REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

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25 January 2021

REVENUE MEMORANDUM CIRCULAR NO. 29-2021

SUBJECT	:	**Allowing the Use of Electronic Signature (e-Signature) on Certain Bureau of Internal Revenue (BIR) Forms/Certificates and Providing the Policies and Guidelines Therefor**
TO	:	**All Revenue Officials, Employees, and Others Concerned**

SECTION 1 – OBJECTIVE.

Due to the continuing effect of COVID-19 pandemic, and taking into account the mandates of Republic Act (RA) No. 11032, or the "*Ease of Doing Business and Efficient Government Service Delivery Act of 2018*", there is a need to allow the use of Electronic Signature (e-Signature) on certain BIR Forms/Certificates.

This Circular, therefore, is hereby issued to provide the policies and guidelines for the use of e-Signature on these BIR Forms/Certificates.

SECTION 2 – LEGAL BASIS.

The use of e-Signature has long been recognized under RA No. 8792, otherwise known as the "*Electronic Commerce Act of 2000*". Section 5 [e] of said law defines e-Signature as follows:

> "(e) Electronic Signature refers to any distinctive mark, characteristic and/or sound in electronic form, representing the identity of a person and attached to or logically associated with the electronic data message or electronic document or any methodology or procedures employed or adopted by a person and executed or adopted by such person with the intention of authenticating or approving an electronic data message or electronic document."

Further, Section 8 of RA No. 8792 accords legal recognition to e-Signature. It reads:

> "Section 8. *Legal Recognition of Electronic Signatures.* - An electronic signature on the electronic document shall be equivalent to the signature of a person on a written document if that signature is proved by showing that a prescribed procedure, not alterable by the parties interested in the electronic document, existed under which -

(a) A method is used to identify the party sought to be bound and to indicate said party's access to the electronic document necessary for his consent or approval through the electronic signature;

(b) Said method is reliable and appropriate for the purpose for which the electronic document or electronic data message was generated or communicated, in the light of all circumstances, including any relevant agreement;

(c) It is necessary for the party sought to be bound, in order to proceed further with the transaction, to have executed or provided the electronic signature; and

(d) The other party is authorized and enabled to verify the electronic signature and to make the decision to proceed with the transaction authenticated by the same."

SECTION 3 – DEFINITION OF TERMS.

3.1. **e-Signature –** refers to any distinctive mark, characteristic and/or sound in electronic form, representing the identity of a person and attached to or logically associated with the form/certificate or any methodology or procedures employed or adopted by a person and executed or adopted by such person with the intention of authenticating or approving an electronic data message or electronic document. For purposes of this Circular, an e-Signature includes digital signature and other methods of electronic signature.

3.2. **Digital Signature** – refers to an electronic signature consisting of a transformation of an electronic or an electronic data message using an asymmetric or public cryptosystem such that a person having the initial untransformed electronic and the signer's public key can accurately determine:

(i) whether the transformation was created using the private key that corresponds to the signer's public key; and
(ii) whether the initial electronic document had been altered after the transformation was made.

3.3. **Electronic Document** – refers to information or the representation of information, data, figures, symbols or other modes of written expression, described or however represented, by which a right is established or an obligation extinguished, or by which a fact may be proved and affirmed, which is received, recorded, transmitted, stored, processed, retrieved or produced electronically. It includes digitally signed documents and any print-out or output, readable by sight or other means, which accurately reflects the electronic data message or electronic documents. For purposes of this Circular, the term "electronic document' may be used interchangeably with electronic data message.

3.4. **Forms/Certificates** – refer to any of the following BIR Forms/Certificates where the use of e-Signature shall be allowed:

a. 2304 - Certificate of Income Payment Not Subject to Withholding Tax (Excluding Compensation Income)

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b. 2306 - Certificate of Final Tax Withheld at Source
c. 2307 – Certificate of Creditable Tax Withheld at Source
d. 2316 - Certificate of Compensation Payment/Tax Withheld

SECTION 4 – POLICIES AND GUIDELINES.

4.1. The withholding agents or duly authorized representatives of the withholding agents who issue the BIR Form/Certificate in Section 3.4 of this Circular have the option to use e-Signature, aside from the manual signature, on such BIR Forms/Certificates. The e-Signature serves as the functional equivalent of his/her manual signature on said Form/Certificate.

4.2. In case the withholding agent opts to use e-Signature, approval of the BIR is no longer necessary.

4.3. The Form/Certificate to be issued or affixed with e-Signature, should be the exact replica or copy of the latest version officially printed by the BIR. In case the BIR makes revision or changes in the Form/Certificate (e.g. change in version date, size, etc.), such revised Form/Certificate shall be used.

4.4. The Form/Certificate shall also contain the manual signature/e-Signature of the payee in order to be valid and binding. The e-Signature serves as the functional equivalent of his/her manual signature on said Form/Certificate.

4.5. The e-Signature made herein gives rise to the following presumptions: (1) the e-Signature is that of the person to whom it correlates; (2) the e-Signature was affixed by that person with the intention of authenticating or approving the electronic document to which it is related or to indicate such person's consent to the transaction embodied therein; and, (3) the methods or processes utilized to affix or verify the e-Signature operated without error or fault.

4.6. In case of falsity or any misrepresentations contained in the issued Form/Certificate, those responsible therefor shall be held criminally, civilly and administratively liable pursuant to the provisions of the Tax Code of 1997, as amended, the Revised Penal Code and other applicable laws. Under Section 253 of the Tax Code of 1997, as amended, in the case of associations, partnerships or corporations, the penalty shall be imposed on the partner, president, general manager, treasurer, officer-in-charge, and employees responsible for the violation.

4.7. The withholding agent shall make sure that the Form/Certificate with e-Signature shall only be issued once. In case of re-issuance or the payee requested for another copy of the Form/Certificate after giving the original copy, the re-issued Form/Certificate should contain a "RE-PRINT" watermark in Cambria font and font size of 144, sample of which hereto attached as Annex "A". This is to avoid double take up of tax credits, especially with BIR Form No. 2307.

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SECTION 5 - REPEALING/AMENDATORY CLAUSE.

All other circulars which are inconsistent herewith are hereby repealed, modified and/or amended accordingly.

SECTION 6 - EFFECTIVITY.

This Circular shall take effect immediately.

All internal revenue officers, employees and others concerned are enjoined to give this Circular the widest dissemination and publicity as possible.

CAESAR R. DULAY
Commissioner of Internal Revenue

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