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

JUL 13 2020

REVENUE MEMORANDUM CIRCULAR NO. 69-2020

SUBJECT : **Revised Procedures on the Cancellation of Permit to Use (PTU) Cash Register Machines (CRM), Point-of-Sale (POS) Machines, and Other Similar Sales Machines Generating Receipts/Invoices in Compliance with Republic Act (RA) No. 11032**

FOR : **All BIR Officials, Employees and Others Concerned**

This Circular is hereby issued to streamline existing procedures in accordance with the requirement of RA No. 11032 otherwise known as the "Ease of Doing Business and Efficient Government Service Delivery Act of 2018."

The specific objectives of this Circular are to:

1. Provide the standard documents to be submitted by the taxpayers in requesting for cancellation of PTU CRM/POS machines;

2. Prescribe the standard procedures in handling the cancellation process in case of withdrawal of use or upgrading/modification of existing CRM/POS Machines; and

3. Clarify some portions of the provisions of Revenue Memorandum Circular (RMC) No. 72-2018 (*Validation of Sales Generated from Point of Sale (POS)/Cash Register Machines (CRM)/Special Purpose Machines (SPM)/Other Sales Receipting System Software, Receipting/Invoicing of Computerized Accounting System (CAS), including Online Sales Transactions and from Manual Invoices/Receipts/Supplemental Commercial Documents*) dated June 18, 2018 in relation to the provisions of Operations Memorandum OPM-CSS-TSPMD No. 2018-08-01 (*Workaround Procedures in Lieu of the Conduct of Actual Inspection Relative to the Cancellation of Permit to Use (PTU) Cash Register Machines (CRM), Point-of-Sale (POS) Machines, and Other Similar Sales Machines Generating Receipts/Invoices under Certain Circumstances*) dated July 31, 2018 for purposes of cancellation of PTU.

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GUIDELINES AND PROCEDURES:

1. The cancellation of the PTU CRM/POS machine shall be processed by the Revenue District Office/LT Office having jurisdiction over the taxpayer's business address where the machine was registered.

2. The taxpayer shall notify the concerned RDO/LT office, in writing, on their request for cancellation of the PTU **within five (5) days** from the date the machine was last used/withdrawn from use stating the reason(s) for the cancellation and other information such as but not limited to the following:
   - Permit Number;
   - Machine Identification Number (MIN);
   - Type of Machine;
   - Machine serial number, brand/model;
   - Software name and/or version; and
   - Grand accumulated sales as of last day of use of the machine.

3. The taxpayer shall submit the following documents as an attachment to the Letter or to the assigned Revenue Officer at the time of machine inspection:
   - Copy of the Z-Reading (for POS machines) / audit tape (for CRM) showing the reset counter number and EOD / Z-Counter Reading as of last day of use of the machine(s);
   - Copy of the back-end report (for POS machines) / cash register sales book page (for CRM) as of last day of use of the machine(s);
   - Original copy of the PTU issued;
   - Original copy of the Decal;
   - Reprint copy of the last invoice/receipt generated as of last day of use showing the serial number of such invoice/receipt;
   - Copy of the Z-Reading/End-of-Day (EOD) Report or its equivalent showing that the sales machine was reset to zero or initialized;
   - For new/upgraded software (loaded in the same machine where the old software is installed): Copy of the Z-Reading/End-of-Day (EOD) Report or its equivalent showing the initial reading of the newly installed software.

4. Actual inspection of the CRM/POS shall be mandatory in case of its withdrawal from use or its transfer to another branch of the company. However, in case of modification/upgrading of the software being used, actual inspection of the machine may be dispensed with so as not to disrupt the normal business operation of the taxpayer under the following conditions:

   - New/upgraded software shall be set-up in the same hardware/machines where the old POS software are installed;

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- POS machines are with existing PTU issued through the Electronic Accreditation and Registration (eAccReg) System;

- The new or upgraded software will be implemented/deployed/rolled-out nationwide or in branches/franchisees located in different Revenue District Offices (RDOs); and

- The changing/loading of the new/upgraded software in the POS machines will be implemented immediately after the close of the business hours.

5. In case of withdrawal from use or transfer of the CRM/POS to another branch of the taxpayer, the assigned Revenue Officer shall conduct an inspection of the machine hereof and perform the following:
   - Check the specifications and details of the said machine(s) as against the specifications indicated in the Letter of the taxpayer;
   - Request taxpayer to generate the Z-Reading as of the day of inspection and matched with the Z-Reading (as of last day of use) submitted by the taxpayer. The grand accumulated sales should be the same. This means that the taxpayer did not use the machine after the reported last day of use;
   - Request taxpayer to generate the back end report (**for POS**) of the machine as of the date of inspection and compare with the grand accumulated sales as reflected in the Z-Reading as of the last day of use of the machine; **For CRM,** check the entries in the Cash Register Sales Book if updated (last entry should be the declared last day of use of the machine;
   - Initialize the resetting to zero of the machine;
   - Impose penalty for any violation pertaining to the use of CRM/POS machines that may be found during the inspection.

6. Non-payment of the penalties at the time of the request for cancellation of the PTU shall not be a ground for the non-issuance of the Cancellation Certificate.

7. The assigned Revenue Officer shall submit a Memorandum Report on the result of the inspection upon completion of the machine inspection and submission of the required documents by the taxpayer. Such report shall be approved by the Assistant Commissioner, LTS / RDO.

8. Upon approval of the Memo Report of the assigned Revenue Officer, the Chief, Client Support Section of the RDO / Chief, LT concerned office or its authorized staff, shall cancel the PTU and the MIN of the machine in the eAccReg system and generate the Cancellation Certificate.

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9. In compliance with the processing time in the Citizen's Charter, the Cancellation Certificate must be issued **within seven (7) days** from receipt of the letter request of the taxpayer by the concerned RDO/LT Office. In case when inspection of the machine was dispensed with, the Cancellation Certificate shall be issued to the taxpayer **within three (3) working days** from receipt of the complete requirements by the RDO / concerned LT Office.

10. The concerned LT Office/RDO shall approve the application for PTU through the eAccReg **within three (3) days** from receipt of such application as mandated under the Citizen's Charter of the BIR.

11. In order to authorize the simultaneous registration in eAccReg system of the new accredited software or upgraded software to be installed in the same machine with application for cancellation of the old software, the taxpayer shall secure approval in writing from the concerned LT Office / RDO to add a distinct prefix/suffix to the serial number of the sales machine to allow registration of the new software consisting of serial number of machine followed by prefix/suffix e.g., 123456A.

Some of the procedures set herein are just reiteration of the provisions of RMC No. 72-2018. To clarify, the policies, requirements and procedures in the said RMC apply only to machines found during Post-Evaluation to have requested for cancellation of PTU but have not been acted upon by the concerned LT Office/RDO. Otherwise, the provisions on cancellation of PTU under this Circular shall apply.

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

This Circular shall take effect immediately

CAESAR R. DULAY
Commissioner of Internal Revenue

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