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

January 8, 2008

REVENUE MEMORANDUM ORDER NO. 5-2008

SUBJECT : Supplemental Provisions on Revenue Memorandum Order No. 38-2007 Identifying the Offices Responsible in the Handling of Enforcement Activities on Taxpayers Included in the Taxpayer Account Management Program (TAMP)

TO : All Internal Revenue Officials, Employees and Others Concerned

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I. OBJECTIVE

This Order is issued to supplement the policies provided in Revenue Memorandum Order No. 38-2007 pertaining to the identification of offices which will handle the enforcement activities on taxpayers included in the TAMP and to prescribe procedures in handling TAMP taxpayers which become subjects of confidential information.

II. SUPPLEMENTAL POLICIES AND PROCEDURES

1. Taxpayers included in the TAMP which become subjects of confidential information stating/enumerating specific incident/s comprising the act of tax evasion and supported with affidavit of the informant and other material relevant direct and documentary evidence to support the act of tax evasion shall be referred by the Law Division to the Office of the Commissioner (OCIR). Reports of tax evasion without supporting affidavit and documents shall also be referred to the OCIR;

2. In case the information on the act of tax evasion is supported with material and relevant evidence, the Commissioner of Internal Revenue (CIR) shall convene the hereby resurrected National Office (NO) Tax Fraud Committee (to be composed of the CIR; Deputy Commissioner for Legal and Inspection; Deputy Commissioner for Operations; Assistant Commissioner-Legal Service; and Assistant Commissioner-Assessment Service) for the evaluation of the existence of prima facie evidence of fraud. A majority vote of all the members shall result to a resolution of the issue of whether or not there is prima facie evidence of fraud. Those

without supporting affidavit of informant and other direct or documentary evidence to support report of tax evasion shall be referred by the OCIR to the offices having jurisdiction over the taxpayers for issuance of Letter of Authority and verification of the allegation;

3. In the absence of Deputy Commissioners and Assistant Commissioners, the Chiefs-of-Staff and Head Revenue Executive Assistants (HREAs), respectively, shall attend the meeting called by the CIR for the evaluation of the existence of prima facie evidence of tax fraud. If after preliminary evaluation there is found prima facie evidence of fraud, the NO Tax Fraud Committee shall refer the case to the National Investigation Division (NID) for further development of the case.

4. If NID finds strong evidence of tax fraud, the Deputy Commissioner-Legal and Inspection Group (DCIR-LIG), shall issue Letter of Authority (LA) to conduct further investigation. Thus, if an LA was already issued by the office having jurisdiction over such taxpayer, the same shall be cancelled by said office and immediately make a progress status report of the case, copy furnished the NID. However, if NID finds that the referred case has no existence of fraud, the case shall be referred to the concerned RDO/LTAID/LTDO, through the OCIR, regardless of any previous issuance of LA by NID;

5. The Revenue District Office (RDO)/ LTAID/ LTDO may develop the case into a "RATE" case, if warranted. The "RATE" prosecution shall be handled by the Legal Division of the Regional Office, if the taxpayer is under the jurisdiction of the region or by the National Office "RATE" Team or Prosecution Division, if the taxpayer is under the jurisdiction of the Large Taxpayers Service.

III. REPEALING CLAUSE

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

IV. EFFECTIVITY

This Order shall take effect immediately upon approval.

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