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

November 17, 2003

REVENUE MEMORANDUM ORDER NO. 1-2004

TO : All Internal Revenue Officers and Others Concerned

SUBJECT : Prescribing the Policies, Guidelines and Procedures in the Cancellation/Transfer of Registration Data or Effecting an End-Date on the Tax and/or Form Types of Taxpayers, Under the Jurisdiction of the Large Taxpayers Service (LTS) that Have Ceased/Closed Operations, Dissolved Due to Merger/ Consolidations or Those that Can No Longer Be Located/ Contacted

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I. OBJECTIVES

1. To prescribe the procedures in the cancellation/transfer of registration data or effecting an end-date on the registered tax and/or form types of taxpayers under the jurisdiction of the LTS that have ceased/closed operations, dissolved due to merger/consolidation or those that can no longer be located/contacted.

2. To delineate the roles and responsibilities of the officials/personnel concerned in cancelling/transferring the registration data or effecting end-date on the registered tax and/or form types of taxpayers under the jurisdiction of the LTS.

3. To prescribe reporting requirements to effectively monitor the performance of the concerned LTS office and personnel in the discharge of their respective functions as delineated in this order.

II. POLICIES

1. All reports/dockets of the stop-filer cases of taxpayers that have ceased/closed operations, dissolved due to mergers/consolidations or those that can no longer be located/contacted and have not filed any formal notice of cessation/closure/merger/consolidation to the LTS shall be forwarded by the Large Taxpayers Collection and Enforcement Division (LTCED)/LTDO-Collection Section (Annex "A") to the Chief, Large Taxpayers Audit and Investigation Division (LTAID) I/LTAID II/Large Taxpayers District Office (LTDO)-Assessment Section for further verification/investigation. In verifying those cases, the procedures prescribed in Item III.A of this Order shall be followed by all concerned offices.

2. All letters of notice of cessation/closure/merger/consolidation of taxpayers registered with the LTS shall be filed at Large Taxpayers Assistance Division (LTAD) I or LTAD II, BIR National Office Building, Diliman, Quezon City or at the Large Taxpayers District Office (LTDO), as the case may be. In processing/verifying such notice, all concerned offices shall follow the procedures embodied in Items III.B and III.C of this Order.

3. The report/docket of each case must contain the following necessary supporting documents:

    1) Articles of Merger/Consolidation and Latest General Information Sheet from Securities and Exchange Commission (SEC) or other legal documents evidencing such merger;

    2) Secretary's Certificate of Board Resolution by the Corporation (applicable for ceased operations);

    3) Certification from Local Government Units (e.g., Barangay Clearance, etc.) or Administrator/Lessor/New Tenant of Previous Business Address;

    4) Latest Electric/Telephone/Water Bill from Utility Companies (whichever is available);

    5) Delinquency Verification Report from LTCED/LTDO-Collection Section / Collection Enforcement Division (CED) at the National Office or Collection Division in the Regional Office (Annex "B");

    6) Details of Monthly Tax Payments and Returns Filed By Tax Type During the last two (2) years (Annex "C");

    7) Referral Letter (Annex "D"), Tax Verification Notice (TVN) or Letter of Authority (LA), whichever is applicable;

    8) Ocular Inspection Report (Annex "E");

    9) Reminder Letters for Stop Filer Case (First and Final Notices);

    10) Revenue Officers Verification Report-Assessment (Annex "F"); and

    11) Proof of payment of any tax assessed, collected, if any.

4. The registration of taxpayers with outstanding delinquent accounts or with on-going audit/investigation shall not be cancelled and only an end date will be effected on their registered form types.

5. The end-date of tax type of taxpayer shall only be done after thorough audit and investigation made by LTAID II and is cleared of all tax liabilities for that particular tax type.

6. The names of taxpayers that can no longer be located or with unknown whereabouts despite diligent efforts exerted by Revenue Officers may be published in the newspaper or BIR website to notify the public of their status as stop filers/non-filers.

7. The registration of taxpayers with "end-date" status on their tax and/or form types shall be immediately reactivated upon receipt of verified information of their present whereabouts, or when they have resumed filing of their tax returns and the payment of taxes due.

8. Merger/consolidation by a Large Taxpayer with a Non-Large Taxpayer, with the latter as the surviving corporation, shall be automatically classified as Large Taxpayer.

9. All notification letters to concerned RDOs and taxpayers regarding the inclusion to or exclusion of identified taxpayer(s) from the list of LTs shall be signed by the Commissioner.

10. The Chief, LTAD I/LTAD II/LTDO shall submit Monthly Summary Report on Effected End-Dates of Tax and/or Form Types/Cancelled Registrations (Annexes "G" and "H") and List of Newly Transferred-In Taxpayers (Annex "I") to the Assistant Commissioner (ACIR), LTS on or before the 10th day of the following month.

III. PROCEDURES

A. Cancellation of Registration Data or Effecting End-Date on the Tax and/or Form Types of Taxpayer under the Jurisdiction of the LTS (Ceased/Closed Operations or Those That Can No Longer Be Located/Whereabouts Unknown/Dissolved-"Without Notification Letter")

Responsible Person/ Office	Process
LT Collection and Enforcement Division (LTCED)/LTDO-Collection Section	1. Prepare list of stopfilers who have ceased/closed operation or cannot be located or has dissolved without prior notice to BIR. 2. Submit the above list to Corporate Communication Division for publication. 3. Forward the report/docket of stop-filer case of taxpayer that has ceased/closed operation, can no longer be located/ whereabouts unknown or dissolved (Annex "A"), to the Chief, LTAID I/LTAID II/LTDO-Assessment Section for further verification/investigation. 4. Accomplish the Delinquency Verification Report (Annex "B") certifying that the taxpayer has a delinquent account

	and the Details of Monthly Tax Payments for the last two (2) years (Annex "C") and attach the same to the stopfiler docket.
Chief, LTAID I/LTAID II/LTDO	5. Review the report forwarded by the Chief, LTCED/LTDO-Collection Section. 6. Assign the case to a Revenue Officer (RO) or Account Officer (AO) thru the Section Chief/Group Supervisor. 7. Issue Referral Letter (Annex "D") to the concerned RO/AO for immediate verification/investigation of the case.
Revenue/ Account Officer LTAID I/LTAID II/LTDO-Assessment Section	8. Conduct ocular inspection of the taxpayer's registered address and the appropriate investigation of the case. 9. Analyze the report forwarded by the Chief, LTCED/LTDO-Collection Section. 10. Secure information from the Securities and Exchange Commission, Local Government Units (e.g., Barangay Certification), Incorporators or Registered Company Officers, Administrator/Lessor/Tenant of Previous Business Address or Utility Companies (e.g., telephone, water or electric company). 11. Prepare memorandum report and submit docket to the Section Chief, LTAID I/LTAID II/LTDO-Assessment Section. 12. Accomplish the Revenue Officer's Ocular Inspection Report (ROOIR) – Annex "E" and Revenue Officer's Verification Report (ROVR) - Annex "F". 13. Recommend assessment and collection of deficiency taxes, if any.
Section Chief, LTAID I/LTAIDII/LTDO-Assessment Section	14. Review the report/docket of the case. 15. Affix initial/signature on the report/docket of the case. 16. Forward the docket to the Chief, LTAID I/LTAID II/LTDO for review and approval
Chief, LTAID I/LTAID II/LTDO	17. Review the report/docket of the case. 18. Affix initial/signature on the report/docket of the case. 19. Forward the entire docket to the HREA/ACIR, LTS for final review and/or approval.
HREA/ACIR, LTS	20. Review and approve the report/docket of the case. 21. Affix initial/signature on the report/docket of the case. 22. Transmit the approved docket to the Chief, LTAD I /LTAD II/LTDO.
Chief, LTAD I/LTAD II/LTDO	23. Receive approved report/docket from ACIR, LTS. 24. Effect end-date on the tax and/or form types of the concerned taxpayer. In case said taxpayer has a delinquent account, transmit the docket to the LTCED/LTDO-Collection Section to immediately effect collection thereof. 25. Close the registration data of the concerned taxpayer and drop the same from the list of LTs, in case said taxpayer is cleared of tax liabilities or has no outstanding delinquent account. 26. Forward the reports/dockets of the cancelled registrations to the Large Taxpayers Programs Division (LTPD) for purposes of notifying the concerned taxpayers and recording.

	27. Prepare and submit the monthly report on cancelled registrations (Annex "G"), effected end-date of the tax and/or form types (Annex "H") and list of new transferred-in taxpayers (Annex "I "), copy furnished LTAID I/LTAID II/LTDO-Assessment and LTPD. 28. Request the Corporate Communications Division to publish in the newspaper and upload in the BIR web the list/names of taxpayers for the month that cannot be found/located to trace their whereabouts. 29. Reactivate the form type/tax type end-date status of taxpayers that cannot be found/located upon receipt of verified information of their present whereabouts, or when they have resumed filing of tax returns and the payment of taxes due. 30. Update the taxpayers' registration records.
LTPD	31. Receive approved report/docket from the Chief, LTAD I/LTAD II/LTDO. 32. Prepare notification letters to the concerned taxpayers and their respective RDOs regarding the exclusion from the list of LTS for signature of the Commissioner. 33. Send signed notification letters to the concerned taxpayers. 34. Forward approved reports/dockets of closed cases to Records Division for safekeeping.
LTCED/LTDO-Collection Section	35. Receive the reports/dockets of taxpayers with delinquent accounts. 36. Enforce the collection of delinquent accounts of the concerned taxpayers.

B. Cancellation of Registration Data or Effecting an End-Date on the Registered Tax and/or Form Types of Taxpayers under the Jurisdiction of the LTS (Ceased/Closed Operation-"With Notification Letter)

Responsible Person/ Office	Process
LTAD I/LTADII/LTDO-TAS Section	1. Receive letter of notice of closure/cessation of operation from the taxpayer. 2. Assign a Document Locator Number and record to the receiving logbook the applicable information in the notice. 3. Forward the original and second copy of the received letter of notice to LTAID I/ LTAID II/LTDO-Assessment, LTDPQAD/LTDO-TAS respectively, for verification/ resolution of suspended transactions.
Chief, LTDPQAD/LTDO-TAS	4. Verify and resolve all suspended transactions. 5. Notify Chief, LTAD I/II, LTDO-TAS to effect end-date on the tax/form types of the concerned taxpayer.
LTAD I/II, LTDO-TAS	6. Effect end-date on the tax/form types of the concerned taxpayer.
Chief, LTAID I/LTAID II/LTDO	7. Assign the case to a RO/AO thru Section Chief/Group Supervisor. 8. Issue Referral Letter (Annex "D"), Tax Verification Notice

	(TVN) or Letter of Authority (LA) to concerned RO/AO for immediate verification/investigation of the case.
Revenue/ Account Officer LTAID I/LTAID II/LTDO-Assessment Section	9. Conduct audit of all internal revenue tax liabilities for all unverified taxable years. 10. Conduct ocular inspection of the taxpayer's registered address and the investigation/audit of the case 11. Secure from LTCED the Delinquency Verification Report (Annex "B") as well as Monthly Tax Payments by Tax Types (Annex "C") for the last two (2) years. 12. Accomplish the ROOIR – Annex "e" and ROVR – Annex "F". 13. Prepare memorandum report and submit docket to the Section Chief, LTAID I/LTAID II/LTDO-Assessment Section. 14. Recommend assessment and collection of deficiency taxes, if any.
Section Chief, LTAID I/LTAIDII/LTDO-Assessment Section	15. Review the report/docket of the case. 16. Affix initial/signature on the report/docket of the case. 17. Forward the docket to the Chief, LTAID I/LTAID II/LTDO for review and approval.
Chief, LTAID I/LTAID II/LTDO	18. Review the report/docket of the case. 19. Affix initial/signature on the report/docket of the case. 20. Forward the entire docket to the HREA/ACIR, LTS for final review and/or approval.
HREA/ACIR, LTS	21. Review and approve the report/docket of the case. 22. Affix initial/signature on the report/docket of the case. 23. Transmit the approved docket to the Chief, LTAD I /LTAD II/LTDO.
Chief, LTAD I/LTAD II/LTDO	24. Receive approved report/docket from ACIR, LTS. 25. Close the registration data of the concerned taxpayer and drop the same from the list of LTs, in case said taxpayer is cleared of all tax liabilities or has no outstanding delinquent account . 26. Forward the reports/dockets of the cancelled registrations to the LTPD for purposes of notifying the concerned taxpayers and recording. 27. Prepare and submit the monthly report on cancelled registrations (Annex "G"), effected end-date of form types (Annex "H") and list of newly transferred-in taxpayers (Annex "I"), copy furnished LTAID/LTAID II/LTDO-Assessment and LTPD.
LTPD	28. Receive approved report/docket from the Chief, LTAD I/LTAD II/LTDO for recording and profiling. 29. Prepare notification letters to the concerned taxpayers and their respective RDOs regarding the exclusion or delisting from the list of LTs for signature of Commissioner. 30. Send signed notification letters to the concerned taxpayers. 31. Forward approved reports/dockets of closed cases to Records Division for safekeeping.
LTCED/LTDO-Collection Section	32. Receive the reports/dockets of taxpayers with delinquent accounts. 33. Enforce the collection of delinquent accounts of the concerned taxpayers.

C. Cancellation/Transfer of Registration Data or Effecting an End-Date on the Form Types of Taxpayers under the Jurisdiction of the LTS (Due to Merger/Consolidations-"With Notification Letter")

Responsible Person/ Office	Process
LTAD I/LTADII/LTDO	1. Receive formal notice of merger/consolidation from taxpayer. 2. Assign a Document Locator Number and record the information in the notice to the receiving logbook. 3. Forward the original and second copy of the received letter of notice to LTAID I/ LTAID II/LTDO-Assessment, LTDPQAD/LTDO-TAS respectively, for verification/ resolution of suspended transactions.
Chief, LTDPQAD/LTDO-TAS	4. Verify and resolve all suspended transactions. 5. Notify Chief, LTAD I/II, LTDO-TAS to effect end-date on the tax/form types of the concerned taxpayer.
LTAD I/II, LTDO-TAS	6. Effect end-date on the tax/form types of the concerned taxpayer.
Chief, LTAID I/LTAID II/LTDO	7. Assign the case to a RO/AO thru Section Chief/Group Supervisor 8. Issue Referral Letter (Annex "D"), TVN or LA to concerned RO/AO for immediate verification and investigation of the case.
Revenue/ Account Officer LTAID I/LTAID II/LTDO	9. Conduct ocular inspection/verification and investigation/audit of the case. 10. Secure Delinquency Verification Report (Annex "B") and Monthly Tax Payments by tax types (Annex "C") for the last two years. 11. Recommend assessment and collection of deficiency taxes, if any. 12. Accomplish the ROOIR - Annex "E" and ROVR - Annex "F". 13. Prepare memorandum report and submit docket to the Section Chief, LTAID I/LTAIDII/LTDO-Assessment Section.
Section Chief, LTAID I/LTAIDII/LTDO-Assessment	14. Review the report/docket of the case. 15. Affix initial/signature on the report/docket of the case. 16. Forward the report/docket to the Chief, LTAID I/LTAID II/LTDO.
Chief, LTAID I/LTAID II/LTDO	17. Review the report/docket of the case. 18. Affix initial/signature on the report/docket of the case 19. Forward the docket to the HREA/ACIR, LTS for final review and/or approval.
HREA/ACIR, LTS/DCIR	20. Review and approve the report/docket of the case 21. Affix initial/signature on the report/docket of the case. 22. Transmit the approved report/docket to the Chief, LTAD I/LTAD II/LTDO
Chief, LTAD I/LTAD II/LTDO	23. Receive approved report/docket from ACIR, LTS. 24. Close the registration data of the concerned taxpayer and drop the same from the list of LTs, in case said taxpayer is

	cleared of all tax liabilities or has no outstanding delinquent account. 25. Update/Transfer the new taxpayer's registration record. 26. Forward the reports/dockets of the cancelled/transferred registrations to the LTPD for purposes of notifying the concerned taxpayers and recording. 27. Prepare and submit the monthly report on cancelled registrations (Annex "G"), effected end date of form/tax types (Annex "H") and list of new transferred-in taxpayers ("Annex "I"), copy furnished LTAID I/LTAID II/LTDO-Assessment and LTPD.
LTPD	28. Receive approved report/docket from the Chief, LTAD I/LTAD II/LTDO. 29. Prepare notification letters to the concerned taxpayers and their respective RDOs regarding the exclusion/delisting from the list of LTs for signature of the Commissioner. 30. Send signed notification letters to the concerned taxpayers. 31. Forward approved reports/dockets of closed cases to Records Division for safekeeping.
LTCED/LTDO-Collection Section	32. Receive the reports/dockets of taxpayers with delinquent accounts. 32. Enforce the collection of delinquent accounts of the concerned taxpayers.

IV. REPEALING CLAUSE

All revenue issuance or portion(s) thereof inconsistent herewith are hereby revoked and/or amended accordingly.

V. EFFECTIVITY

This Order shall take immediately.

(Original Signed)
GUILLERMO L. PARAYNO, JR.
Commissioner of Internal Revenue