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

BUREAU OF INTERNAL REVENUE
RECORDS MGT. DIVISION
4:30 P.M.
OCT 24 2017
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October 20, 2017

REVENUE MEMORANDUM CIRCULAR NO. 89-2017

SUBJECT : Circularizes the Amendments to Revenue Memorandum Circular No. 51-2007 on the Processing of Claims for Issuance of Tax Refund/Tax Credit Certificate (TCC) and Revenue Officials Authorized to Approve and/or Issue the Tax Refund/TCC

TO : All Internal Revenue Officials and Employees Concerned

For the information and guidance of all concerned. this Circular is issued to amend the provisions in RMC No. 51-2007 on the processing of claims for issuance of tax refund/TCC, except claims processed under the jurisdiction of the Large Taxpayers Service (LTS) and the Legal Service.

I. Claims for value-added tax (VAT) refund/TCC by direct exporters

1. All claims by direct exporters shall be filed with and processed by the VAT Credit Audit Division (VCAD), except for taxpayers under the jurisdiction of the LTS, who have the option to file with the concerned LT Division where they are registered or with the VCAD.

2. The electronic Letters of Authority (eLAs) involving claims filed with the VCAD shall be approved and signed by the Assistant Commissioner – Assessment Service (ACIR – AS).

3. All claims processed by the VCAD shall be reviewed by the Tax Audit Review Division (TARD) prior to approval of the claim.

4. The following are the authorized approving revenue officials:

Amount Claimed	and/ or	Amount Granted	Approving Revenue Official
Not more than ₱ 75,000,000.00		Below ₱ 50,000,000.00	ACIR – AS
More than ₱ 75,000,000.00 up to ₱ 150,000,000.00		₱ 50,000,000.00 up to ₱ 100,000,000.00	Deputy Commissioner – Operations Group (DCIR – OG)
More than ₱ 150,000,000.00		More than ₱ 100,000,000.00	Commissioner of Internal Revenue (CIR)

II. Claims for issuance of tax refund/TCC on income and other taxes filed by taxpayers registered with the Revenue District Offices (RDOs), including VAT refund/TCC claims of indirect exporters

1. All claims filed with and processed by the RDO shall be reviewed by the concerned Assessment Division prior to transmittal to the Regional Director.

2. The Regional Director shall be the authorized approving official for claims amounting to Ten Million (10M) Pesos and below. For claims exceeding 10M Pesos, the reports on said claims shall be signed by the Regional Director, who shall recommend the approval/issuance of the tax refund/TCC.

3. The docket of the claim shall be transmitted to the TARD for further review prior to approval of the revenue officials in accordance with the thresholds set in item I.4 hereof.

4. All memorandum reports recommending claims within the applicable thresholds in item 1.4 hereof shall be signed by the ACIR – AS prior to final approval by the DCIR – OG/CIR.

III. Existing claims from Regional Offices exceeding ₱ 1,000,000.00 (1M Pesos) in the possession of the National Office

Claims which emanated from Regional Offices amounting to more than 1M Pesos in the possession of the National Office at the time of the approval of this Circular shall be acted upon in accordance with the thresholds set in item I.4 hereof.

IV. Time frame to process claims for VAT refund/TCC under Section 112 (A) of the National Internal Revenue Code of 1997 (Tax Code), as amended

1. The 120-day period prescribed under 112 (C) of the Tax Code, as amended, shall start from the actual date of filing of the application.

2. For claims processed by the RDOs amounting to more than ₱ 10,000,000.00 and all claims processed by the VCAD, the docket of the claim shall be indorsed/forwarded to the TARD for review within eighty (80) calendar days from the date of the filing of application for VAT refund/TCC. The RDOs, Regional Offices and VCAD shall ensure compliance with the required 80-day period to process the claims and submit the dockets with the reports.

   For this purpose, no VAT refund/TCC docket shall be accepted by the National Office beyond the 80-day period prescribed herein, regardless of the date when the eLA was issued, except for justifiable reasons, e.g., fortuitous events, unexpected suspension of work or declared holidays, etc.

3. The TARD shall ensure that the docket of the claim shall be transmitted to the approving official not later than one hundred (100) days from the filing of the application for VAT refund/TCC.

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4. The approving officials shall act on the recommended claims for VAT refund/TCC not later than the 120th day from receipt of application by the processing offices.

In the absence of a duly appointed DCIR – OG. claims for tax refund/TCC for approval of the said official shall be approved by the CIR.

All other issuances inconsistent herewith are hereby repealed or modified accordingly.

The amendments prescribed in this Circular shall take effect immediately.

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

CAESAR R. DULAY
Commissioner of Internal Revenue

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