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

March 2, 2007

REVENUE MEMORANDUM ORDER NO. 4-2007

Subject : Guidelines and Procedures on the Issuance and Use of Revenue Official Receipts (RORs) During Specified Tax Deadlines in Areas Where There are Authorized Agent Banks (AABs)

To : All Revenue Officials and Employees Concerned

I. Background:

Despite the availability of Authorized Agent Banks (AABs) in different areas, taxpayers still encounter difficulties in filing their tax returns with, and in remitting their tax payments to, the said AABs during tax deadlines due to, among other reasons, the long queues in the banks and the volume of transactions which the AABs are processing.

This usually result in complaints from taxpayers that filing of tax returns and remittance of their tax payments are not made convenient for them and that there are even instances that the taxpayers end up not being able to file their returns and pay their taxes on due dates.

II. Objectives:

This order is issued to:

1. Prescribe the guidelines and procedures in the issuance and use of RORs during specified tax deadlines in areas where there are AABs;
2. Provide the non-large taxpayers an additional venue for the filing of returns and payment of taxes, particularly in areas where there are AABs ;
3. Define the responsibilities of Revenue District Officers (RDOs), Revenue Collection Officers (RCOs) and other officials concerned in relation to such issuance and use of RORs;
4. Minimize the inconveniences encountered by taxpayers in the filing of their tax returns and remittance of their tax payments during specified tax deadlines; and
5. Prescribe the reporting requirements for monitoring purposes.

III. Policies and Guidelines:

1. Each of the concerned RDOs shall designate the RCOs who will be authorized to issue RORs in their respective areas of jurisdiction, during the tax deadlines covered by this Order, particularly in places where there are AABs;
2. The authority to issue RORs shall apply only on the following deadlines:

    a. On January 31 - for the payment of Annual Registration Fee;
    b. On the 10th day of the month - for the remittance of withholding taxes;
    c. On the 20th day of the month - for the filing and payment of business taxes (Percentage and Value Added Tax);
    d. On the 25th day of the month – for the filing and payment of quarterly VAT; and
    e. For the annual income tax payment, the issuance of RORs shall start three (3) working days prior to and until April 15.

    Should any of the above deadlines fall on a non-working day, the authority to issue RORs herein granted shall automatically extend to the immediately succeeding working day.

3. This Order shall not apply to those taxpayers who are mandated to file and pay through Electronic Filing and Payment System (EFPS);
4. The issuance of RORs shall be limited to tax payments, in cash or in check, not exceeding the amount of Ten Thousand Pesos (Php10,000.00) per return;
5. Designated RCOs shall be bonded in strict compliance with Sec. 101 of PD 1445 which pertains to the "State Audit Code of the Philippines", Sec. 305(f) of RA 7160, Sec. 182 of GAAM Vol. 1 and Sec. 2 of Treasury Order No. 01-95 of Bureau of Treasury effective January 1, 1996;
6. The reporting and remittance of collections shall be in accordance with the existing BIR procedures as provided for in pertinent BIR issuances;
7. There shall be strict compliance with Sec. 69 of PD 1445, Department of Finance Order No. 56-92 dated May 22, 1996, as well as, Sec. 22 of Commission on Audit (COA) Circular No. 2002-002 re: "Manual on National Government Accounting System for National Government Agencies" dated June 18, 2002, requiring that all collections should be deposited with Authorized Government Depository Bank (AGDB) for the account of the agency or the Treasurer of the Philippines daily or not later than the next banking day;
8. Payment shall be captured/encoded and will form part of the Revenue District Office's (district) 1209 Collection Report through the following:
    a) the Payment Data Entry System (PDES) - for non-computerized districts; and
    b) the CBR "ADD" facility -"DEPOSIT SLIP FOR TRANSACTION" of the Integrated Tax System (ITS) - for computerized districts.
9. For computerized districts, the return shall be captured/encoded through the RPS of the ITS; and

10. For the April 15, 2007 deadline, the RDO shall provide rubber stamps bearing the RDO No., date, name and initial of RCO to be used solely for stamping "RECEIVED" the pertinent tax returns filed by the taxpayers. The Collection Programs Division (CPD) shall be furnished with sample print of the aforesaid rubber stamps.

After the April 15, 2007 deadline, the Collection Service through the CPD shall issue a uniform rubber stamp to be used by the RCOs for the effective implementation of this RMO.

IV. Duties and Responsibilities:

A. REVENUE REGIONAL OFFICE:

1. REVENUE DISTRICT OFFICE:

1.1 The Revenue District Officer shall:

a. Prepare a memorandum for approval of the Regional Director, designating the responsible RCOs (and/or authorized revenue officers) who will be authorized to receive tax payments using RORs during the herein specified deadlines;
b. Submit the Requisition and Issue Slip (RIS) to the Administrative Division for RORs needed by the RCOs;
c. Acknowledge receipt of the RORs;
d. Request RCO/ Municipality Code (s) from Collection Programs Division (CPD) for newly designated RCOs indicating the following information:
   - Complete name of designated RCOs
   - Complete address (substreet, street, barangay, district, city, zip code)
   - Contact number
   - Place of assignment
   - RDO Code
e. Inform in writing the CPD for any updates, cancellation and/or changes in the assignment of RCOs;
f. Ensure the safekeeping of accountable forms and unremitted cash collections turned-over by the RCOs, consistent with COA rules and regulations written on the Handbook on Cash Examination;
g. Sign reports submitted by the Collection Section and Document Processing Section for submission to the Regional Director and other concerned offices;
h. Monitor collection performance of RCOs in terms of compliance with the herein prescribed procedures on acceptance and remittance of tax payments and submission of the required reports to concerned offices; and

i. Ensure the protection of the taxpayers from impostors/unauthorized persons and the prevention of tax diversions/leakages through the use of fake RORs or other schemes.

1.2 The Revenue Collection Officer shall:

a. Apply for the adequate fidelity bond;
b. Check the completeness of the tax returns, and stamp "RECEIVED" those copies thus received, and issue RORs for the receipt of payment;
c. Prepare and distribute Batch Control Sheet A (BCS-A) for all the RORs issued in accordance with RMO 32-2000;
d. Deposit collection to any AGDB daily or not later than the next banking day;
e. Ensure the safekeeping of unremitted cash collection and accountable forms consistent with COA rules and regulations;
f. Record the daily transactions in the Cash Receipts Record (Annex "A");
g. Prepare and submit a Monthly Report of Collections and Deposits to their respective Collection Sections on or before the 28th day of the month using the form in Annex "B" hereof, in addition to the other reports required by the BIR concerned offices and the COA; and
h. Distribute the copies of the issued RORs, as follows:
    1. Original – Taxpayer;
    2. Duplicate – Collection Section;
    3. Triplicate – Finance Division;
    4. Quadruplicate – COA; and
    5. Quintuplicate – RCO file copy.

1.3 The Chief, Collection Section shall:

a. Supervise all RCOs assigned in the different municipalities within the their respective district's jurisdiction;
b. Monitor collection and other accountabilities;
c. Receive, evaluate and consolidate Monthly Report of Collections and Deposits (Annex "B"), documents/returns, RORs and validated deposit slips submitted by the RCOs;
d. Assign the encoding of payment information using PDES for non-computerized districts and the CBR "ADD" facility – "DEPOSIT SLIP FOR TRANSACTION" of ITS for computerized districts;
e. Forward the BCS-A, together with the original and duplicate copies of tax returns and copies of RORs, to the Document Processing Section;

f. Submit a Monthly Consolidated Report of Collections and Deposits (Annex "C") duly signed by the RDOs to the Collection Division of their respective revenue regions;
g. Issue notice to RCOs for:
   1. Non-compliance with the collection and deposit requirements;
   2. Non-compliance with the reporting requirements; and
   3. Discrepancies on the amount collected versus amount remitted; and
h. Report to the RDOs concerned, the violation/s committed by RCOs and recommend administrative sanctions; otherwise, he shall be jointly responsible for the violations committed by the RCOs.

1.4 The Chief, Document Processing Section shall:

a. Receive the original and duplicate copies of BCS-A together with the original and duplicate copies of the tax returns and copies of the RORs from the Collection Section;
b. Pre-process the returns/payment forms received;
c. Encode all the necessary information from the tax returns into the Returns Processing System:
d. Ensure the accuracy of the encoded key information from the tax returns;
e. Thereafter, stamp/write the word "ENCODED" on the face of the tax returns; and
f. File the original of the BCS-A and tax returns, together with the copies of RORs, for record purposes.

2. ADMINISTRATIVE DIVISION:

a. Submit RIS for RORs for the use of the districts within their respective revenue regions to the Accountable Forms Division; and
b. Issue the RORs to the RDOs only upon receipt of RIS duly signed by the RDOs as the requisitioning officers.

3. FINANCE DIVISION:

a. Pay the adequate Fidelity Bond of the RCOs;
b. Monitor the accountabilities of the RDOs and the RCOs with regard to RORs (used and unused, tax collections relative to the RORs issued and the remittance made by the RCOs);
c. Validate the transactions as summarized in the Statement of Collection and Remittance;
d. Conduct regular spot audit on the records of RCOs;
e. Issue certifications or notices of discrepancy with regard to the accountabilities of the RCOs and RDOs that may be discovered; and

f. Submit a Report of Discrepancy to the Regional Director, Attention: Special Investigation Division, copy furnish the Assistant Commissioner (ACIR) for Collection Service.

4. COLLECTION DIVISION:

a. Receive Monthly Consolidated Report of Collections and Deposits (Annex "C") from the concerned districts thru their respective Collection Sections; and
b. Prepare and submit the Statement of Report of Collections and Deposits (Annex "D") of RCOs in areas where there are AABs to the ACIR, Collection Service, Attention: The Chief, Revenue Accounting Division, and copy furnish CPD and The Regional Director.

5. SPECIAL INVESTIGATION DIVISION:

a. Conduct investigation upon receipt of the Notice of Discrepancy furnished by the Finance Division; and
b. Submit case report on the result of the investigation to the concerned offices in accordance with the existing procedures.

B. NATIONAL OFFICE:

1. COLLECTION PROGRAMS DIVISION:

a. Receive the request for assignment of new RCOs / Municipality code/s and updates, cancellation and/or changes of RCO / Municipality assignment from RDOs in the codes table;
b. Forward the RCO Code Request Form containing the request for assignment of RCO/Municipality Code to Systems Maintenance and Support Division in hard and soft copies (Annex "E");
c. Record Statement of Report of Collections and Deposits (Annex "D") from Collection Division of the region; and
d. Make available the records pertaining to RCO(s) collection report for verification of other concerned offices.

2. REVENUE ACCOUNTING DIVISION:

a. Reconcile the Statement of Report of Collection and Deposits (Annex "D") submitted by the Collection Division with the report from the Bureau of Treasury; and
b. Prepare letter notices to the Collection Division on the noted discrepancies.

3. SYSTEMS MAINTENANCE AND SUPPORT DIVISION:

a. Receive from CPD the request for assignment of new RCO/Municipality Code and updates, cancellation and/or changes of

RCO/Municipality assignment from RDOs, for migration to ITS codes table;

b. Reflect new RCO/Municipality Code and updates and/or changes of RCO / Municipality assignment from RDOs in the codes table;
c. Grant and migrate codes for any identified new RCO / Municipality; and
d. Provide CPD with the status of Issued RCO/Municipality Codes in soft copy after migration.

V. Repealing Clause:

Other issuances or portions thereof not consistent with the provisions of this Order are hereby repealed or amended accordingly.

VI. Effectivity:

This Order shall take effect immediately.

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