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

September 15, 2017

REVENUE MEMORANDUM CIRCULAR NO. 91-2017

TO	:	**All Regional Directors, All Revenue District Officers, and Other Concerned Offices**
SUBJECT	:	**Implementation of the Nationwide Z-Reading and Post-Evaluation of Cash Register Machine (CRM), Point-of-Sale (POS) Machine and Other Sales Receipting System Software**

This Memorandum is hereby issued to mandate the conduct of Nationwide Z-Reading and Post-Evaluation of CRM, POS, and Other Sales Receipting System Software under Revenue Memorandum Order (RMO) No. 9-2006 and RMO No. 27-2014 to validate compliance with the following issuances:

1. **Revenue Regulations (RR) No. 10-2015 -** Prescribes the use of non-thermal paper for all Cash Register Machines/Point-of-Sales Machines and other invoice/receipt generating machine/software;

2. **RR No. 4-2013** - Further Amending Certain Provisions of Revenue Regulations No. 11-2004 Prescribing the Machine Identification Number (MIN) Sticker for the Use of Cash Register Machines (CRM), Point-of-Sale (POS) System Machines and/or Business/Sale Machines Generating Receipts/Invoices;

3. **RR No. 11-2004 -** Prescribes the rules and regulations on the accreditation, registration and use of Cash Register Machines, Point-of-Sale Machines and/or Business Machines Generating Receipts/Invoices;

4. **RMO No. 12-2012** - Prescribes the guidelines and procedures in the implementation of the Electronic Sales Reporting by taxpayers using Cash Register Machines, Point of Sales Machines and other invoice/receipt generating machines, and for other purpose;

5. **RMO No. 10-2005 -** Prescribes the policies and procedures in the accreditation of Cash Register Machine (CRM), Point of Sale (POS), other sales machines including sales receipting system software as well as registration for the use thereof pursuant to RR Nos. 11-2004 and 5-2005;

6. **Revenue Memorandum Circular (RMC) No. 55-2016 -** Clarifies the five-year validity period of Certificate of Accreditation issued to developers/dealers/supplier-vendors/pseudo-suppliers of Cash Register Machines/POS machines and other sales machines/receipting software;

7. **RMC No. 68-2015** - Mandates the accreditation of all Cash Register Machines, Point-of-Sale machines and other sales machines/receipting software at the BIR National Office;

8. **RMC No. 30-2015** - Implements strict non-issuance of Provisional Permit to Use cash register machines/point-of-sale machines/receipting software to prospective/new users; and

9. **RMC No. 45-2014** - Prescribes the use of the enhanced and integrated Electronic Accreditation and Registration (eAccReg) and Electronic Sales Reporting (eSales) Systems.

Based on the abovementioned provisions, CRM, POS machine and Other Sales Receipting System Software shall have the identified features and/or compliant with the details/specifications provided in the existing issuances as stated below:

1. Machine/Software must reflect the Accreditation Number, Type of Sales Machine, Serial Number, Permit to Use (PTU) Number and Machine Identification Number (MIN);

2. Registered machines may be withdrawn from use, either by retirement or by sale, upon approval of the submitted application for cancellation of PTU by concerned Revenue District Office (RDO)/Office concerned. Machine/software with cancelled PTU shall no longer be used in the business operation of the taxpayer-user.

3. The MIN Sticker which is a security void sticker revealing warning messages once opened, removed, resealed or tampered will be attached at the back of the machine to which it refers and must be conspicuously visible to the public. It shall contain the following information:
    a. MIN;
    b. Name and TIN of the taxpayer-user with Branch Code (12 digits);
    c. PTU Number;
    d. Serial Number of the branded machines or the Hard Disk Drive (HDD) or Product Code of software for cloned machines, whichever is applicable;
    e. Bar Code, if applicable;

4. No POS machine/software shall be operated without the corresponding electronic journal (e-Journal) and no CRM be operated without the corresponding tapes installed on both rollers or its equivalent;

5. No machine shall be switched to "Training Mode" nor to "No Sale Transaction Mode";

6. All taxpayers using CRM, POS machines and other invoice/receipt generating machines enrolled in the eSales System, with or without sales transaction, are required to submit Monthly Sales Report per machine to the Bureau of Internal Revenue (BIR) through the aforesaid system. The eSales System shall be accessed by an Authorized User enrolled in the eAccReg System per Sworn Statement submitted to the RDO/Office concerned;

7. All existing Final PTUs including those Provisional PTUs that was converted on or before July 31, 2015 shall have a validity period of five (5) years effective August 1, 2015 pursuant to RMO No. 30-2015. Hence, no Provisional PTU must be issued after July 31, 2015, otherwise, the same shall be revoked;

8. Accreditation of machines/software shall also have a validity period of five (5) years from the date of issuance of Certificate of Accreditation subject to re-accreditation within sixty (60) days prior to the expiration of validity period;

9. Non-VAT Official Receipt/Sales Invoice and other Commercial Documents such as but not limited to supplementary receipts/invoices shall mandatorily indicate the following phrase at the bottom of the invoice/receipts/documents:

   "THIS DOCUMENT IS NOT VALID FOR CLAIM OF INPUT TAX"

   It shall also reflect at the bottom the details as provided below:

   a. Name, Address and TIN of the accredited supplier of CRM, POS and Other Sales Receipting System/Software;
   b. Accreditation Number and the Date of Accreditation of the accredited supplier specifying Date of Issuance and Validity Date;
   c. BIR Final PTU Number;
   d. The phrase: **"THIS INVOICE/RECEIPT SHALL BE VALID FOR FIVE (5) YEARS FROM THE DATE OF THE PERMIT TO USE";** and

10. All Certificate of Accreditation shall be valid and shall be in effect based on its Date of Issuance with staggered implementation pursuant to RMC No. 55-2016, to wit:

DATE OF ISSUANCE ON THE CERTIFICATE OF ACCREDITATION	VALID UNTIL
Prior to July 31, 2013	July 31, 2018
August 1, 2013 to July 31, 2014	July 31, 2019
August 1, 2014 to July 31, 2015	July 31, 2020
August 1, 2015 onwards	Five-year validity shall commence.

For Example:
If Certificate of Accreditation was issued on:

- **August 1, 2006** – Valid Until **July 31, 2018**
- **August 2, 2013 –** Valid Until **July 31, 2019**
- **September 27, 2014 –** Valid Until **July 31, 2020**
- **August 5, 2015 –** Valid Until **August 4, 2020**

Both primary and supplementary receipts/invoices must reflect the corresponding Date of Issuance and Validity Period as provided above.

Based on the Enhanced eAccReg and eSales Systems, the hereunder material data were extracted in coordination with the Business Intelligence Division (BID) which were sorted out per RR and/or RDO for the soft copy be issued to the concerned offices:

1. Summary of Machine/Software with Statistical Data on Supplier, Software, Count of Machines with eSales per Regional Office (Annex "A") and per RDO (Annex "A-1");
2. List of Suppliers with Accredited Machines/Software per RDO (Annex "B");
3. List of Machines/Software with Final PTU (Annex "C");
4. List of Machines/Software with Provisional PTU (Annex "D");
5. List of Cancelled Machines (Annex "E"); and

6. List of Machines with No eSales Report (Annex "F").

The foregoing data/reports shall be distributed to the Regional Office and Revenue District Offices as a source document for the conduct of the Post-Evaluation/Audit of the Machines/Software.

Further, the following activities shall be undertaken to implement the validation and monitoring of compliance by taxpayers on the use of CRM, POS and Other Sales Receipting System Software:

I. Revenue District Office shall:

A. BIR Initiated Activity

1. The RDO shall conduct the post-evaluation of machines/software used by taxpayers in the business operations using the identified features/specifications in Paragraph 2 hereof and Listed as Checklist (Annex "G") for use by the Revenue Officers/personnel during the conduct of Tax Compliance Verification Drive (TCVD);

2. Identify unregistered machines/software or unauthorized use of machines/software such as cancelled/retired machines/software that are still being used in business operations;

3. Issue an automatic revocation of the Provisional PTU per List of Provisional PTU (Annex "D") since all Provisional PTUs should have been converted into Final PTU as of July 31, 2015;

4. Check all machines identified with No eSales Report submitted to justify the imposition of appropriate penalty;

5. Conduct the Reading of all machines/software, whether registered or not, either by year or accumulated that is known as "Z-Reading" or through backend by extracting the Summary of Sales for the current period and/or immediately preceding year;

6. Issue the corresponding Notice of Findings/Violations and impose necessary penalty/ies and/or recommend revocation based on existing revenue issuances; and

7. Submit Report to the Client Support Service (CSS) thru the Taxpayer Service Programs and Monitoring Division (TSPMD).

B. Taxpayer Initiated Activity

Accredited Suppliers/Providers of Machines/Software who voluntarily apply or request for reconfiguration in order to comply with the provisions of RR No. 10-2015 on the use of non-thermal paper and to reflect the mandatory information at the footer of the receipts/invoices, shall submit the following to the National Accreditation Board (NAB) Secretariat under CSS for consolidation by the Technical Working Group (TWG):

1. The procedures/steps in the machine reconfiguration shall be submitted by the supplier/provider;

2. An inventory of machine for reconfiguration per RDO shall be submitted;

3. The NAB-TWG shall coordinate with the RDO where machines are deployed for the schedule of the machine reconfiguration. The List of Machines shall be transmitted to the RDO concerned. Members of the TWG may assist the RDO in the reconfiguration activity including mandatory reading of the machines because the machines' memory will be reset to zero upon reconfiguration/enhancement of the same;

4. The RDO shall assign Revenue Officer/s to participate in the conduct of machine reconfiguration and to obtain Z-Reading for validation of tax compliance. Reconfiguration Report and the Sales Data Reading (Z-Reading/Summary of Sales) must be duly signed by the taxpayer-user and/or authorized representative, together with the BIR representative/s;

5. In any instance where the BIR representative is not available at the scheduled date of activity after due notice to the concerned office, a Joint Sworn Statement by the taxpayer-user and the supplier/provider must be submitted to the RDO having jurisdiction over the taxpayer's place of business, either Branch or Head Office, copy furnished the Client Support Service. The Joint Sworn Statement shall include the items stated below:
    a. Machine Specification/Details;
    b. Z-Reading or periodic reading, if available;
    c. Statement of non-suppression of Sales during machine reconfiguration and generation of Z-Reading;
    d. It is signed under the penalty of perjury; and
    e. The generated Z-Reading shall be attached to the Sworn Statement; and

6. The suppler/provider shall submit a consolidated Z-Reading from all the identified machines per taxpayer-user located nationwide to the CSS, BIR National Office, for reference, record purposes and data matching with eSales Report.

II. NAB-TWG shall:

1. Receive machine inventory from NAB Secretariat;

2. Coordinate with the RDO for the scheduled conduct of reconfiguration and reading;

3. Transmit the inventory to the concerned RDO;

4. Assist the RDO in the conduct of the activity;

5. Receive copy of the reconfiguration report and reading from CSS thru the NAB Secretariat; and

6. Coordinate with Information Systems Group (ISG) for data matching.

III. CSS shall:

1. Receive application request from suppliers/providers for the reconfiguration of machines/Z-reading for centralized recording;

2. Transmit application/request to TWG Secretariat for coordination with RDO and possible assignment of member/s to assist the RDO;

3. Receive Consolidated Reconfiguration Reports from the suppliers/providers and from the RDOs; and

4. Submit Summary of Consolidated Reconfiguration Reports of all RDO to the Deputy Commissioner, Operations Group.

The abovementioned guidelines and procedures must be strictly adhered to by the aforesaid offices and/or members of the NAB-TWG.

(Original Signed)
CAESAR R. DULAY
Commissioner of Internal Revenue

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