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

March 9, 2023

REVENUE MEMORANDUM CIRCULAR NO. 29-2023

SUBJECT : Clarifies the Effect of Publication of the List of Taxpayers Determined as Cannot Be Located (CBL) Pursuant to Existing Guidelines

TO : All Revenue Officers and Employees and Others Concerned

Revenue Memorandum Circular (RMC) No. 98-2010 was issued in 2010 to prescribe the guidelines and procedures for the treatment of unserved Letter Notices (LNs), Letters of Authority (LOAs) and Tax Verification Notices (TVNs) in instances where the concerned taxpayers could not be located in their registered addresses. In the said RMC, handling Revenue Officers (ROs) were required to report the names of CBL taxpayers for publication in the BIR website and in newspaper of general circulation, after exhausting all possible efforts in locating the concerned taxpayers and complying with the required documents that support their reports.

The purpose of the publication is to give due notice to the concerned taxpayers and to the public as well, who may, in one way or another, have knowledge on the whereabouts of the published names of taxpayers or have transactions with them. Those with information on the CBL taxpayers' whereabouts can report to the Bureau of Internal Revenue (BIR) while those with business transactions with them shall be given precaution in their future transactions as there are tax consequences provided in the said RMC which is for their disadvantage. These include non-deductibility of purchases made with the CBL taxpayers, whether the purchase is related to cost of sales or operating expenses, for purposes of income tax computation and if the transaction is with Value Added Tax (VAT) component, the same cannot be claimed as input tax, unless the buyer can prove the existence of the supplier tagged as CBL by the BIR and the authenticity of purchases made. These tax consequences, however, shall apply on transactions made after the publication of the name of the CBL taxpayer.

Therefore, this Circular reiterates the abovementioned effects of publication of CBL taxpayers. In addition, the publication of the names of CBL taxpayers is not a pre-requisite to suspend the running of the prescriptive period to assess under Section 203 of the National Internal Revenue Code of 1997, as amended. Once the handling Revenue Officer has submitted a report that the taxpayer is a CBL and such report is supported by the required documents under existing policies, the suspension of the said prescriptive period already sets in and is tagged in the system as suspended.

All are enjoined to give this Circular a wide publicity as possible.

ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue
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BUREAU OF INTERNAL REVENUE
RECORDS MGT. DIVISION
9:30 A.M.
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