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

July 30, 2007

REVENUE MEMORANDUM CIRCULAR NO. 51-2007

SUBJECT : Circularization of the Revisions on the New Paradigm in Meeting the Collection Target as Embodied in the Memorandum Issued by OIC-CIR dated July 27, 2007

TO : All Internal Revenue Officers and Others Concerned.

For the information and guidance of all concerned, reproduced hereunder, in its entirety, is the Memorandum of the undersigned, dated July 27, 2007, addressed to all concerned internal revenue officials and employees, relative to the revisions made on the new paradigm in meeting the collection target, as follows:

"MEMORANDUM

"TO : ALL CONCERNED INTERNAL REVENUE OFFICIALS AND EMPLOYEES

"SUBJECT : REVISIONS ON THE NEW PARADIGM IN MEETING COLLECTION TARGET

"DATE : July 27, 2007

"To expedite the claims for tax credits or refund, The New Paradigm in Meeting Collection Target, as circularized thru Revenue Memorandum Circular No. 32-2007, is hereby revised to reflect the following changes:

"I. Except for cases falling under the jurisdiction of the Large Taxpayer Service (LTS), claims for cash/TCCs must observe the following processes:

"a. For cases One Million (1M) Pesos and below, the following procedures shall be followed:

- Claims of One Million (1M) Pesos and below are to be processed and reviewed by the Revenue District Office having jurisdiction over the claimant with the Regional Director as the approving official.

- If in the process, legal questions or questions of law arise, the Revenue Officer assigned shall request for a legal opinion on the issues raised. The Legal Division shall resolve the legal question and issue an opinion on the matter. The Ruling issued by the Legal Division shall form part of the records of the case.

"b. For claims/cases of more than One Million (1M) but not exceeding Ten Million (10M) Pesos;

- For claims/cases of more than One Million (1M) but not exceeding Ten Million (10M) Pesos the same shall be filed and processed in the RDO having jurisdiction over the claimant. Review shall be done in the Revenue Region and shall be forwarded to the Assessment Service. The certificates shall be signed by the Assistant Commissioner-Assessment Service (ACIR-Assessment Service) as the final approving official.

- If in the process, legal questions or questions of law arise, the Revenue Officer assigned shall request for a legal opinion on the issues raised. The Legal Service shall process and resolve the legal question and issue an opinion to be attached to the docket and shall form part of the records of the case. The docket shall remain in the custody of the Revenue Officer assigned to the case.

- In case of conflict between the ruling issued by the Legal Service and the decision/position of Assessment Service, the same shall be resolved by the concerned Deputy Commissioner of Internal Revenue (DCIR)/Commissioner of Internal Revenue (CIR).

"c. For claims above Ten Million (10M) Pesos

- All reports/cases with claims exceeding Ten Million (10M) Pesos must be recommended and signed by the ACIR-Assessment Service. The same shall be forwarded to the Office of the Deputy Commissioner for Operations Group (ODCIR-OG) for final approval.

- If in the process, legal questions or questions of law arise, the Revenue Officer assigned shall request for a legal opinion on the issues raised. The Legal Service shall process and resolve the legal question and issue an opinion to be attached to the docket and shall form part of the records of the case. The docket shall remain in the custody of the Revenue Officer assigned to the case. After the issuance of the ruling, the ACIR- Assessment Service shall forward the docket to the Office of the DCIR-OG.

- In case of conflict between the ruling issued by the Legal Service and the Assessment Service, the same shall be resolved by the concerned Deputy or the Commissioner of Internal Revenue.

"II. For claims for cash refunds/ Tax Credit Certificates (TCCs) filed in the Large Taxpayers Service (LTAID I, LTAID II & LTDO) the following rules shall be observed:

- All claims amounting to Ten Million (10M) Pesos and below, the same shall be reviewed and approved by the ACIR-LTS or the respective Head Revenue Executive Assistant (HREA) in the absence of the former.

- If the amounts involved exceeds Ten Million (10M) Pesos, the final approving authority shall be the CIR.

- If in the process, legal questions or questions of law arise, the Revenue Officer assigned shall request for a legal opinion on the issues raised. The Legal Service shall process and resolve the legal question and issue an opinion to be attached to the docket and shall form part of the records of the case. The docket shall remain in the

custody of the Revenue Officer assigned to the case. After the issuance of the ruling, the docket shall be forwarded to the office of the CIR for final approval.

"III. For VAT claims filed in the One-Stop-Shop Center of the DOF the following procedures are to be observed:

- Claims amounting to Ten Million (10M) Pesos and below filed in the OSS-DOF shall be reviewed and processed by the Assessment Service. The ACIR-Assessment Service shall be the approving official for claims involving these amounts.

- Claims exceeding Ten Million (10M) Pesos shall be reviewed and recommended by the ACIR-Assessment Service to the Deputy Commissioner–Operations Group for final approval.

- Dockets reviewed by the Assessment Service involving said claims which it would transmit back to OSS-DOF for compliance with certain requirements need not pass through the review of the ODCIR-OG. The ACIR-Assessment Service shall send it back to the originating office for immediate compliance to avoid further delay in the claims.

"IV. For cases decided by courts which require the issuance of TCCs;

- The Appellate Division shall prepare the TCCs to be signed by the ACIR-Legal Service as the final approving official.

"All the pertinent audit procedures, memorandum orders, and other issuances for the validation of the amounts claimed for tax credit and refund as well as the approval thereof, and the issuance of the corresponding TCCs or release of check in case of refund, shall strictly be observed.

"In case of revalidation of TCCs:

"Except for cases handled by LTS and Region 8-Makati which follow the rules and procedures under Integrated Tax System, all revalidations, tranfers, utilizations and conversions of TCCs must be reviewed and recommended by the concerned ACIR and shall be signed by the Deputy Commissioner-Operations Group as the final approving official, except those jointly issued by the BIR and the OSS-Center which shall be jointly signed by the ODCIR-OG and the Executive Director of the OSS-Center.

"All existing issuances not inconsistent herewith shall still be observed and complied.

"Please be guided accordingly.

"LILIAN B. HEFTI (SGD)
"OIC-Commissioner of Internal Revenue"

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

(Original Signed)
LILIAN B. HEFTI
OIC, Commissioner of Internal Revenue