REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

December 17, 2007

REVENUE MEMORANDUM CIRCULAR NO. 89 - 2007

SUBJECT : **Directive Given to All Large Taxpayers to Strictly Comply with the Electronic Filing and Payment System (EFPS) Regulations Relative to the Mandatory Electronic Filing (*e*-Filing) of Tax Returns and Electronic Payment (*e*-Payment) of Taxes Due Thereon.**

TO : **All Internal Revenue Officers and Others Concerned.**

All large taxpayers identified as such as of to date are hereby called upon to strictly comply with the EFPS Regulations which require for the *e*-filing of tax returns and *e*-payment of taxes due thereon.

As clearly enunciated in Section 3(a) and (b) of Revenue Regulations No. (RR) 9-2001 as amended by RR 02-2002, RR 09-2002, RR 05-2004 and last amended by RR 10-2007,

> *"Section 3. COVERAGE.*
>
> *3.1. Large Taxpayers - (a) Beginning the calendar year 2001 and all fiscal years as well as calendar years thereafter, large taxpayers shall e-file their final adjustment income tax returns for the said calendar/fiscal years and e-pay the taxes due thereon through the EFPS on or before the 15th day of the fourth month following the close of the taxable year. Nonetheless, e-payment shall be optional for tax returns that will be filed until July 31, 2002. Thus, until July 31, 2002, if a taxpayer does not opt to pay electronically, payment shall be made manually.*
>
> *(b) Beginning **July 1, 2002**, Large Taxpayers shall **e-file all the tax returns** that can be filed electronically through the EFPS but e-payment shall nonetheless remain optional until July 31, 2002. However, unless otherwise notified by the Commissioner of Internal Revenue (CIR), for all returns that will be filed **starting August 1, 2002**, **e-payment of the taxes due** thereon thru EFPS shall become **mandatory**." (bold fonts and underscoring supplied).*

Thus, based on the above provisions, since July 1, 2002, there has been no instance where large taxpayers would have manually filed their tax returns nor would have paid their taxes manually since August 1, 2002, unless the BIR system has been down during the deadline date or the revised form has not been available in EFPS.

In the *e*-payment of taxes, Section 8.1(a) of the said Regulations, thus provides:

> *"8.1 Large Taxpayers. — (a) Large Taxpayers who will e-pay shall enroll with any EFPS AAB authorized to serve them and who is capable to accept e-payments. E-payments shall be made within the day the return is electronically filed following the "pay-as-you-file" principle.*
>
> *Accreditation of an existing BIR AAB as an EFPS AAB authorized to service taxpayers classified and notified by the BIR as large taxpayers shall be opened to such number of commercial/universal banks as may be necessary to provide efficient and effective service to all the large taxpayers."*

It is apparent that with respect to tax payments of large taxpayers, the same must be made only through their authorized EFPS Authorized Agent Banks (AABs) and not through Revenue Collection Officers (RCOs) of the Bureau as has been recently noted and discovered during the review of the Collection Performance of the Large Taxpayer Service and of the Revenue Regions.

As a practice, tax payments coursed through the RCOs of the Bureau who then issue Revenue Official Receipts (RORs) as evidence of their receipt of tax payments are only allowed in instances where there are no AABs within the revenue district office where the taxpayer is registered which circumstance is obviously unavailing in the case of large taxpayers.

Thus, all large taxpayers are hereby reminded to refrain from manually paying their taxes through the RCOs and to strictly comply with the Regulations mandating them to e-pay their taxes through their EFPS AABs. Otherwise, the penalty of 25% surcharge for wrong venue as provided for under Sec. 248 (a)(2) of the 1997 Tax Code, as amended, shall be imposed.

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

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