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

February 9, 2016

REVENUE MEMORANDUM ORDER NO. 7- 2016

SUBJECT : Prescribing the Policies and Procedures in the Decentralization of Processing and Issuance of Certifications on Internal Revenue Tax Payments to All Concerned Revenue Offices.

TO : All Internal Revenue Officials, Employees and Others Concerned

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I. BACKGROUND

Under the current procedures, the Revenue Accounting Division (RAD) in the National Office processes all applications for the issuance of certification on internal revenue tax payments made by individuals, non-individuals and other concerned revenue offices of the Bureau for purposes of the issuance/revalidation of Certification Authorizing Registration (CAR), processing of claims for tax refund, issuance of Tax Credit Certificates (TCCs)/Tax Clearance and for any other legal purposes.

In order to address the increasing volume of applications filed with the RAD by the applicants, as well as the inconvenience on the part of applicants located in distant places, it is deemed proper that these applications should be processed and the corresponding certifications therefor be issued by the concerned RDO or division under the Large Taxpayers Service (LTS) having jurisdiction over the taxpayer that made such internal revenue tax payments. With the availability and accessibility of collection data in the Integrated Tax System-Collections and Bank Reconciliation (ITS-CBR), the concerned RDO can immediately access the much needed data for the issuance of tax payment certification. Furthermore, this decentralization initiative will provide the RAD the much needed resources in order to concentrate on its core functions requiring immediate attention.

However, inasmuch as there are tax collections covering the periods when the ITS-CBR has not yet been implemented, it is likewise appropriate that the applications covering such periods and the issuance of the corresponding certifications should be retained in the RAD considering that the said office is the Bureau's sole custodian of all the pertinent documentary proofs thereon. Hence, the need for the issuance of this Order.

II. OBJECTIVES

This Order is hereby issued to:

1. Provide the policies and procedures in the processing of applications for issuance of certification on internal revenue tax payments that shall be uniformly observed by all concerned processing revenue district offices, including the concerned divisions under the Large Taxpayers Service (LTS), as well as the RAD in the National Office;

2. Provide the streamlined procedures in order to facilitate the processing and issuance of the said certifications;

3. Prescribe the appropriate processing fees in the preparation and issuance of the said certifications;

4. Define the duties and responsibilities of all concerned revenue personnel assigned to process the said applicants; and

5. Prescribe the reportorial requirements for purposes of monitoring the issuance of said certifications and to ensure the strict compliance to the policy and procedural requirements of this Order by all concerned revenue offices and personnel.

III. GUIDELINES AND POLICIES

1. The receiving and processing of applications for the issuance of the corresponding certifications on internal revenue tax payments shall be made by following revenue offices of this Bureau:

Revenue Office	Taxpayers Covered	Period Covered
RAD	All taxpayers, whether large or non-large covering payments made thru Authorized Agent Banks (AABs) and tax payments made thru Revenue Collection Officers (RCOs) outside the jurisdiction of the Regional Finance Divisions (RFDs)	Thru AABs -1999 and prior years Thru RCOs – 1989 and prior years
Large Taxpayer Document Processing and Quality Assurance Division (LTDPQAD), Large Taxpayer Division(LTD)-Makati and LTD-Cebu	For large taxpayers falling under their respective jurisdiction	2000 and years thereafter Or Effective date of enlisting as a large taxpayer, as the case may be
Collection Section under the Concerned RDOs	For taxpayers falling under the jurisdiction of the concerned RDOs	All collection periods not covered in the enumeration above

However, in cases of transfer by a taxpayer from one RDO or concerned LTS office, as the case may be, to another RDO/concerned LTS office, the former RDO/concerned LTS office shall receive and process the application for certification, considering that the records of tax payment made by the taxpayer under the jurisdiction of the former RDO or the concerned LTS office could not be viewed in the ITS-CBR at the new RDO/concerned LTS Office where the taxpayer is subsequently transferred.

All concerned revenue office, in the course of processing the said applications, shall ensure that the confidentiality provisions under Section 270 of the National Internal Revenue Code of 1997, as amended, are not violated, except for instances where the

applicant is an income recipient who is securing the certification, for tax refund purposes or for validating whether or not the withholding tax deducted from his/her/its income has been actually been remitted by the withholding agent-payor.

For purposes of uniformity and in the issuance of the requested certifications, the formats for Certification of Tax Payment (Annex "A.1") and Certification of No Record Found (Annex "A.2") herein prescribed shall be strictly followed.

2. In case of tax payments made through the RCOs for the periods 1990 and the years thereafter, the RDO shall prepare and submit a written request for a certification from its concerned RFD and the said certification shall be the basis in the processing of the application for certification applied for by taxpayer. However, if the said tax payment, as certified by the RFD, could not be viewed in the ITS-CBR, the details of the tax payment shall be encoded first by the RDO in the ITS-CBR before the application shall be processed and the corresponding certification is issued to the taxpayer-applicant.

   The RFD shall process and transmit the certification within five (5) working days from receipt of the written request from the concerned RDO falling under its jurisdiction.

3. The RAD, in the processing of applications and issuance of the corresponding certifications falling under the aforementioned jurisdiction, shall observe all the existing guidelines and policies relative thereto.

4. In case of tax payments made through checks, further verification shall be made in the ITS-CBR and the Report of Returned/Dishonored Checks (BIR Form No. 12.58) to determine whether or not the check used as tax payment was subsequently dishonored by the drawee bank. If the check is dishonored and no redemption of such dishonored check is made by the concerned taxpayer, no certification shall be issued by the concerned revenue office. By way of reiteration of the requirements under existing revenue guidelines and procedures, if the unredeemed dishonored check by the taxpayer is not included in the outstanding inventory of accounts receivable/delinquent accounts (AR/DAs), the same shall be entered in the General Control Ledger (GCL) of the concerned revenue office.

5. Where a tax payment could not be viewed in the ITS-CBR by the concerned processing revenue office, an immediate coordination shall be conducted with the concerned AAB, in case of un-uploaded tax payment, or with the Revenue Data Center (RDC) having jurisdiction over the concerned processing revenue office, as the case may be, to ensure that the same is immediately addressed and the appropriate actions have been made by the concerned AAB or RDC. Accordingly, only tax payments posted in the ITS-CBR, if applicable, shall be the basis for the issuance of the certification applied for by the applicant.

   The processing revenue office shall exercise utmost due care and diligence in the preparation and issuance of the certification in order to ensure that the information reflected therein are accurate, in strict observance of the prescribed existing rules and procedures. In case that a certification has been issued containing inaccurate information without the conduct of the appropriate validation/verification on the reasons therefore (e.g., tax payments that are posted but reversed, suspended tax payments, unreconciled details of tax payments between that reflected in the documentary proofs viz-a-viz that in the ITS-CBR/TAS, etc.) and the same have been proven to be incorrect, the revenue official and personnel involved in the preparation and issuance of the defective certification shall be held administratively liable thereto.

However, if the reason for the un-uploaded tax payment is resulting from an "out-of-district" transaction [i.e., the collection of taxes from One-Time-Transactions (ONETT) by another RDO under existing revenue issuances], the RDO where the tax payment was actually made by the taxpayer shall receive and process the application for certification.

6. The processing revenue office shall validate from the pertinent alpha list (BIR Form No. 1604E and 1604CF) submitted by withholding agent-payor to determine whether or not the applicant and the corresponding income and withholding taxes are included therein, in cases where the applicant is a recipient of the income from whom the withholding tax is deducted and subsequently remitted to this Bureau by the withholding agent-payor.

7. In addition to the certification fee as well as the affixture and cancellation of the requisite documentary stamp before issuance of the certification applied for shall be released to the applicant pursuant to the provisions of Revenue Memorandum Order No. 25-2011, a processing fee shall be required to be paid by the applicant in accordance with the following rates, upon filing of the application of the request for certification:

No. of Tax Payments	Processing Fee to be Paid
01 to 12 tax payments	P 100.00
13 to 24 tax payments	P 200.00
25 to 36 tax payments	P 300.00
37 to 48 tax payments	P 400.00
49 to 60 tax payments	P 500.00

The above prescribed processing fee shall **ONLY** be paid to the Revenue Collection Officer (RCO) authorized to use the Mobile Revenue Collection Officer System, thru the Collection Officer Receipting Device (CORD). The RCO shall generate an Electronic Official Receipt (eOR) and **NOT** an Electronic Revenue Official Receipt (eROR) inasmuch as the processing fee is not considered a tax. Accordingly, no certification of tax payment shall be issued without the payment of the certification fee and the affixture of the documentary stamp on the face of the issued certification.

The certification shall be signed **ONLY** by the head or assistant head, as the case may be, of the processing/issuing revenue office.

8. A monthly summary report (Annex "B") shall be prepared by the processing revenue office containing the pertinent information of all certifications issued by the said office during the month, within ten (10) days immediately after the end of each month. With respect to RDOs, the said report shall be submitted to the Chief, Collection Division, thru the Regional Director, of the Revenue Region having jurisdiction over the RDO. On the other hand, the concerned processing revenue offices under the LTS shall submit the said report with the Chief, LTDPQAD, thru the Assistant Commissioner (ACIR), LTS, while the RAD shall submit the said report to the ACIR, Collection Service.

The receiving revenue offices of the said report may conduct random post review of the certifications issued by the concerned processing offices under their respective jurisdictions to ensure that the above-prescribed guidelines and policies have been strictly observed by the said offices.

IV. TRANSITORY PROVISIONS

All applications for certification of tax payments that are filed and pending with the RAD as of February 15, 2016 shall still be processed and the corresponding certifications therefor shall be accordingly issued by the said Office.

V. REPEALING CLAUSE

All revenue issuances and portions thereof inconsistent with this Order are hereby amended or repealed accordingly.

VI. EFFECTIVITY

This Order shall take effect immediately.

(Original Signed)
KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

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