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

May 30, 2005

REVENUE MEMORANDUM ORDER NO. 15-2005

SUBJECT : Prescribing the Policies, Guidelines and Procedures to Implement Revenue Regulations No. 4-2005 dated February 16, 2005 Re: Implementing Bangko Sentral ng Pilipinas (BSP) Circular No. 472 (Sec.1) Requiring all Bank Borrowers and Co-makers to Submit Latest Income Tax Return (ITR) and Financial Statement (FS) Received by BIR.

TO : All Internal Revenue Officers, Lending Banks and Others Concerned

I. OBJECTIVES

1. To prescribe the policies, guidelines and procedures in order to ensure that the annual Income Tax Returns (ITRs) and Financial Statements (FS) being presented to banks by credit applicants and co-makers/guarantors for loan purposes are authentic and actually received by the Bureau of Internal Revenue (BIR); and

2. To delineate and define the duties and responsibilities of concerned BIR offices relative to the document authentication process prescribed in Revenue Regulations No. 4-2005.

II. POLICIES AND GUIDELINES

1. Annual Income Tax Returns (ITRs – BIR Form Nos. 1701 and 1702) filed by credit applicants and co-makers/guarantors through the Electronic Filing and Payment System (eFPS) with corresponding reference number or through the Revenue District (RDO) having jurisdiction over the taxpayer's registered address (for no payment ITR) or through Authorized Agent Bank (for ITR with payment) shall be deemed duly stamped received by the BIR.

2. Starting Calendar Year 2005, only Financial Statements (FS) of corporations with total assets of more than ₱ 15 Million audited by external auditors duly accredited by the Securities and Exchange Commission (SEC) shall be acceptable to the banks for loan purposes.

3. For eFPS-filed ITRs, the banks may verify its authenticity at the BIR Contact Center (BIRCC with telephone number 981-8888) by answering the validation questions (based on the information reflected in the ITR) that will be asked by the BIRCC Agents. If answers provided by the authorized bank representative match with the information

reflected in the eFPS database, then ITR submitted by credit applicant/co-maker shall be deemed authentic.

4. Authentication of eFPS-filed ITRs may also be done through the BIR Portal (https://my.bir.gov.ph) once the eFPS Verification channel is developed and made available in the BIR Portal.

5. To verify the authenticity of non-eFPS filed ITRs and Financial Statements (FS) submitted to banks by credit applicants/co-makers, bank representatives shall fax the above documents and the Authenticity Verification Request Form (AVR Form) to the BIRCC (at fax no. 981-7202) using the format in Annex A.

6. The BIRCC shall handle the authentication of non-eFPS filed ITRs and FS with the concerned Revenue District Office (RDO). As soon as feedback on the authentication is received from the RDO, the assigned BIRCC Agent shall call back the bank representative to relay the RDO's response/findings on the ITR/FS being verified.

III. PROCEDURES

A. The Bank shall:

1. Check the authenticity of eFPS-filed ITR submitted by credit applicants and co-makers/guarantors either through the BIR Contact Center (at telephone number 981-8888) or through the BIR Portal (https://my.bir.gov.ph) once the self-service channel is made available.

2. Check the authenticity of non-EFPS filed ITRs and Financial Statements (FS) submitted by credit applicants and co-makers/guarantors by sending through fax an Authenticity Verification Request Form (format in Annex A), together with copy of the ITR and FS to the BIR Contact Center (fax no. 981-7202).

B. The BIR Contact Center shall:

1. Respond to banks' requests for authentication of eFPS-filed ITRs within the day of receipt of request by matching the answers to validation questions provided by the bank representative with the information reflected in the Bureau's eFPS database.

2. Handle the verification of authenticity of non-eFPS filed ITRs and FS with the Revenue District Office (RDO) concerned by preparing a transmittal memorandum and a Reply Form (format in Annex B) per district and forwarding the same to the RDO through fax, together with the ITRs and FS faxed by the banks.

3. Call back the banks through their representative to relay the findings/responses of the RDO relative to their request for authentication within the day that the accomplished Reply Form (containing the district's responses) is received by the BIRCC.

4. Furnish the Collection Service copy of the following:

   a. accomplished/certified Reply Forms submitted by the RDOs - within one (1) day from receipt thereof

   b. list of credit applicants/co-makers whose eFPS-filed ITRs do not match with the Bureau's eFPS database – every Monday

C. The Concerned Revenue District Office (RDO) shall –

1. Validate the authenticity of the non-eFPS filed ITRs/FS forwarded by the BIR Contact Center by matching its content with the ITRs/FS in the RDO's file.

2. Transmit (either through delivery if Metro Manila district or fax if non-Metro Manila district) the accomplished Reply Form to the BIRCC within two (2) days from receipt thereof. The Reply Form should specify the Document Locator Number and Remarks per document being authenticated, and certified true and correct by the Revenue District Officer.

D. The Collection Service shall –

1. Maintain an updated masterlist of all borrowers, co-makers, endorsers, sureties and/or guarantors by requesting information from: (a) all banks' head offices for universal and commercial banks; and (b) RDOs for thrift banks, rural banks and all other banks.

2. Submit to the Enforcement Service every 5th day of the month a list of borrowers, co-makers, endorsers, sureties and/or guarantors who submitted unauthentic ITRs and FS (based on the Reply Form provided by the RDOs to the BIR Contact Center), for evaluation and possible audit and investigation.

3. Maintain an updated record of authenticated ITRs.

IV. REPEALING CLAUSE

The provisions of existing revenue issuance inconsistent hereto are hereby repealed.

V. EFFECTIVITY CLAUSE

This Order shall take effect immediately.

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