REPUBLIKA NG PILIPINAS
KAGAWARAN NG PANANALAPI
KAWANIHAN NG RENTAS INTERNAS

Quezon City

October 4, 2005

Revenue Memorandum Circular No. 73 - 2005

TO	:	All Revenue Officials, Employees, Land Bank of the Philippines Officials, Employees and Others Concerned
SUBJECT	:	Efficient Service Machines (ESM)

I. BACKGROUND

This Revenue Memorandum Circular is issued to authorize the use of the Efficient Service Machine (ESM) developed by Land Bank of the Philippines.

The Efficient Service Machine (ESM) is an alternative collection facility. It is an automated and computerized kiosk that facilitates tax payment collection. It has the following features:

- Automated Tellering Machine feature with customized screen display, printer and envelope deposit chute;
- Accepts cash and checks for tax payments;
- Issues acknowledgement receipt for each completed transaction; and
- Generates customized daily collection report

II. OBJECTIVE

The ESM is aimed to lighten lobby traffic and at the same time to provide taxpayers with easy and convenient access to various banking services 24 hours a day, seven times a week (24 x 7).

Initially, this was piloted at Intramuros, Baclaran, Caloocan, San Juan and East Avenue Branches.

III. GUIDELINES

The following guidelines shall be observed on the use of the ESM:

a. First cut-off time for retrieval of documents is at 12:00 a. m. (Please refer to Section V-Retrieval Procedures);
b. All transactions within the first cut-off-time shall be considered as transaction for the day;
c. Check payments received after first cut-off time shall be considered as transaction for the next banking day. It will be booked as "Late Payments Received" to be included in the LBDES report for the next banking day
d. End-of-day retrieval of documents is at 4:30 PM (Refer to Sec. V- Retrieval Procedures;

e. Cash and Checks received after the end of day retrieval shall be considered as transaction for the next banking day;.
f. The Batch Control Sheet (BCS) shall reflect actual amount paid and not the amount of tax due per return;
g. Any discrepancy between actual amount paid and tax return not due to rounding off shall be the responsibility of the taxpayer;
h. Acceptance of late and out-of-district payments shall be allowed, however, such payment shall be subjected to penalty based on existing rate;
i. ESM shall be restricted to acceptance of a single check per transaction.
j. For every successful transaction, the ESM generated Transaction Receipt shall be issued to the taxpayer making payment.
k. The Transaction Receipt shall include the following details:

    a. Date/ Time Stamped
    b. Machine ID
    c. RDO Code
    d. Taxpayer Identification Number
    e. Agency-Bureau of Internal Revenue
    f. Amount
    g. Drawee Bank
    h. Check Number
    i. Payment Slip Number
    j. Transaction Number
    k. The appropriate label "***Late Payment and ***or This is an out-of-district payment subject payment to 25% penalty "
    l. "This is a deposit to BTR-BIR Account No_____"
    m. "This is an acknowledgement receipt. For our mutual protection, your payment is subject to confirmation and will only be opened by authorized personnel. Your payment shall be posted based on Bank's count which is deemed final ....."

l. The BIR's copy of the returns should be stamped "ESM RECEIVED" by the AAB branch and/or the deposit slip attached ;
m. Payment with Tax Debit Memo (TDM) shall not be accepted. It shall be done over-the-counter using Limited Bank Data Entry System (LBDES);
n. ESM shall use a BCS Code starting "60001 to distinguish tax payments accepted via the ESM
o. Cash payments of internal revenue taxes through this system shall cover an amount not exceeding P10,000.
p. In cases where there are no ESM transaction, a BCS report will still be submitted indicating therein "NO TRANSACTION".
q. Submission of Documents, Transmission of Collection Data, Crediting of and Remittance of Collections to BTr shall be in accordance with existing procedures.

IV . FORMS / PAYMENTS ACCEPTED

1600	1600WP	1601C	1601E	1601F	1602	1602M	1603
1606	1700	1701	1701Q	1702	1702Q	1704	1706
1800	1801	2000	2000OT	2200A	2200AN	2200M	2200P
2200T	2550M	2550Q	2551	2553	2551M		

V. PAYMENT PROCEDURES

The TAXPAYER shall:

a Accomplish a Payment Slip and enclose it in the plastic envelope together with the payment and its supporting documents. The following data shall be included in the payment slip:

Taxpayer's Name
Contact No.
Tin (9-Digits for Individual Taxpayer and 12-Digits(Including Branch Code) for Corportate/ Sole Proprietor Taxpayer
Tax Form No.
Tax Period
Quarter Number
Type of Payment
Details of Check
Amount Paid
Cash Breakdown
Name of Taxpayer/ Representative
Signature and of Taxpayer/Representative
Tax Type
RDO Number

b. Key-in the information being required by the instructions appearing on the ESM screen.
c. Verify the payment details keyed-in/ appearing on the screen and match the transaction data on the payment envelope.
d. Drop the envelope in the machine and wait for the Transaction / Acknowledgement Receipt issued by the ESM.
e. Get the Acknowledgement Receipt.

VI. RETRIEVAL PROCEDURES

The Bank shall:

a. Authorize two (2) Officers of the bank -branch and will be covered by a Bank - Branch and Regional Order to do the following:

- Retrieval of Payment Envelope

- Opening of Payment Envelope
- Reading and Matching of Data Against Actual Payment

b. In case, of discrepancy in amount, authorized personnel will contact the telephone number indicated in the payment slip of the taxpayer and inform him/ her of the discrepancy;
c. If telephone number is erroneous/ taxpayer cannot be reached, actual amount paid shall be reported;
e. The two (2) designated personnel shall prepare a "Retrieval Discrepancy Report" to be signed by an officer of the branch who shall do the counterchecking.
f. In the backend facility, the officer shall modify the amount and reflect the actual amount received.

The Revenue District Office concerned shall:

a. Retrieve BCS, corresponding Returns/ Payment Forms and other attachments based on existing rules and procedures. As specified in RMO 32-2000;

VII. REMITTANCE AND REPORTING PROCEDURES

The Bank/ Branch shall:

a. Upload the Consolidated Daily Payment Report (On-line and ESM Transaction) to its Head Office-Modified Disbursement System(MDS) and Collection Management Department (MCMD) for reporting to BIR in accordance with existing procedures under LBDES;
b. Continue to remit the BIR tax collection thru MCMD to the Bureau of the Treasury (BTr) in accordance with the existing procedures and remittance schedule;
c. In case of discrepancy, prepare a discrepancy report to be given to concerned RDO

VIII. HANDLING OF REJECTED ITEMS

a. Reject on revalidation of TIN happens on batch processing when invalid TIN will be re-encoded in LBDES
b. The system shall automatically generate the following reports:

- LBDES Report –accepted/ processed items
- Exception Item Report – Reject Items

The Bank/ Branch shall:

a. Encode manually all reject items in the standard (existing) LBDES of the bank.

IX. DOCUMENTS TO BE SUBMITTED

The Bank/ Branch shall submit the following documents:

- Consolidated Report of Daily Collection - Revenue Accounting Division (RAD)
- Batch Control Sheets (BCS) together with the returns/ payment forms/ attachment – Concerned Revenue District Office
- ESM Transaction Journal - Concerned RDO
- Daily Rejected Report - Concerned RDO
- Discrepancy Report- Concerned RDOs

The Concerned RDO shall submit the following documents/ reports:

- Discrepancy Report (Procedural Errors)- Collection Programs Division (CPD)
- Discrepancy Report (Amount of Collection per BCS/per Return)- RAD
- Late Batches – CPD

All internal revenue officers and others concerned are enjoined to give this circular as wide publicity as possible.

(Original Signed)
JOSE MARIO C. BUÑAG
Commissioner of Internal Revenue