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

March 18, 2014

REVENUE MEMORANDUM ORDER NO. 16-2014

Subject : Reiterating and Prescribing Certain Policies Relative to the VAT Audit Program

To : All Concerned Regional Directors, Chief of the Assessment Divisions/VAT Audit Heads and All Revenue Officers Concerned

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I. Objectives:

1. To reiterate the specific policies regarding the scope of the audit and submission of reports of investigation under the VAT Audit Program prescribed in Revenue Memorandum Order (RMO) No. 20-2012, as amended by RMO No. 27-2013 and supplemented by Operations Memorandum (OM) No. 13-06-001; and

2. To prescribe the minimum number of audit cases to be reported/closed by each of the members of the VAT Audit Teams under Revenue Region Nos. 5 – Caloocan, 6 – Manila, 7 – Quezon City and 8 – Makati City.

II. Policies

1. Pursuant to Item No. IV.A.15 of RMO No. 20-2012, reports of investigation on VAT audit cases shall be submitted within the following prescribed number of days from the date of issuance of the electronic Letter of Authority (eLA):

	Period Covered	No. of Days
1.1	One (1) quarter	60
1.2	Two (2) quarters	90

If the RO cannot submit the report of investigation within the prescribed audit period, he shall prepare a progress report stating the reason for the delay to be noted by the VAT Audit Head who shall submit a copy thereof to the Regional Director prior to the lapse of the 60 or 90 day period, as the case may be.

2. To facilitate the reporting of VAT audit cases, the RO assigned to audit the case shall observe the following:

   2.1 The directive in the OM No. 13-06-001 to perform only the audit procedures under Revenue Audit Memorandum Order (RAMO) No. 1-99 applicable to

the risks identified for case selection and as a result of pre-audit analysis shall be strictly adhered to;

2.2 An audit plan in accordance with the prescribed format in OM No. 13-06-001 must be prepared and completed for each case; and

2.3 Only documentary requirements prescribed under RMO No. 53-98 that are applicable and relevant to the audit case shall be attached to the docket.

Nevertheless, the RO is not precluded from applying the full provisions of the aforementioned revenue issuances depending on the risks/areas of assessment found.

3. In order to maximize the capability and full potential of each RO in the VAT Audit Team, the minimum number of audit cases that must be completed/reported by each RO per year is set at thirty (30) cases. Thus, if the number of ROs assigned in the VAT Audit Team is twenty (20), without counting the Group Supervisors, the VAT Audit Team must be able to report at least six hundred (600) cases in the year 2014.

III. REPEALING CLAUSE

All other issuances and/or portions thereof that are inconsistent with this Order are hereby repealed, modified or amended accordingly.

IV. EFFECTIVITY

This Order shall take effect immediately.

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