REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

9 August 2012

REVENUE MEMORANDUM CIRCULAR NO. 43-2012

SUBJECT: Procedures for All eFPS Filers in Filing Annual Income Tax Returns (AITRs) Covering and Starting Calendar Year 2011, as well as Juridical Entities Starting with Those Covered Under Ending January 31, 2012 Using the Enhanced Income Tax Return [BIR Form No. 1702 (November 2011 ENCS)] Prescribed Under Revenue Regulations No. 19-2011

TO : All Internal Revenue Officials, Employees and Others Concerned

This is to circularize the availability of the Enhanced Income Tax Return [BIR Form No. 1702 (November 2011 ENCS)] Prescribed under Revenue Regulations No. 19-2011 in the electronic Filing and Payment System (eFPS) Facility.

Relative to the enhancement of the Income Tax Return [BIR Form No. 1702 (November 2011 ENCS)], which is **now available in the electronic Filing and Payment System (eFPS)**, in relation to RMC 10-2012 on the transition procedures for all eFPS filers and RMC 15-2012 on the additional guidelines in filing, receiving and processing of ITRs, by all eFPS filers, particularly the Large Taxpayers (LTs) under the jurisdiction of the Large Taxpayers Service and other eFPS users (e.g. Top 20,000 Corporations, Top 5,000 Individuals, Government Bidders, etc.), hereunder are the guidelines to be undertaken:

1. All eFPS filers are required to **encode the contents of the return previously filed on or before August 31, 2012**.

2. **ePayment** shall no longer be required if the tax due on the e-filed return is equal to the amount previously paid. However, if the tax due on the efiled return is greater than the amount previously paid, taxpayer shall e-pay the unpaid amount, subject to applicable penalties in case e-filing is made after the due date for payment of income tax due.

3. In case taxpayers avail of Tax Relief under Special or International Tax Treaty:

   3.1. **with less than or equal to nine (9) registered activities**,

      3.1.1. Fill up the on-line supplemental forms.
      3.1.2. Encode the computed consolidated amounts for EXEMPT, SPECIAL, REGULAR into the following fields: TOTAL EXEMPT, TOTAL SPECIAL, TOTAL REGULAR of the Supplemental for BIR Form No. 1702 - Page 2 under Section 2 (Computation of Tax per Activity) and complete filling-up all applicable items under these columns.

3.2. **with more than nine (9) registered activities,**

3.2.1. Download the appropriate Supplemental Form <BF1702-SupplementalForm-Page1> from Downloads link in the eFPS Home Page.

a. For Allowable Itemized Deduction (AID), Click:
BF1702-SupplementalForm–page1–AID.xls

b. For Optional Standard Deduction (OSD), Click:
BF1702-SupplementalForm–page1–OSD.xls

Note: *Submission of attachments for online BIR Form No 1702 in eFPS will not allow declaration of two (2) Method of Deduction. Otherwise, the online BIR Form No 1702 will reject the inappropriate attachments upon submission.*

3.2.2. Save the downloaded Supplemental Form in one folder on your desktop.
3.2.3. Open the saved Supplemental Form and fill-up the necessary columns/fields.
3.2.4. Save the accomplished Supplemental Form using a separate file name observing strictly the **File Naming Convention** specified below:

For Allowable Itemized Deduction (AID);
<TIN><BRANCH CODE><RETURN PERIOD(mmddyyyy)><FORM NO><SFAID><001>

Example: 123456789000123120111702SFAID001

Where:

123456789	is the TIN
000	is the Branch Code
12312011	is the Return Period
1702	is the Form No
SFAID	is the Attachment Code
001	is the Series for each attachment file (from 001 to 999). One Supplemental Form accommodates six (6) registered activities. For more than six (6) registered activities, fill up another Supplemental Form and take note of the attachment Series when saving and naming the attachment file.

For Optional Standard Deduction (OSD);
<TIN><BRANCH CODE><RETURN PERIOD(mmddyyyy)><FORM NO><SFOSD><001>

Example: 123456789000123120111702SFOSD001

Where:

123456789	is the TIN
000	is the Branch Code
12312011	is the Return Period
1702	is the Form No

SFOSD	is the Attachment Code
001	is the Series for each attachment (from 001 to 999). One Supplemental Form accommodates six (6) registered activities. For more than six (6) registered activities, fill up another Supplemental Form and take note of the attachment Series when saving and naming the attachment file.

3.2.5. When you are done completing the supplemental form offline;

3.2.5.1. Consolidate the amounts for EXEMPT, SPECIAL, REGULAR from the accomplished Supplemental Forms. The accumulated amount per Tax Regime should be encoded into the following columns/fields: TOTAL EXEMPT, TOTAL SPECIAL, TOTAL REGULAR of the Online Supplemental Form for BIR Form No. 1702 - Page 2 under Section 2 (Computation of Tax per Activity).

3.2.5.2. Login to eFPS and complete the filling-up of the applicable items of the online BIR Form No 1702. The filled-up/accomplished Supplemental Forms with the above prescribed File Naming Convention, see examples hereunder, shall each be attached to the online BIR Form No 1702 upon submission in eFPS:

For Allowable Itemized Deduction (AID);
12345678900012312011702SFAID001.xls
12345678900012312011702SFAID002.xls
12345678900012312011702SFAID003.xls
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.
.
12345678900012312011702SFAID007.xls

For Optional Standard Deduction (OSD);
12345678900012312011702SFOSD001.xls
12345678900012312011702SFOSD002.xls
12345678900012312011702SFOSD003.xls
.
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.
12345678900012312011702SFOSD007.xls

3.2.6. Click "**ADD ATTACHMENT**" button to attach the accomplished excel format in the Annual Income Tax Return (ITR);

3.3. After all applicable items were filled-up, click "**Validate**" button;

3.4. Click "**Submit**" button.

4. The **Filing Reference Number** (FRN) shall be generated as proof that the return has been received by the Bureau which the taxpayer should **print** for future reference;

5. The **"Proceed to payment**" button shall only be enabled if there is tax still payable. In this case, taxpayer should follow the existing procedures on ePayment.

The accompanying schedules and attachments (i.e. Financial Statements (FS), Statement of Management Responsibility, BIR Form 2307, etc.) should have been filed with the concerned LT Office/RDO where they are registered within fifteen (15) days after the initial filing of the Annual Income Tax Return. The corresponding penalties shall be imposed if the schedules and attachments are filed late.

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

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

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