaded, and then open it.
Step 4. Select the form and **FILL-UP** by encoding data in the return;
Step 5. VALIDATE after completely encoding all necessary information. You may still update/modify by clicking EDIT if needed, and Indicate correct entries. Then click "Validate" again;
Step 6. Click **FINAL COPY** *(applicable only to ITRs in the eBIRForms)*
Step 7. Go online and then **SUBMIT** the accomplished tax return to **eFPS or online eBIRForms.**

Filing Reference Number (FRN) shall be generated in all returns as acknowledgement of its receipt. **However, for Income Tax Return filed for Calendar Year 2014,** acknowledgement in the form of **email notification** for BIR Form Nos. 1700, 1701, 1702RT, 1702EX and 1702MX shall be received by the taxpayer as evidence of eFiled ITR in the eBIRForms.

For eFPS, continue to ePay following existing issuances. For eBIRForms, continue to ePay (upon availability) or manually pay to any AABs/Collection Agents under the RDO where registered following existing issuances.

13. **Do you still need to submit the printed form after eFiling to the RDO or AAB? How about attachment?**

If you electronically file and electronically pay using eBIRForms or eFPS without any attachments required, you don't need to submit anything to the RDO/LTDO/LT Office. However, if there are required attachments in your income tax returns, you shall submit to the RDO/LTDO/LT Office within fifteen (15) days from the date of eFiling.

For eFPS:
a. Printed copy of Tax Returns with Filing Reference Number (FRN) Page; and
b. Required attachments.

For eBIRForms eFile and ePay (upon availability) / eFile and manually pay:
a. Printed copy of the return with the eMail Notification Page received:
b. Required attachments

If there are other attachments to be submitted such as Summary Alphalists of Withholding Tax (SAWT), Monthly Alphalists of Payees (MAP) required under BIR Form Nos. 1600, 1601E, 1601F, it shall prepared using the Data Entry Module or Summary List of Sales/Purchases/Importation for all VAT taxpayers in

BIR Form No. 2550Q prepared using the RELIEF of the BIR and submitted via email to: esubmission@bir.gov.ph.

14. **How do I know if the form has already been submitted to the online eBIRForms System?**

The tax return has been successfully filed if the system displays the FRN along with the continue button to go to the FRN page. The page should also display the message "The form has been successfully filed."

However, for eBIRForms on 2014 ITR filing (BIR Form Nos. 1700, 1701, 1702RT, 1702EX, 1702MX), instead of an FRN, a system generated eMail Notification will be received by the taxpayer as an evidence of eFiled return.

Users can also view their submitted forms by clicking on the **"Submitted Tax Returns"** link.

15. **After filling-up all necessary information in the return and validating if all entries are correct, can I still modify/correct/edit?**

Yes, modify/correct/edit entries are still possible. The Offline eBIRForms is encouraged to be used to provide ample time for return preparation, and does not require an internet connection. Ensure to click validate everytime there are changes/edits/modifications.

16. **What happens when I click "FINAL COPY" of my ITR under eBIRForms?**

Once the FINAL COPY is clicked subsequent changes to the forms will no longer be allowed. This is the final copy for submission to the BIR. It creates an encrypted copy with an xml file extension. For taxpayers enrolled with eBIRForms, type username and password for the return to be eFiled and an eMail Notification will be generated as proof that the return has been received by the BIR. Then proceed to ePay (upon availability) or manually pay following existing issuances.

For taxpayers not enrolled with eBIRForms, after completing the returns in Offline eBIRForms and click "FINAL COPY", the system will ask if filing online, if "YES" is chosen, then the return will be eFiled where an eMail Notification will be generated as proof that the return has been received by the BIR. Proceed to manually pay following existing issuances and procedures. Subsequently, when asked to enroll to eBIRForms, if click "YES", the system redirects to the eBIRForms enrollment process.

17. **When do I PRINT the final copy of my ITR?**

After clicking the "FINAL COPY", the system will pop-up a message that the data was successfully sent to BIR. An email will likewise be sent to taxpayer's inbox and there's a need to print and save the email notification as an evidence of eFiled return. Click "OK", will require to click "PRINT" for each page of the return as evidence of eFiled return. Print three (3) copies or as many as needed for future use. Ensure that the printed returns from electronic platform should be similar to the official printed form issued by the BIR without resizing/shrinking/enlarging.

18. **What happens when I click "SUBMIT"?**

The log-in page will appear, then type your username and password. The return will be eFiled where a FRN will be generated as proof that the return has been received by the BIR. Proceed to ePayment/manual payment for eBIRForms. The FRN Page/email notification may be printed for future use.

However, under eBIRForms for 2014 ITR filing (BIR Form Nos. 1700, 1701, 1702RT, 1702EX, 1702MX), instead of an FRN, a system generated eMail Notification will be received by the taxpayer upon receipt of the eFiled return, then proceed to manually pay following existing issuances.

19. **If no email notification is received, what shall I do?**

To be able to receive the EMAIL NOTIFICATION from the BIR on the submitted tax return, make sure that all of the following are complied with:

The email address indicated/encoded in the return is VALID and ACTIVE.
The mailbox has enough space/not "quota exceeded".
BIR email is not in the SPAM folder.
BIR website "bir.gov.ph" is NOT BLOCKED by your email provider.

Non-compliance in any of the above requires re-encoding and re-submission of the return.

a. If all of the above were undertaken and still NO EMAIL is received after two (2) hours from efiling, then MANUALLY eMail the generated xml file following the steps in Annex D of RMC 14-2015.
b. If after MANUALLY emailing following the steps in Annex D of RMC 14-2015, and still NO EMAIL is received after two (2) hours, then call the BIR for assistance, the help desk number to call are also contained in Annex D of RMC 14-2015.

20. **In the email notification received from BIR using eBIRForms, there is an attached file (xml) of the efiled return. Can I open the attached file for my printing and use?**

NO, the attached file is a programmed file and is encrypted for security purposes.

The final copy of the returns automatically saved in the computer and can be retrieve/open thru the eBIRForms where the list of BIR Forms are shown, then select the form number and the list of filed returns will be displayed on the summary table with the corresponding return periods. Click the specific return to be retrieved then click "view".

21. **Can I open the return filed in online eBIRForms and re-print?**

Yes, simply click on "Submitted Tax Return" button and select the required return to view and print.

22. **I am both mandated to use eFPS and eBIRForms, which one should I use?**

Use eFS. However, for forms not available in eFPS, use eBIRForms. In which case, enrollment to eBIRForms is required.

23. **Why do I receive an error on the telephone number field during enrolment to the eBIRForms System?**

It all depends on the browser of the computer being used. eBIRForms System is compatible to Internet Explorer 9. Enter 3 numeric on the 1St box, then the 7 digit number in the 2nd box. For browser Internet Explorer 10 or higher, use Google Chrome Browser v23 or up and Mozilla FireFox v16 or up in enrolment.

24. **Why do I receive an error that my TIN is invalid during enrolment in the eBIRForms?**

The TIN is not yet uploaded in the eFPS/eBIRForms. Contact the RDO to upload TIN and proceed to enrolment.

25. **Why can I not file and instead receive an error that my form is not registered when I submit my return online using eBIRForms?**

The form type is not updated in BIR's database. Fill-out BIR Form No. 1905 (Update Registration Information) with the required attachments and submit to the RDO where registered to update registration record.

26. **HOW TO PRINT THE FORM?**

To print the form make sure to adjust the PRINTER SETTING to the following:

On your computer (Windows)
Start button > Devices and Printers > Locate your printer
Right click > Printing Preferences > Advances or select the FOLIO or
LEGAL size on Paper Size option
Click Ok.

Do not resize/shrink to fit/enlarge or custom scale when printing.
Page scaling should be set to "NONE" or ACTUAL SIZE.
Returns from electronic platform should be similar to the Official printed form issued by the BIR.

All RDOs/AABs are mandated to accept photocopied or electronic/computer-generated income tax returns, in lieu of the officially printed forms, provided that the said forms are updated and originally filled-out and signed by the taxpayer or his/her/its duly authorized representative; provided, further, that the said income tax forms are printed in the format prescribed in RMO 24-2013 dated September 11, 2013, printed in FOLIO size bond paper (8.5" x 13") for ALL TAX FORMS

EXCEPT for the annual ITRs (BIR Form Nos. 1700, 1701 and 1702RT, 1702EX, 1702MX) which shall be printed using the A4 size bond paper (8.27" x 11.69"); portrait orientation/layout.

Page set up margins (internet explorer) shall be: Left margin: 0.146, Right margin: 0.148, Top margin: 0.14, Bottom margin: 0.14 inches, with no header, no footer.

27. **What are the penalties for failure to file returns under electronic systems of the BIR by taxpayers mandatorily covered by eFPS or eBIRForms?**

All taxpayers, under the existing issuances, who are mandatorily covered to file their returns using eFPS or eBIRForms, who fail to do so, shall be imposed a penalty of P1,000 per return pursuant to Section 250 of the NIRC of 1997, as amended.

In addition, the taxpayer, shall also be imposed civil penalties equivalent to 25% of the tax due to be paid, for filings a return not in accordance with existing regulations, thus, tantamount to WRONG VENUE filing pursuant to Section 248 (A)(3) of the NIRC of 1997, as amended.

RDOs are directed to include non-compliant taxpayers in their priority audit program.

28. **Under RR 6-2014, mandated to use eBIRForms are tax agent/practitioners and all its clients-taxpayers. Clarify the term "Client-Taxpayers"?**

The term "Client-Taxpayers" shall mean those taxpayers who are otherwise authorizing their tax agents/practitioners to file on their behalf.
Thus, client-taxpayers whose tax agents/practitioners only sign the audit certificate but have NO AUTHORITY TO FILE THE RETURNS IN THEIR BEHALF are NOT COVERED by the said revenue issuance.

The linking module of authorization by the client-taxpayer to his/her tax agent/practitioner is available online via eBIRForms.

29. **For purposes of penalty calculation, when is the date the returns are eFiled?**

For the purpose of determining the date when the returns are filed, if no payment is required, it shall be the date the original eFiling was duly submitted. Hence, it is necessary that the FRN and/or email notification must always be kept as evidence of efiling. However, if payment is required, it is the date of the payment that determines whether the returns were file on time and whether or not surcharges, penalties and/or interest shall be due.

In case of dispute, the final copy of the return in file extension xml which can be viewed in the electronic platform of the BIR shall prevail.

The system is available 24 hours everyday. However, returns eFiled during tax deadline must be submitted on or before 10pm, to provide enough time in assuring that the return was received by the BIR as evidenced by the FRN/email notification received by the taxpayer.

30. **Are those mandated to eFile but filed manually be penalized?**

Yes, under RR 5-2015. If there will be an extension or waiver of penalties, the same shall be circularized in a revenue issuance. However, for those who are required to file because they fall under the "No Payment" returns, and they were able to file manually their Income Tax Returns for Calendar Year 2014 on or before April 15, 2015, they may refile their returns online on or before June 15, 2015 without incurring any penalty.

31. **Should penalties be imposed for some returns of taxpayers with peculiar transactions such as: a) those with NOLCO of over four (4) years e.g. renewable energy where NOLCO is seven (7) years, and b) ONETT specifically for Capital Gains Tax Return (CGT) where payments should be where the property is located?**

Yes, penalties shall be imposed for those not electronically filing but are mandated to use eFPS/eBIRForms. Provided, where there are systems enhancements being developed to conform with the special requirements, these taxpayers may be allowed to manually file on their peculiar nature without penalties. Provided further, that upon systems availability, conformance of electronic platform must be complied with.

32. **Can filing anywhere of ITR be allowed?**

No. All taxpayers must file where they are registered. The only instance where you are not required to file your return physically with where the taxpayer is registered is when they submit and file the returns online, using either the eFPS or the eBIRForms platform.

33. **Where will employees of Large Taxpayers (LTs) file their ITRs?**

Under RMC 10-2015, for taxable year 2014, LT employees will file to the RDO where the LT is physically located/situated or RDO where the taxpayer is registered. As such, if with payment, it shall be within the concerned RDO. They can file manually to the concerned RDO for "No Payment Return". However, they are encouraged to prepare and fill-up forms using the Offline eBIRForms and submit via email for their ease, convenience and avoid long lines during the filing period.

34. **Is disclosure of Supplemental Information mandatory?**

RMC 13-2015 provides that all juridical entities/corporations are mandated to disclose Supplementary Information such as Income/Receipts/Revenue subjected to Final Withholding including Real Properties/stock transactions, Income/Receipts/Revenue Exempt from Income Tax, etc. For individuals filing BIR Form Nos. 1700 and 1701, it shall be optional for calendar year 2014 due for filing on or before April 15, 2015, and mandatory starting calendar year 2015.

35. **Can I use offline eBIRForms even if I am enrolled with eFPS?**

Yes, all taxpayers enrolled in either eFPS or eBIRForms or those who will file manually, are encouraged to use Offline eBIRForms for ease and convenience, and to provide them ample time to encode/edit and complete their returns. Upon completion of the return and when ready to submit, to either eFPS or online eBIRForms. This will provide better opportunity for all to connect to BIR faster and with ease. Only then taxpayer will be redirected to the login page to type username and password.

36. **What do I need to present to the AABs to pay my Annual Income Tax? I**

In paying the tax due for the returns eFiled using eBIRForms, you must present to the AABs the following:
Printed copy of returns duly signed, and
Email notification of successful e-Filing;

For eFPS, eFile and FRN shall be generated by the system, then continue to ePay.

37. **How do I submit attachments for the voluminous creditable withholding taxes under BIR Form Nos. 2307 / 2316?**

Under RR 2-2015, the SAWT is submitted using Data Entry and validation module of the BIR under RR 1-2014. On the other hand, in lieu of the submission of hard copies of BIR Form Nos. 2307/2316 as an attachment to SAWT, must SCAN the original copies of BIR Form No. 2307 through a scanning machine or device; store the soft copies using pdf file format with filenames alphabetically arranged in DVD-R.

Submit the DVD-R (properly labeled) to the BIR where registered, together with a Notarized Certification of said RR, duly signed by the authorized representative of the taxpayer certifying that the soft copies of the said form are the complete and exact copies of the original thereof. The filename shall contain the following information separated by an underline: BIR registered name of the taxpayer-payor, TIN including branch code and Taxable period.
Example: Rizal Mfg.Corp_131885220000_09312014

However, if several BIR Form No. 2307 of same payor and same taxable period, indicate at the end the series number suffix such as: Bonifacio Mfg.Corp_131885250000_09312014_1; Bonifacio Mfg.Corp_131885250000_09312014_2; Bonifacio Mfg.Corp3_131885250000_09312014_3

This requirement is mandatory for all Large Taxpayers. Any non-LTS may, at its/his/her option comply with the said requirements. Provided, that non-LTS shall no longer be allowed to submit in hard copies thereafter once the said taxpayer opted to comply with the requirements prescribed by the Regulations.

All concerned are hereby enjoined to be guided accordingly and to give this Circular as wide a publicity as possible.

(Original Signed)
KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

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