REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Making the Public Know

February 4, 2010

REVENUE MEMORANDUM ORDER No. 15-2010

SUBJECT : Handling of court cases

TO : All Internal Revenue Officials, Employees and Others Concerned

---

I. BACKGROUND AND OBJECTIVE

The key to improving tax administration and collection initiatives is upgrading the activities and the level of success in the handling of the tax cases in the courts. As improvements are undertaken, the BIR will be able to do a better performance in the tax court cases, hence resulting in more favorable decisions for the BIR that can bring in additional tax revenues and enhance the image and stature of our legal litigation and prosecution offices.

This Order is being issued to prescribe the policies and guidelines on the handling of court cases.

II. POLICIES AND GUIDELINES

The following policies and guidelines are prescribed:

1. The Deputy Commissioner for Legal and Inspection and the Assistant Commissioner for Legal Service (ACIR Legal) shall be primarily responsible for the implementation of the policies and guidelines prescribed herein and the formulation of additional measures when needed.

2. All BIR legal officers and their witnesses shall follow the "BIR Time – On Time" habit for all court cases that they are involved in.

3. The Assistant Commissioner for Inspection Service shall assign a personnel to go to the courts (Regional Trial Courts based in Metro Manila, Court of Tax Appeals, Supreme Court) when there are hearings to check the attendance and time of reporting of the BIR lawyers and witnesses. A report on this shall be submitted

to the ACIR Legal for the institution of the necessary action on the BIR lawyers and witnesses who have been reported to be arriving late or have not been attending the hearings.

4. The ACIR Legal shall regularly secure the schedules of the hearings from the BIR lawyers and/or the Clerks of Courts and furnish these to the Assistant Commissioner for Inspection Service for reference when making the assignment of the personnel prescribed above.

5. The BIR lawyers and witnesses must be adequately prepared for the hearings. Accordingly, the BIR lawyers and witnesses shall coordinate closely on the details of the case; the BIR lawyers shall sufficiently review the cases that they are handling; and, the BIR lawyers shall submit quality pleadings on a timely basis. For this purpose, all revenue officers designated by the BIR lawyers to appear as witnesses in the court hearings shall have to give **priority attention and time** for these.

6. The Chief, Prosecution Division, Chief, Litigation Division and Chief of Legal Division of the Revenue Regional Office shall regularly check the quality of the pleadings being submitted and the handling of the cases in courts. The ACIR Legal or designated representative shall regularly attend and observe the court hearings to be able also to monitor the quality of the trial in court.

7. The BIR lawyers in the National Office and Revenue Regional Office shall submit a Summary Report on the Hearing Conducted not later than three (3) working days after the hearing to the ACIR Legal and the Chief, Legal Division of the particular Revenue Regional Office, respectively. The report shall follow the format prescribed in **Annex A.** The proof of submission of this report shall be required in claiming allowances for attending the hearing.

8. All Heads of Legal Offices handling court cases shall submit a Monthly Report on Court Cases to the ACIR Legal not later than five (5) working days after the end of each month. The report shall follow the format prescribed in **Annex B**. The ACIR Legal shall consolidate these reports and submit a monthly report to the Commissioner of Internal Revenue and Deputy Commissioner for Legal and Inspection not later than ten (10) working days after the end of each month.

9. The ACIR Legal shall prepare and circularize a digest of all relevant court decisions for a particular month not later than ten (10) working days after the end of each month. This digest of court decisions can be used as reference by all internal revenue officers.

10. All adverse court decisions on cases handled by the National Office and the Revenue Regional Office shall be evaluated by the ACIR Legal and the Chief, Legal Division of the particular Revenue Regional Office, respectively, for the institution of the necessary course of action (motion for reconsideration or appeal) following the provisions of Revenue Memorandum Circular No. 26-01; recommendation of remedial action on procedures determined to be defective or inappropriate; recommendation of disciplinary action for negligence of

revenue officers; etc.). The recommendations shall be submitted to the Commissioner of Internal Revenue and Deputy Commissioner for Legal and Inspection not later than ten (10) working days after the end of each month.

11. The Deputy Commissioner for Legal and Inspection shall be responsible for capability building of the BIR lawyers (regular training, knowledge update, best practice sharing, mentoring, providing of legal research capability, etc.); provision of necessary allowance (travelling, stenographic notes, etc.); incentive system (foreign training, merit awards, promotion, transfers, etc.); and, maximizing the utilization of resources (hiring of new lawyers, utilizing other revenue personnel on a temporary basis, etc.)

12. The following major policies should be observed:

    a. Motions for postponement of hearings or extension of time to submit pleadings or present witnesses shall be kept to a minimum and only for reasonable instances. The ACIR Legal shall take the necessary action to address instances when unreasonable cases arise.

    b. Recommendations for the action on motions for withdrawal of cases shall be approved by the Commissioner of Internal Revenue.

    c. All remedies should be done for adverse decisions, including filing of motion for reconsideration, appeal to the Supreme Court, and others. Recommendations for exception to this policy shall be approved by the Commissioner of Internal Revenue.

13. All Regional Directors should strictly follow the reporting of Regional Accomplishment Report as mandated in Revenue Memorandum Order No. 4-82, as amended, particularly PART IV – Legal Enforcement, but on a monthly basis of reporting to the Legal Service, although the form may be adjusted or updated, if needed.

III. REPEALING CLAUSE

All revenue issuances which are inconsistent with this Order are hereby revoked, modified or amended accordingly.

IV. EFFECTIVITY

This Order shall take effect immediately.

(Original Signed)
JOEL L. TAN-TORRES
Commissioner of Internal Revenue

A