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

April 16, 2009

REVENUE MEMORANDUM CIRCULAR NO. 23 - 2009

SUBJECT : Reiteration of Policies and Procedures Relative to Revalidation of Letters of Authority, Issuance of Subpoena Duces Tecum, and Review of Cases by the Assessment Division

TO : All Internal Revenue Officers, Employees and Others Concerned

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For the information and guidance of all concerned, certain policies relative to revalidation of Letters of Authority (LAs), issuance of Subpoena Duces Tecum (SDT) and review of cases by the Assessment Divisions in the Regional Office are hereby reiterated to ensure uniform application of procedures across all Regional and District Offices.

I. Revalidation of LAs

The revalidation of LA shall give rise to the extension of the period within which the Revenue Officer (RO) assigned to the case shall submit the report of investigation to higher authorities for review and approval, without the imposition of applicable administrative sanctions. Depending on the classification of the pending tax case, said extension period shall be equivalent to the original prescribed number of days within which to report the case under existing revenue issuances. Failure on the part of the RO to request for the revalidation of LA or the expiration of the "revalidation period" does not nullify the LA nor will it affect or modify the rules on the reglementary period within which an assessment may be validly issued. However, this shall be considered as a ground for the imposition of disciplinary action and demerit in the performance rating of the concerned RO, including the reassignment of the case to another RO if the Regional Director, upon the recommendation of the Revenue District Officer, deems it necessary.

II. Request for Issuance of SDT

Pursuant to Revenue Audit Memorandum Order No. 3-82 and Revenue Memorandum Order (RMO) No. 35-90, only the books of accounts, accounting records and/or specific documents necessary for inspection/investigation but not yet provided by the taxpayer should be mentioned in the memorandum of the RO recommending the issuance of SDT. Documents submitted as partial compliance to earlier request(s) should no longer be mentioned in the memorandum. The action lawyer shall coordinate with the RO assigned to the case for the latter to be present during the appointed date and time for

presentation of the records and/or documents for him to check if the records presented are the complete records being required from the taxpayer as stated on the SDT.

The Regional Director shall sign the SDT for cases within his regional jurisdiction, or the Assistant Regional Director in the absence of the former, unless otherwise delegated to the Chief, Legal Division or the concerned Revenue District Officer through the issuance of a Regional Delegation Order as prescribed in RMO No. 2-2008. The Commissioner and Deputy Commissioners, however, are not precluded to exercise their authority under the National Internal Revenue Code to issue SDT in appropriate cases.

III. Review of Regional Cases by the Assessment Division

The Assessment Division shall review all dockets covered by LAs and TVNs prior to issuance of a preliminary/final assessment notice, termination letter, tax credit certificate (TCC) or refund check, including claims for refund/TCC amounting to One Million Pesos and below, except claims for tax refund based on BIR Form No. 1700 which are pre-audited, reviewed and approved at the Revenue District Office and transmitted directly to the Information Systems Operation Service (ISOS) for processing pursuant to RMO No. 39-94, as amended by RMO 19-2004.

All internal revenue officials and employees are enjoined to give this Circular as wide a publicity as possible.

(Original Signed)
SIXTO S. ESQUIVIAS IV
Commissioner of Internal Revenue

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