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

December 28, 2020

REVENUE MEMORANDUM CIRCULAR NO. 5-2021

SUBJECT : **Simplified Policies on the Application for Registration of Computerized Accounting System (CAS), Computerized Books of Accounts (CBA) and/or its Components, including the Electronic Storage System (ESS), Middleware and Other Similar Systems**

TO : **All Business Establishments, Internal Revenue Officials, Employees and Others Concerned**

In compliance with the provisions of **Republic Act (RA) No. 11032**, also known as the *"Ease of Doing Business and Efficient Government Service Act of 2018"* and in relation to Section 232 to 235 of the National Internal Revenue Code (NIRC), as amended by **RA No. 10963** or the *"Tax Reform for Acceleration and Inclusion (TRAIN)"*, this Circular is hereby issued to provide the simplified policies on the Application for Registration of Computerized Accounting System (CAS), Computerized Books of Accounts (CBA) and/or its Components, including the Electronic Storage System (ESS), Middleware and Other Similar Systems (hereby collectively known as "System") and hereby supersedes the provisions of **Revenue Memorandum Circular (RMC) No. 10-2020** - *Suspends the requirement for Permit to Use (PTU) Computerized Accounting System (CAS), Computerized Books of Accounts (CBA) and/or Component(s) thereof and allows their use subject to compliance requirement* and certain portions of **Revenue Memorandum Order (RMO) No. 29-2002** - *Revised Procedures in the Processing and Approval of Applications for Permit To Adopt Computerized Accounting System (CAS) or Components Thereof Amending RMO 21-2000* that are inconsistent with the provisions of this RMC.

All taxpayers intending to use CAS, CBA and/or its Components, including the ESS, Middleware and Other Similar Systems shall not be required to secure PTU, instead, shall be registered subject to the following policies:

1. Register the "System" by submitting the documentary requirements stated on the **"Checklist of Documentary Requirements" (CDR)** (Annex "A") to the Revenue District Office (RDO) where the taxpayer is registered. *BIR Form No. 1900 - Application for Authority to Use Computerized Accounting System or Components thereof/Loose-Leaf Books of Accounts* shall no longer be required for the submission of application for registration of the "System".

2. The "System" shall comply with the standards set forth under Annex "B" hereof; otherwise, when discovered to have violated the said standards during post-evaluation or audit, the taxpayer-user shall be subject to penalties provided under RMO No. 7-2015 and other existing revenue issuances.

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3. Upon submission of complete documentary requirements, an **Acknowledgement Certificate (AC)** (Annex "C") shall be issued **within three (3) working days** from receipt of the complete documents by the RDO where the taxpayer-user of the system is registered. Hence, Permit to Use CAS, CBA and/or Components shall no longer be required for the use and registration of the "System" upon approval of this Circular.

4. System demonstration or pre-evaluation shall not be required prior to the use of the "System". However, post-evaluation shall be conducted by the concerned RDO to determine compliance of the "System" registered with the Bureau to the standards set forth in Annex "B".

5. All taxpayers with existing Permit To Use (PTU) CAS, CBA and/or its Components shall **NOT** be required to apply for registration. The approved PTU previously issued by the Bureau shall still be valid, except for the following circumstances:

   a. PTU was revoked upon discovery of its non-compliance with existing revenue issuances during the conduct of authorized audit activity, Tax Compliance Verification Drive (TCVD) or Post-Evaluation.

   b. Existence of major system enhancement or upgrade, which will require the filing of a new application for registration of the "System".

6. Taxpayer must submit a new application for registration in case of major system enhancement, such as but not limited to any of the following:

   a. Change in the functionalities of the system particularly on enhancements that will have a direct effect on the financial aspect of the system that includes modified computations and other financial-related issues that were considered;

   b. Addition or removal of modules or submodules within the system that will have a direct impact on the financial aspect of the system;

   c. Change in the system/software Version or Release Number that will have enhancements on the financial aspect of the system; and

   d. All other enhancements that will be deemed as major system enhancement based on the recommendation of the technical evaluators after the comparative functionalities of the old and upgraded "system" were presented by the taxpayer.

In case a taxpayer is found to have used an enhanced/upgraded system/software/application without registering with BIR prior to the use of such enhanced "system", the PTU originally issued shall be automatically revoked or registration shall have no effect from the time the

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enhanced/upgraded system/software/application is adopted by the taxpayer and may still be subjected to applicable penalty under existing revenue issuances.

7. In case of any minor system enhancement, e.g., user interface modification, bug fixes, performance improvements, etc., the taxpayer must submit a written notification to their registered RDO/LT Office stating the specific minor enhancements on the system.

The detailed guidelines and procedures shall be provided regarding the registration of the "System" in a separate revenue issuance.

This Circular shall take effect immediately.

CAESAR R. DULAY
Commissioner of Internal Revenue

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