REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

August 9, 2012

REVENUE MEMORANDUM ORDER NO. 21-2012

SUBJECT : Prescribing the Policies, Guidelines, and Procedures in the Acceptance, Processing, Evaluation, Approval of Applications for Monetization and Issuance of Notice of Payment Schedule (NPS) of Outstanding Value-Added Tax (VAT) Tax Credit Certificates (TCCs) Solely Issued by the Bureau of Internal Revenue (BIR) and Jointly Issued by the One-Stop-Shop Inter-Agency Tax Credit and Duty Drawback Center (OSS Center) of the Department of Finance (DOF) and the BIR relative to the Implementation of the Monetization Program Pursuant to Executive Order (E.O.) No. 68 dated March 27, 2012 and Joint Circular No.2-2012 dated May 31, 2012 Among the DOF, Department of Budget and Management (DBM) and the BIR

TO : All Internal Revenue Officials, Employees and Others Concerned

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I. OBJECTIVES

This Order is issued to:

1. Provide the policies, guidelines and procedures in the acceptance, processing, evaluation, approval of Applications for Monetization and issuance of Notice of Payment Schedule (NPS) for the effective implementation of the VAT TCC Monetization Program of the government;

2. Define the duties and responsibilities of all the offices involved in the VAT TCC Monetization Program; and

3. Prescribe the reporting requirements for the effective monitoring of the said Program.

II. DEFINITION OF TERMS

For purposes of this Order, the following terms are defined as follows:

1. VAT TCC Monetization Program – refers to a mechanism adopted by the government to give qualified VAT-registered persons the cash equivalents of their respective outstanding VAT TCCs either thru a discounting facility of the participating Government Financial Institution (GFI) or redemption of the full cash value of the outstanding VAT TCC balances with the BIR upon reaching the specified maturity dates thereof.

2. Outstanding VAT TCCs – consist of all VAT TCCs with unutilized balances, whether in the name of the original grantee(s) or their respective transferee(s) as approved by the BIR.

3. Outstanding VAT TCC Balance – is the unutilized balance reflected at the back portion of the VAT TCC and in the BIR's Integrated Tax System -Tax Credit and Refund System (ITS-TCRS).

4. Refundable Amount - refers to the outstanding balance of VAT TCC, after deducting the taxpayer's outstanding tax liability/ies, except withholding taxes.

5. Monetization – refers to the conversion of the outstanding balance of VAT TCC into cash pursuant to the VAT TCC Monetization Program.

6. Notice of Payment Schedule (NPS) – is a certificate to be issued by the BIR to the taxpayer/holder of the VAT TCC who enrolled in the VAT TCC Monetization Program after confirmation of the taxpayer's entitlement to monetization. This document shows, among others, the name of the taxpayer-recipient of the cash refund, the net refundable amount, the date of issuance, and its corresponding maturity date.

7. VAT TCC Holder-Applicant - shall refer to any taxpayer –holder of the VAT TCC, whether as the original grantee or as transferee/assignee thereof, who signified the intention to enroll in the VAT TCC Monetization Program.

8. Original VAT TCC Issuing Office (herein referred as "Issuing Office")- shall refer to the office that originally processed the claim for tax credit/refund and/or the office that issued the original VAT TCC, prior to the transfer or revalidation thereof.

9. Receiving Office-shall refer to the concerned BIR Office that is designated to conduct initial processing and evaluation of the Application for VAT TCC Monetization.

10. VAT TCC Monetization-Processing Office (herein referred as "Processing Office")- shall refer to the office designated under this Order to conduct final review and evaluation of the Application for VAT TCC Monetization, as well as the preparation and issuance of the NPS, after the initial evaluation of the said application has been conducted by Receiving Office.

11. Maturity Date – shall refer to the date specified in the NPS when the full cash value of the net refundable amount shall be paid by the BIR to the VAT TCC Holder-Applicant.

12. Outstanding Tax Liability – refers to the tax assessment or any unpaid delinquent account where the collection thereof is already considered as final, executory and demandable.

13. Participating Government Financial Institution (GFI) – shall refer to any government bank duly designated by the DOF to serve as a trustee bank for purposes of monetizing the outstanding VAT TCCs covered by this Order.

III. COVERAGE

This Order shall cover the following VAT TCCs that were issued prior to April 12, 2012:

1. Those issued solely by the BIR pursuant to the provisions of Section 112 (A) of the National Internal Revenue Code (NIRC) of 1997, as amended; and

2. Those jointly issued by the BIR and the OSS Center pursuant to the provisions of Section 112 of the NIRC of 1997, as amended.

IV. POLICIES AND GUIDELINES

In order to ensure the smooth implementation of the VAT TCC Monetization Program, the following policies and guidelines shall be observed by all concerned implementing offices:

1. The Collection Service (CS) thru the Collection Programs Division, the Large Taxpayers Service (LTS), Large Taxpayer District Office-Makati and Cebu, and all the Revenue District Offices (RDOs) under Revenue Region (RR) No. 8-Makati City shall send letters to all VAT TCC-Holders under their jurisdiction with unutilized VAT TCCs balance in order to ensure these VAT taxpayers are informed and aware of the VAT TCC Monetization Program.

   For VAT TCCs that were jointly issued by the DOF- OSS Center and the BIR, however, the sending out of the aforementioned notification letters to all the concerned taxpayers shall be the responsibility of the former.

2. All applications for enrollment to the VAT-TCC Monetization Program shall be submitted to the following Receiving Offices:

	Description	Offices to Receive Applications
a.	TCCs originally issued and signed by the Regional Director	Revenue District Office (RDO)
b.	TCCs originally issued and signed by the Deputy Commissioner-Operations Group (DCIR-OG) or the Assistant Commissioner (ACIR) Assessment Service	Assessment Service
c.	TCCs originally issued and signed by the Commissioner of Internal Revenue or the ACIR, Large Taxpayers Service	LTRAD 1-3, LTEAD 1 &2, LTDOs Makati and Cebu
d.	TCCs originally issued and signed by the DCIR, Legal and Inspection Group (DCIR-LIG) or the ACIR, Legal Service–for cases decided by the Court of Tax Appeals (CTA) or the Supreme Court of the Philippines	Appellate Division
e.	TCCs that were transferred and/or revalidated, issued and signed by DCIR-OG or ACIR, Collection Service	Collection Programs Division
f.	TCCs originally Issued by the DOF/OSS Center and the BIR	DOF-OSS Center

3. Applications for VAT TCC monetization shall be filed with the designated issuing offices not later than October 17, 2012. However, for VAT TCCs that are expiring in 2012 and 2013, the applications for monetization shall be filed by the concerned VAT TCC Holder-Applicant on or before the expiration of the VAT TCCs or September 15, 2012, whichever comes earlier as provided under Revenue Memorandum Circular (RMC) No. 47-2012 dated August 14, 2012, as amended by RMC No. 51-2012 dated August 31, 2012.

4. The following documents shall be submitted by the VAT TCC Holder-Applicant to the concerned Receiving Office upon filing of the Application for Enrolment to the VAT TCC Monetization Program:

   a. Duly accomplished and notarized Application for Enrollment to VAT Monetization Program *(Annex "A")* in three (3) copies to be signed by the VAT TCC Holder-Applicant or his/her/its Authorized Representative;

      (Note: The Application Form can be downloaded from the BIR website at www.bir.gov.ph by clicking the "Application for Enrollment to VAT Monetization Program" on the "What's New" portion.)

   b. Original and two (2) certified photocopies of the VAT TCC to be monetized;

   c. Photocopy/ies of the Tax Debit Memo/s (TDMs), in case the VAT TCC/s to be monetized is/are partially utilized;

   d. Duly notarized Certification *(Annex "B")* by the VAT TCC Holder-Applicant that the VAT TCC has not been utilized, if there is no recorded utilization at the back of the VAT TCC;

   e. Secretary's Certificate or Board Resolution appointing the corporation's Authorized Representative to file and/or follow up the status of the application for monetization and to pick up the issued NPS and/or other related document, in case the taxpayer is a juridical person;

   f. Special Power of Attorney (SPA)

      i. In case the taxpayer is a natural person, to be executed by the VAT TCC Holder-Applicant authorizing his/her/its representative, if applicable, to file application for VAT TCC Monetization, to follow up the status of the application for monetization and to pick up the issued NPS and/or other related documents; or

      ii. In case the owner of the VAT TCC is already deceased, to be executed by the heirs of the VAT TCC owner appointing the authorized person/representative to apply, follow-up the status of the application for monetization, and pick-up the NPS and/or other documents; or

      iii. In case the VAT TCC Holder-Applicant is a dissolved corporation, to be executed by the Security and Exchange Commission appointing the "Trustee" of the Corporation for purposes of liquidation and winding up.

   g. Photocopies of two (2) valid government-issued Identification Cards (ID) and the company IDs of both the VAT TCC Holder-Applicant and his/its authorized representative, if applicable. In the course of filing the Application for VAT TCC Monetization, the original IDs shall also be presented to prove the validity and authenticity of the photocopied IDs. The photocopies of the IDs presented shall be certified by the Issuing Office as true copies of the original.

In order to ensure that the requisite NPS is issued within sixty (60) calendar days from the filing of the application for monetization by the VAT TCC Holder-Applicant, all concerned Receiving Offices shall only accept applications for VAT TCC Monetization Program that are fully supported by the above-mentioned documentary requirements. In case of presentation of incomplete documents, the concerned Receiving Office shall immediately return the application being filed without any official acknowledgment of the receipt thereof. However, the said Receiving Office shall inform the applicant of the missing documentary requirements.

5. The following Receiving Offices shall conduct required pre-evaluation of the application to verify the authenticity, validity, accuracy of the outstanding balance of the TCC applied for monetization as well as verification on whether or not the concerned VAT TCC Holder-Applicant has any outstanding tax liability/ies (OTL) for purposes of determining the net refundable amount that is due to the applicant under the Program based on the following:

Offices to Receive Applications	**Extent/Scope of Verification**
a. Revenue District Office (RDO)	i. Authenticity of the VAT TCC; ii. Validity period of the TCC and whether or not the VAT TCC has been previously recommended for *cash conversion* and included in the *list of lost or cancelled TCCs*; iii. Accuracy of the TCC's outstanding balance; and iv. Existence of any OTL by VAT TCC Holder.
b. Assessment Service	i. Authenticity of the VAT TCC; and ii. Validity period of the TCC and whether or not the VAT TCC has been previously recommended for *cash conversion* and included in the *list of lost or cancelled TCCs*.
c. LTRAD 1-3, LTEAD 1 &2, LTDOs Makati and Cebu	i. Authenticity of the VAT TCC; ii. Validity period of the TCC and whether or not the VAT TCC has been previously recommended for *cash conversion* and included in the *list of lost or cancelled TCCs*; iii. Accuracy of the TCC's outstanding balance; and iv. Existence of any OTL by VAT TCC Holder.
d. Appellate Division	i. Authenticity of the VAT TCC; ii. Validity period of the TCC and whether or not the VAT TCC has been previously recommended for *cash conversion* and

	included in the *list of lost or cancelled TCCs*.
e. Collection Programs Division	i. Authenticity of the VAT TCC; ii. Validity period of the TCC and whether or not the VAT TCC has been previously recommended for *cash conversion* and included in the *list of lost or cancelled TCCs*; iii. Accuracy of the TCC's outstanding balance; and iv. Existence of any OTL by VAT TCC Holder.
f. DOF-OSS Center	i. Authenticity of the VAT TCC; ii. Validity period of the TCC and whether or not the VAT TCC has been previously recommended for *cash conversion* and included in the *list of lost or cancelled TCCs*; and iii. Accuracy of the TCC's outstanding balance.

The aforementioned pre-evaluation of the application for VAT TCC Monetization Program and delinquency verification shall be made by the Receiving Office within ten (10) calendar days from receipt of the application.

6. All the Receiving Offices shall document the results of the pre-evaluation using the Report on Pre-evaluation of VAT TCC *(Annex "C")*, and are required to submit the following certifications depending on the above mentioned pre-evaluations to be conducted :

   a. Certification on the Existence of OTL *(Annex "D")*;

   b. Certification on the Authenticity and Validity Period of the VAT TCC *(Annex "E")*;

   c. Certification that the VAT TCC was not Previously Recommended for Cash Conversion *(Annex "F")*;

   d. Certification that the VAT TCC is not included in the List of Lost or Cancelled TCCs *(Annex "G")*; and

   e. Certificate of Utilization and Outstanding Balance of the VAT TCC *(Annex "H")*.

The results of the pre-evaluation and certifications together with the original VAT TCC case dockets shall be forwarded to the CPD for further evaluation and processing within five (5) calendar days after the conduct of the pre-evaluation has been completed. For VAT TCCs jointly issued by the DOF-OSS and the BIR, the application for VAT TCC Monetization shall be recommended for approval/disapproval by the OSS Center, with the concurrence of the ACIR, Assessment Service (AS). On the other hand, for VAT TCCs that were issued due to the promulgation of the decision by the CTA or the Supreme

Court, the recommendation made by the Appellate Division must bear the concurrence of the ACIR, Legal Service (LS).

However, if upon pre-evaluation of the application for VAT TCC monetization it was determined that the same could not be given favorable action, the Notice of Denial of Application for VAT TCC Monetization (Annex "I"), for signature by the Head of Office, shall be immediately prepared and sent to the concerned VAT TCC holder-applicant by the designated Receiving Office. As attachment to the said Notice, the original copy/ies of the VAT TCCs that were not approved for monetization shall be immediately returned to the VAT TCC-Holder-Applicant.

7. All pre-evaluated applications for VAT TCC monetization from the Receiving Office shall be further evaluated and processed by the CPD, as Processing Office, within twenty (20) calendar days. The said evaluation and processing shall include, among others, the following:

   a. Verification from the CED of the OTL of Holders of TCCs issued by those Offices under Item No. 5 above;

   b. Verification of VAT TCCs' outstanding balances, for TCCs issued by RDOs other than the offices under the LTS as well as the RDOs under the jurisdiction of Revenue Region (RR) No.8-Makati;

   c. Verification with the Accountable Forms Division (AFD) or the concerned Regional Office that the VAT TCC presented for monetization has not been included in the list of lost and cancelled TCCs, for TCCs issued by RDOs and LTDOs;

   d. Verification that the VAT TCC has not yet been converted into cash, in coordination with the Accounting Division (AccD);

   e. Preparation and issuance of the NPS (*Annex "J"*).

   All pre-evaluated applications for VAT TCC monetization which were subjected to further evaluation by the CPD and were ascertained that the same could not be given favorable action, the Notice of Denial shall be immediately prepared and sent to the concerned VAT TCC holder-applicant. The entire docket of the subject VAT TCC shall be returned to the TCC Receiving office with the information that the said application for VAT TCC monetization has been denied together with the copy of the Notice of Denial received by the VAT TCC holder-applicant. The said Notice of Denial shall be signed by the DCIR-OG.

8. The CPD shall be responsible in the preparation and issuance of the NPS to all VAT TCC Holders-Applicants after the conduct of the necessary verification. Only the duly issued NPS for monetization or redemption under this Program shall be accepted by the GFIs or the BIR, thru the Financial Service, as the case may be.

   In order to ensure that the herein prescribed NPS can be issued within the specified period, the following offices shall issue and submit to the CPD all the required certifications within two (2) working days from receipt of the request therefor:

Type of Certification	Responsible Issuing Offices
Certificate of Outstanding Balance/Utilization	LTCED, LTDOs Makati and Cebu, All RDOs under RR8, Makati
Delinquency Verification Certificate	CED, Regional Collection Divisions
Certification that the TCC has not been included in the list of cancelled or lost TCCs (for TCCs solely issued by BIR)	AFD, Regional Administrative Divisions
Certification that the TCC was not converted into cash	AccD

The original copy of the above certifications shall be submitted to the CPD in hard copies. However, for offices located outside Metro Manila, the scanned certifications shall be initially submitted to the CPD using the official email address of the head of the concerned office or thru the telefax machine of the said office, respectively. The original copies thereof shall nevertheless be submitted to the CPD thru the postal or courier service on the same day.

9. All applications for VAT TCC Monetization, irrespective of the VAT TCC-Issuing Office, shall be subject to review by the ACIR, CS prior to approval/disapproval thereof by the DCIR-OG.

10. The physical cancellation of the original VAT TCCs that were approved for monetization under this Program, as well as the cancellation thereof in the BIR ITS-TCRS, shall be done by the Office of the Deputy Commissioner- Operations Group and the Collection Service, respectively, immediately upon approval of the NPS. In order to effect the physical cancellation thereof, the original copies of the VAT TCCs shall be duly and prominently stamped with the phrase "Monetized Under NPS No. _____ dated _____" in order to preclude the possibility of being presented again to the BIR in the future for purposes of utilization thru the issuance of TDM or application for cash conversion.

11. VAT TCCs issued which remain unutilized after five (5) years from the date of issue, unless revalidated before the end of the fifth year, pursuant to Revenue Regulations (RR) No. 5-2000, shall not be allowed for monetization. Accordingly, ***only valid and unexpired TCCs shall be eligible for enrollment in this Program.***

12. A new accountable form bearing security features shall be used for the NPS to be issued by the BIR. The form shall be used solely for the VAT TCC Monetization Program and only the ACIR-CS shall be authorized to requisition the said forms from the AFD.

    The AFD, as custodian of the new NPS forms, shall maintain a permanent record book of its requisition and issuance.

The CPD shall prepare a Report of Accountability on NPS to be signed by the ACIR-CS. The said report shall be submitted to the AFD together with all unused, cancelled and spoiled NPS.

13. Any outstanding VAT TCC as of April 11, 2012 that was submitted for the purpose of monetization under this Order shall no longer be allowed to be used as payment for the TCC holder's tax liabilities or allowed for cash conversion in accordance with the provisions of RR No. 5-2000. However, if the VAT TCC Holder-Applicant has outstanding tax liability, except for withholding taxes, a TDM shall be issued in payment of the said liability, in accordance with the provisions of Section 5.d of RR No. 5-2000 prior to the issuance of the NPS. All unpaid withholding tax liabilities and compromise penalties due from VAT TCC Holder-Applicant shall first be fully settled by the taxpayer-applicant before an NPS can be duly issued.

    In case the VAT TCC Holder-Applicant has a pending application for the compromise settlement and/or abatement of its tax liability/ies pursuant to Section 204 (A) and 204 (B) of the Tax Code, respectively, or if the said outstanding tax liability is covered by a valid protest, his/her/its request for VAT TCC monetization may be granted and an NPS may be issued, provided that there is/are still TCC/s with available balance that is/are sufficient to guarantee the payment of the amount of the outstanding tax liability under protest or the amount applied for compromise settlement/abatement of penalties, including the delinquency penalties due thereon under Sections 248(A)(3) and 249(C) of the Tax Code, as amended, in case of adverse decision on the protest or denial or disapproval of the application for compromise settlement or abatement of penalties.

    If the VAT TCC Holder-Applicant was found to have an OTL, he/she/it shall be immediately informed by the concerned RDO having jurisdiction over the taxpayer-applicant on the existence of the said OTL. For this purpose, the RDO must immediately advise the taxpayer to pay the said OTL, either thru cash or thru TDM, as the case may be, upon receipt of the Application for Monetization of the VAT TCC directly from the taxpayer-applicant or upon receipt of the Request for Delinquency Verification from the CPD. If the VAT TCC Holder-Applicant refuses to fully settle the OTL, including the delinquency penalties, he/she/it shall likewise be officially informed that non-payment of the said OTL is a ground for the denial of the application for VAT TCC monetization.

    Application for partial monetization of any VAT TCC shall not be allowed. In case the taxpayer's total OTL, including all the applicable delinquency penalties, is less than the amount of the VAT TCC applied for monetization and the VAT TCC Holder-Applicant refuses to fully settle the said tax liability/ies upon filing of the application for VAT TCC monetization, the said application should not be given due course and the concerned taxpayer must be officially informed of the said denial, clearly stating all the reasons therefor.

14. For VAT TCCs expiring from July 17, 2012 to December 31, 2013, an application for monetization prior to their expiration shall be automatically considered an application for revalidation. Accordingly and subject to the provisions of Section IV.3 of this Order, the concerned VAT TCC Holder-Applicant shall no longer be required to apply for TCC revalidation pursuant to the provisions of Section 230 (B) of RR No. 5-2000.

15. All approved applications for VAT TCC monetization shall be covered by NPS. For TCCs scheduled for monetization in 2012, the refund shall be made upon checks drawn by the Commissioner of Internal Revenue or by his duly authorized representative. However, for VAT TCCs scheduled for monetization from 2013 to 2016, the VAT TCC Holder-Applicant can elect to exercise either of the following options:

    a. Immediately present the NPS to a participating GFI for monetization at a discount, in accordance with the rates determined by the Secretary of Finance and the participating GFIs within the set period, or

    b. Hold the NPS until its maturity date and present the same to the BIR for payment of the full cash value of the NPS, in accordance with the following schedule:

TCCs originally issued in 2008 and prior years	2013
TCCs originally issued in 2009	2014
TCCs originally issued in 2010	2015
TCCs originally issued in 2011 and 2012	2016

16. For purposes of fairness and equity, the assignment of the NPS maturity dates shall be as follows:

    a. For VAT TCCs issued in years 2009 and 2010, the original months and days of the issuance thereof shall be the maturity dates of the NPS to be issued; and

    b. For VAT TCCs issued from 2004 up to 2008, and from 2011 to April 11, 2012, CPD shall rationalize the assignment thereof by equitably spreading the maturities thereof over the 12-month periods in 2013 and 2016, taking into consideration that VAT TCCs issued earlier shall take precedence in terms of payment schedule over the other VAT TCCs issued in later months and/or years.

17. The original copies of all NPS to be issued by the BIR shall be prepared using a security paper in order to preclude the possibility of presenting fictitious or spurious NPS to the participating GFIs or the concerned BIR office for encashment. On the other hand, the other copies thereof (duplicate up to quintuplicate) shall be printed by using regular or ordinary bond papers. The NPS shall conform to the design provided by BIR, in coordination with the participating GFIs, and duly approved by the DOF. The NPS shall contain, among others, the following information:

    a. Name of the VAT TCC Holder-Applicant;
    b. TIN of the VAT TCC Holder-Applicant;
    c. Address of the VAT TCC Holder-Applicant;
    d. NPS Control Number;
    e. Date of NPS issuance;
    f. Date of NPS maturity;
    g. The net refundable amount;
    h. Original VAT TCC Number;

i. Original VAT TCC issue date;
j. Re-issued VAT TCC Number, in case of revalidated or transferred VAT TCC;
k. Re-issued VAT TCC issue date, in case of revalidated or transferred VAT TCC; and
l. Name and designation of the authorized NPS signatory.

All issued NPS shall likewise contain the following statement:

> "*This NPS must be presented to the designated office in the BIR within thirty (30) calendar days before the above-stated maturity date; otherwise, the NPS shall be cancelled and the same shall be forfeited in favor of the government.*"

The NPS shall be prepared in five (5) copies to be distributed as follows:

Original	-	VAT TCC Holder-Applicant
Duplicate	-	Revenue Accounting Division (RAD)
Triplicate	-	NPS Issuing Office
Quadruplicate	-	Attached to the VAT TCC docket
Quintuplicate	-	Commission on Audit (COA)

18. All NPS for VAT TCCs, regardless of their respective issuing offices, shall be approved and signed by the DCIR-OG. In order to ensure smooth coordination with the concerned GFI, the release of all issued NPS to the taxpayer-claimant shall only be done by the CPD.

19. Upon release of the signed NPS to the taxpayer-claimant, the CPD shall return the entire VAT TCC docket to the concerned original VAT TCC-Issuing Office for safekeeping and as basis for the preparation of the Obligation Request (ObR) and Disbursement Voucher (DV) at least three (3) months before the maturity of the NPS. For NPS maturing in 2012, however, the entire VAT TCC docket shall no longer be returned to the original VAT TCC-Issuing Office but the same shall be directly forwarded by the CPD to the FS for the processing of the payment therefor. The full amount indicated on the NPS shall be paid to the NPS Holder or the GFI, as the case may be, upon surrender to the FS of the original copy of the NPS, together with all the herein prescribed documents, within the prescribed period but before the maturity date thereof. For this purpose, the existing policies, guidelines and procedures on the payment of obligations shall still be strictly observed and followed.

20. Except in cases of corporate merger and consolidation, all NPS issued, in general, shall not be transferrable to any person. In the event that such corporate reorganization occurred and the taxpayer opted to hold the VAT TCC until its maturity for payment by the BIR, no new NPS shall be issued in the name of the surviving/new entity. However, the said entity shall present adequate documentary proofs of such reorganization to the Financial Service, in support of its request for cash redemption of the NPS upon the maturity date thereof.
21. The NPS must be presented by the holder-claimant for payment by BIR, thru the FS, within thirty (30) calendar days before maturity date. If the last day for the presentation of the NPS falls on a Saturday, Sunday, holiday (regular or special) or a declared non-working day due to force majeure, the NPS shall be presented for payment on the succeeding business day.

Any NPS not presented to the BIR for payment within thirty (30) calendar days before the date of maturity thereof shall be considered as cancelled and the same shall be forfeited in favor of the government without any prior notice.

22. Any holder of a VAT TCC qualified under this Program who fails or does not intend to enroll to the Program shall retain the following rights:

    a. Credit his VAT TCCs against tax liabilities, in accordance with existing rules on TCC utilization; or

    b. Apply, subject to conditions of the law and pertinent rules and regulations, for TCC revalidation under Section 230(B) of the NIRC and/or tax refund (cash conversion) under Section 204 (C) of the same Code, subject to the availability of funds, in case of the latter.

23. For NPS that are expiring and due for redemption in 2012, the requisite Obligation Request (ObR)*(Annex "K")* and Disbursement Voucher (DV) *(Annex "L")* shall be prepared by the concerned TCC-Issuing Office and the same shall be attached to the VAT TCC docket before transmission thereof to CPD for the conduct of necessary review and evaluation prior to the issuance of NPS. Furthermore, Box A of the ObR shall be duly signed by the Chief, VAT TCC-Issuing Office. On the other hand, the ObRs representing monetization of VAT TCCs jointly issued by the DOF-OSS Center and the BIR shall be co-signed by the Head, Tax Revenue Group, DOF-OSS and the DCIR-OG.

    In case of discrepancy between the net refundable amount reflected in the ObRs and DVs originally submitted by the concerned VAT TCC-Issuing Office and the amount indicated in the NPS issued by the CPD, the CPD shall inform the concerned VAT TCC-Issuing Office of such discrepancy in writing as soon as possible to enable the latter to prepare and submit to the former the required revised ObR and DV.

    For NPS that are due for redemption beginning January 2013 and thereafter, the preparation, approval and submission of the corresponding ObRs and DVs shall be covered by a separate Revenue Memorandum Order in order to clearly delineate the responsibilities of the appropriate offices in the performance of the said functions.

24. All VAT TCC Holder-Applicants whose applications for VAT TCC monetization have been denied shall be duly and timely informed in writing of such denial together with the underlying reasons therefor. For this purpose, the CPD shall be responsible for the preparation of the covering denial letters, for approval/signature by the DCIR-OG, thru the ACIR, CS. For denied applications for VAT TCC monetization and notwithstanding the provisions in the first paragraph of Section IV.11 of this Order, the taxpayer's right to utilize the same in payment of its tax liability shall be immediately restored.

25. The FS, thru the Budget Division, shall be responsible in the preparation and submission of the yearly budget accountability report based on issued NPS to the Department of

Budget and Management (DBM) through the Department of Finance (DOF), as required under existing guidelines and procedures.

26. All VAT TCCs applied for cash conversion otherwise qualified for monetization under this Order that are already in the possession of the concerned TCC-Issuing Office or the DOF-OSS Center as of the effectivity of this Order can still be included in the Program, provided that the requisite Application for VAT TCC Monetization Program and other required documents are duly submitted by the VAT TCC Holder-Applicant to the concerned TCC-Issuing Office within the herein prescribed period.

27. The policies, guidelines and procedures involving the monetization of NPS thru the GFIs and redemption of NPS with the BIR thru the FS upon maturity shall be covered by a separate RMO.

V. PROCEDURES

A. Requisition and Liquidation of the Security Paper to be used in the Issuance of the NPS

1. The CPD shall:

    1.1 Prepare the Requisition and Issue Slip (RIS) in four (4) copies indicating therein the number of pads of Accountable Forms to be requested from the AFD;

    1.2 Forward the duly accomplished RIS to the AFD;

    1.3 Receive the Accountable Forms for the NPS and the duplicate copy of the RIS for file and reference from the AFD;

    1.4 Prepare Liquidation Report on the Accountable Forms handled after lapse of the processing period for the VAT TCC Monetization Program; and

    1.5 Return to the AFD all the unused/cancelled/spoiled Accountable Forms.

2. The AFD shall:

    2.1 Receive from the CPD the duly accomplished RIS;

    2.2 Issue the Accountable Forms to CPD;

    2.3 Return to CPD the duplicate copy of the RIS for file and reference;

    2.4 Receive from the CPD the Liquidation Report and all the unused/cancelled/spoiled Accountable Forms; and

    2.5 Account the returned unused/cancelled/spoiled Accountable Forms and inform the CPD, in case of discrepancy.

B. Acceptance of Applications for VAT TCC Monetization Program

1. The Receiving Office shall:

   1.1 Send letters to all the VAT TCC Holders under its jurisdiction of the VAT TCC monetization;

   1.2 Receive from the VAT TCC Holder-Applicant the duly accomplished and notarized Application for Enrollment to VAT TCC Monetization Program (Annex "A") in three (3) copies and all the other required documents mentioned in Section IV.4 of this Order;

   1.3 Check the completeness of submitted documents;

   1.4 Acknowledge receipt of the application if the documents are complete by stamping the word "Received" and the date of receipt" and affix the initial of the receiving personnel on all of the copies of the Application Form and the photocopies of the TCC;

   1.5 Return to the VAT TCC Holder-Applicant a copy of the duly received Application Form to serve as receiving copy;

   1.6 Return the Application for VAT TCC Monetization Program and all the accompanying documents to the VAT TCC Holder-Applicant/Authorized Representative immediately , if found to be incomplete, without any acknowledgement on the receipt thereof, and inform the VAT TCC Holder-Applicant/Authorized Representative on the missing documents; and

   1.7 Process the duly received Application for VAT TCC Monetization with complete documents.

C. Preliminary Processing of the Application for the VAT TCC Monetization Program

1. ***<u>For VAT TCCs Solely Issued by the BIR</u>***

   1.1 The Receiving Office shall:

      1.1.1. Verify if the application is eligible for monetization under the Program by determining the following based on the accompanying documents submitted by the VAT TCC Holder-Applicant upon filing of the application:

         a. That the TCC was indeed a VAT TCC and was issued pursuant to the provisions of Section 112 of the NIRC, as amended;

         b. That the VAT TCC was solely issued by the BIR;

         c. That the VAT TCC was validly issued thru on-line inquiry from the ITS-TCRS;

d. That the VAT TCC was issued on or before April 11, 2012 and the same has not yet expired;

e. That the VAT TCC is not deemed as null and void due to existence of any erasure/alteration thereon; and

f. That the application was submitted within the prescribed period indicated in Item IV.3 of this Order.

If upon verification, the VAT TCC being applied for monetization did not fall squarely within the conditions indicated in Items a, b, d, e and f above, a letter denying the application for monetization shall be immediately prepared for the signature of the Head of Office.

Furthermore, if the VAT TCC was found to have not been encoded in the ITS-TCRS but the same was determined to be authentic and validly issued by the BIR, the details of the said TCC must first be encoded by the VAT TCC-Issuing Office. In the event that the said Office has no TCC encoding facility, such TCC encoding shall be immediately requested from the ACIR-CS, pursuant to the provisions of RMO No. 15-2006. The ACIR-CS shall, in turn, immediately effect the requested encoding upon receipt of the request to ensure speedy processing of the application for VAT TCC monetization;

1.1.2. Retrieve the entire VAT TCC case docket which was the basis for issuing the original TCC if the TCC is eligible for monetization, and attach thereto the Application for VAT TCC Monetization as well as all the pertinent documents submitted by the taxpayer-applicant upon receipt of the docket. For transferred and revalidated VAT TCC wherein the original case docket is with the original VAT TCC Issuing Office, the CPD shall request for the retrieval of the docket immediately upon receipt of the request for VAT TCC monetization from the Holder-Applicant;

1.1.3. Validate whether or not the surrendered VAT TCC for monetization actually corresponds to the retrieved VAT TCC case docket;

1.1.4. Conduct the required verifications based as provided in Section IV.5 of this Order:

a. Verify the existence of any OTL by the taxpayer-applicant;

b. Verify the accuracy of the outstanding balance of the VAT TCC applied for monetization by checking if the VAT TCC balance appearing on the TCC, the balance in the ITS-TCRS, and the office files/records of the VAT TCC issuance and utilizations are exactly the same (*This should be undertaken if the TCC- Issuing Office and the TDM-Issuing Office is one and the same*);

c. Investigate the reason for any discrepancy noted in order to resolve the same. Any adjustment of the VAT TCC balance to any of the records mentioned in Item 1.1.4.b above shall be supported by a written justification duly approved by the Head of the Office before effecting manual correction of the TCC balance appearing at the back of the VAT TCC issued, or data fix execution by the System Maintenance and Support Division (SMSD) of the Information and Systems Development Service (ISDS) if the error is in the ITS-TCRS;

d. Determine if the VAT TCC is not included in the list of lost or cancelled TCCs with the pertinent Revenue Memorandum Circulars (RMCs) issued on lost TCCs, Regional Administrative Division's files/records, as well as the Office files/records maintained for the purpose;

e. Verify whether or not the VAT TCC was previously recommended for cash conversion;

1.1.5. Prepare and attach to the docket the following certifications:

a. Authenticity and validity of the VAT TCC;

b. TCC's outstanding balance;

c. Delinquency Verification issued by the concerned LTCED, RDO, Regional Office/LTDO;

d. That the TCC is not included in the List of Lost or Cancelled TCC; and

e. That the VAT TCC was not previously recommended for cash conversion.

1.1.6. Accomplish and review the Pre-evaluation Report and attach the same to the VAT TCC case docket;

1.1.7. In case the pre-evaluated application for monetization could not be given favorable action due to valid and meritorious reasons that were determined upon thorough pre-evaluation of the application, a Notice of Denial therefor shall be prepared for signature by the head of the concerned Receiving Office;

1.1.8. Release the Notice of Denial to the concerned VAT TCC holder-applicant, together with the original copy of the VAT TCC that was applied for monetization;

1.1.9. Prepare DVs and ObRs and sign "Box A" thereof, in case of favorable recommendation to the application ; and

1.1.10. Forward the entire docket of the case bearing on the favorable recommendation of the application, together with the signed DVs and ObRs to the concerned Reviewing Office for further review and evaluation.

1.2. The Concerned Reviewing Office – Office of the Regional Director, Legal Service and the Large Taxpayers Service shall:

1.2.1. Receive from the concerned Receiving Office under its jurisdiction the entire docket bearing the recommendation on the request for VAT TCC monetization;

1.2.2. Review and evaluate the propriety of the recommendation;

1.2.3. Approve and indicate concurrence with the recommendation, if found in order, by signing on the appropriate space provided in the Pre-evaluation Form.

1.2.4. Affix signature in the appropriate space on the ObR as co-signatory thereof; and

1.2.5. Forward to the CPD the entire docket of the case, together with the duly accomplished DV and signed ObR.

2. <u>For TCCs Jointly Issued by the OSS-Center and the BIR</u>

2.1 The DOF-OSS Center shall:

2.1.1. Verify if the VAT TCC applied for monetization was jointly issued by the DOF-OSS Center and the BIR;

2.1.2 Perform activities enumerated under Section V.C. 1., 1.1, 1.1.1. Items a, c, d, e, and f, 1.1.2, 1.1.3, 1.1.4 Items d and e, 1.1.5. to 1.1.8 and 1.1.10 of this Order;

2.1.3 Verify the accuracy of the outstanding balance of the VAT TCC applied for monetization by checking if the VAT TCC balance appearing on the TCC, the balance reflected on the Data Imaging for Verification and Authentication System (DIVAS), and the net unutilized TCC balance per office files/records on issuance of TCCs and TDMs are exactly the same;

2.1.4 Investigate immediately the reason for any discrepancy noted in order to expedite its resolution. Any adjustment of the VAT TCC balance to any of the records mentioned in Item 2.1.2. above shall be supported by a written justification to be approved by the Executive Director, DOF-OSS. The written justification shall be forwarded to the Assessment Service (for VAT TCCs originally issued) or the Collection Service (for transferred/ revalidated VAT TCCs), whichever is applicable, and shall be the basis for effecting manual correction of the TCC balance appearing at the back of

the VAT TCC issued, or data fix execution by the System Maintenance and Support Division (SMSD) of the Information and Systems Development Service (ISDS), if the discovered and validated error is in the ITS-TCRS;

For VAT TCCs jointly issued by the DOF-OSS Center and the BIR, the entire docket shall first be forwarded to the ACIR Assessment Service, for necessary review and concurrence with the recommendation of the Executive Director, DOF-OSS Center prior to the transmission of the case docket to the CPD for further processing;

2.2. The Assessment Service shall:

2.2.1. Receive from the OSS-Center the entire VAT TCC docket and the recommendation on the application for VAT TCC monetization; and

2.2.2. Perform all the activities as a Reviewing Office enumerated in Section V.C.1.2 above.

D. Final Processing of the Application for the VAT TCC Monetization Program, Preparation, Issuance and Release of the NPS to VAT TCC Holder-Applicant.

1. The CPD shall:

1.1 Receive from the designated Receiving Office the duly accomplished and signed Pre-evaluation Report with recommendation duly concurred in by their respective supervising heads, together with the following documents:

a. Related Certifications;

b. Duly accomplished DV and signed ObR *(only for VAT TCCs due for redemption in 2012);*

c. Application for VAT TCC Monetization and all the supporting documents submitted by the taxpayer-claimant; and

d. Entire VAT TCC case docket.

1.1.1 Check the completeness of documents submitted and acknowledge the receipt thereof, if found complete;

1.1.2 Stamp the word "Received" and the "Date of Receipt" on the Pre-evaluation Report and affix initial thereon;

1.1.3 Indicate the Reference Number on the Pre-evaluation Reports received from the VAT TCC-Issuing Offices. The said Reference Number shall be sequentially issued and should contain the following information to facilitate retrieval and review thereof on a "first-come-first-serve" basis:

a. First three or four digits–shall refer to the Office who submitted the Pre-evaluation Report where ASD will be the code for Assessment Division, LTS for Offices under LTS, LIG for Legal and Inspection Group, DOF for those jointly issued by the BIR and DOF. For Pre-evaluation Report received from the RDOs the RDO number shall be indicated;

b. Next six (6) digits shall refer to the date of receipt (mm/dd/yy); and

c. The last four (4) digits shall be the sequential number.

To illustrate:

*The Reference Number **DOF-071612-0005** shall refer to the Pre-evaluation Report including pertinent documents received from the OSS-Center on July 16, 2012 and the fifth docket received during the entire enrollment period.*

1.1.4 Record the receipt of the recommendation from the VAT TCC-Issuing Office in the logbook maintained for the purpose;

1.1.5 Process the taxpayer's application for monetization on a "first-come-first-serve basis;

1.1.6 Prepare the necessary requests for updated certification enumerated in Section IV.8 of this Order, as needed. Forward the request for issuance of certification to the concerned BIR Office;

1.1.7 Receive from the concerned Offices the replies/certifications requested. Review and evaluate the documents/certifications submitted and compare the information/details contained in the submitted replies/certifications with the information indicated in the original TCC, TCC details encoded in ITS-TCRS, and the certifications issued by the concerned Offices indicated in IV.6 of this Order;

a. Determine if the VAT TCC is not included in the list of lost or cancelled TCCs by verifying the same with the records of the AFD, pertinent RMCs issued on lost TCCs, Regional Administrative Division's files/records, as well as the Office files/records maintained for the purpose;

b. Verify whether or not the VAT TCC was previously recommended for cash conversion and that the same has not yet been actually converted into cash by the AccD;

c. Verify if the subject TCC's outstanding balance reflected at the back of the TCC matches with the balance appearing in the ITS-TCRS, and issue a Certification pertaining thereto.

If there is any discrepancy on the said balance, request the concerned TDM –Issuing Office to issue a certification on the correct balance of the TCC for monetization to be supported by a written justification of the error committed on the TCC balance against the actual amount reflected on the TDM issued to the taxpayer;

1.1.8 Verify the existence of any OTLs. Perform the following courses of action, in case the VAT TCC holder has outstanding tax liability:

a. Inform the taxpayer of the existence of an OTL, if any, and require the taxpayer to pay the said tax liability either in cash or thru TDM, if appropriate. In case the VAT TCC Holder-Applicant refuses to pay the same, inform him/her that non-payment of the said tax liability is a ground for the denial of the application for VAT TCC Monetization;

b. Require taxpayer to submit/present proof/s of payment, if VAT TCC Holder-Applicant claims that the OTL has already been paid. Verify/validate from the Collection and Bank Reconciliation System (CBRS) Screen if the said payment has already been posted. In case the payment was not yet posted, inform taxpayer to coordinate with the RDO who has jurisdiction over the taxpayer and request for a Certification that said payment was duly received by the BIR; and

c. Inform the taxpayer that the TCC/s equivalent to the amount of outstanding tax liability which was/were applied for compromise settlement/abatement and/or under protest will not be included in the VAT TCC/s which will be approved for monetization.

1.1.9 Prepare memorandum report bearing recommendation to the DCIR-OG for the approval/disapproval of the monetization of VAT TCCs based on the verification conducted and the certifications issued by the concerned offices, for the signature by the ACIR-CS;

1.1.10 Forward to the CS the memorandum report, including the entire docket for the approval/signature of the ACIR-CS;

1.1.11 Prepare the NPS or the Notice of Denial, whichever is applicable, and forward the same to CS together with the memorandum report for the review and affixture of the initial of the ACIR-CS on the appropriate space thereon.

1.1.12 Receive from the CS the duly initialed NPS/Notice of Denial and the memorandum report;

1.1.13 Forward to the ODCIR-OG the entire docket together with the recommendation of the ACIR-CS and the NPS/Notice of Denial for approval and signature of the DCIR-OG;

1.1.14 Receive from the ODCIR-OG the duly approved memorandum report, the signed NPS/Notice of Denial, the cancelled TCC, if appropriate, and the entire VAT TCC docket;

1.1.15 Record the signed NPS/Notice of Denial in the record book being maintained for the purpose;

1.1.16 Forward to the CS the original copy of the cancelled TCC and the approved memorandum report for the cancellation of the TCC in the ITS-TCRS, in case of approved application for VAT TCC monetization;

1.1.17 Receive from the CS the manually cancelled TCC and memorandum report;

1.1.18 Attach all pertinent documents relevant to the claim for VAT TCC monetization to the entire docket;

1.1.19 Release the signed NPS to the taxpayer-applicant or his/her duly authorized representative designated under Section IV.4 (e and f);

1.1.20 Release the duly signed Notice of Denial to the concerned VAT TCC holder-applicant, in case of disapproved application for monetization, together with the original copy of the applicable VAT TCC;

1.1.21 Transmit the entire VAT TCC docket, together with all the pertinent documents relative to the application for monetization to the following offices:

a. Financial Service – for approved application for VAT TCC monetization covered by NPS maturing in 2012, for processing of payment; or

b. Concerned Receiving Office – for approved application for VAT TCC monetization covered by NPS maturing in 2013 and beyond, for purposes of preparation of the necessary DV and ObR prior to their respective maturity dates pursuant to the guidelines and procedures to be covered by a separate issuance, or for the appropriate safekeeping of the entire docket, in case of denied application.

1.2 The Collection Service shall:

1.2.1 Receive and review the memorandum report prepared and submitted by the CPD together with the entire docket of the case;

1.2.2 Affix signature on the appropriate space in the above mentioned memorandum report, if the same is found in order, and return the entire docket to the CPD for the preparation of the NPS;

1.2.3 Receive from the CPD the duly accomplished NPS and the previously approved memorandum report;

1.2.4 Review the NPS and affix initial thereon, if the same is in order;

1.2.5 Forward the NPS and the memorandum report to the CPD prior to transmission to the ODCIR- OG for signature and manual cancellation of the TCC by the DCIR-OG;

1.2.6 Receive from CPD the original copy of the manually cancelled TCC and the memorandum report approved by the DCIR-OG;

1.2.7 Cancel the TCC in the BIR's ITS-TCRS; and

1.2.8 Forward to the CPD the manually cancelled TCC for the release of the NPS to the taxpayer or his duly authorized representative.

1.3 The Office of DCIR-OG shall:

1.3.1 Receive from the CPD the duly signed memorandum report, the NPS, and the entire VAT TCC docket;

1.3.2 Review, approve and sign the recommendation of the CS, if found in order;

1.3.3 Affix signature on the appropriate portion of the NPS;

1.3.4 Stamp the following on the face of the monetized TCC:

CANCELLED

Monetized Under NPS No._____dated _____
Per DOF/DBM/BIR Joint Circular No. 2-2012
dated May 31, 2012

1.3.5 Forward to the CPD the entire docket, the original copy of the cancelled TCC and the signed NPS prior to the transmission of the cancelled TCC to the CS for the cancellation of the TCC/s in the BIR ITS-TCRS.

E. Management of the VAT TCC Dockets

1. The CPD shall:

1.1 Forward immediately to the Financial Service all processed VAT TCC dockets with NPS that are maturing in CY 2012 for the processing of the VAT TCC refund checks;

1.2 Prepare the memorandum for the VAT TCC-Issuing Office, for signature by the ACIR-CS, returning all the other dockets for TCC monetization to the concerned

original VAT TCC-Issuing Office which were already processed and are already covered by NPS that are maturing in CY 2013 and beyond; and

1.3 Forward immediately to the General Services Division the above memorandum together with the original case dockets and other related documents for transmission to the VAT TCC- Issuing Office.

2. The CS shall:

2.1 Receive from the CPD the memorandum returning the VAT TCC dockets to the VAT TCC Issuing Office;

2.2 Affix signature on the memorandum; and

2.3 Return to CPD the duly signed memorandum and the entire case docket.

3. The General Services shall:

3.1 Receive from the CPD the memorandum for the original VAT TCC-Issuing Office and the entire VAT TCC docket; and

3.2 Transmit immediately the dockets to the concerned original VAT TCC-Issuing Office in accordance with existing policies and procedures.

4. The Original VAT TCC-Issuing Office shall:

4.1 Receive the VAT TCC dockets for safekeeping;

4.2 Store the case dockets in a safe and secured space; and

4.3 Forward the VAT TCC dockets together with the duly signed DVs and ObRs to the FS within three (3) months prior to the maturity date of the NPS for the processing of the refund check.

The processing of payment and check preparation for NPS monetization of VAT TCCs maturing in 2012 shall be in accordance with the existing policies and procedures.

VI. REPORTING REQUIREMENTS

The following reports shall be prepared by the concerned Offices for purposes of monitoring the implementation of the VAT TCC Monetization Program:

Required Reports	Concerned Offices	To be Submitted to	Due Date
1. Master List of All Applications for VAT TCC Monetization Program	CPD	Office of the Commissioner (OCIR) CC: ODCIR-OG	Within fifteen (15) days after the end of the enrollment period

		ACIR-CS	
2. Weekly List of NPS Issued	CPD	DBM DOF FS Concerned TCC-Issuing Office OCIR CC: ODCIR-OG ACIR-CS	Every Monday following the week of issuance of the NPS (NPS which are expiring in 2012 shall be immediately sent to the DBM after issuance)
3. Master List of ALL Notices of Payment Schedule (NPS) Issued	CPD	DBM DOF FS Concerned TCC-Issuing Office OCIR CC: ODCIR-OG ACIR-CS	Within fifteen (15) days after the prescribed processing period
4. List of Denied Applications for Monetization (for cases denied at pre-processing level) (*Annex "M"*)	Concerned Receiving Office	CPD Concerned ACIR/Regional Director	Within ten (10) days after the prescribed processing period
5. List of Denied Applications for Monetization (for cases denied at final processing level)	CPD	DOF FS Concerned TCC-Issuing Office OCIR ODCIR-OG CS	Within ten (10) days after the prescribed processing period
6. Report on Yearly Budget Accountability	Budget Division	DBM	Last Quarter of the Year (for the succeeding year's budget)
7. Monthly List of NPS Redeemed by the Taxpayer	Accounting Division	CS CPD	Every 15th day of the month following the redemption
8. List of NPS Surrendered for Monetization	GFIs	FS CPD	Every Monday immediately following the week when the NPS was actually monetized
9. List of NPS Surrendered for Monetization to the	CPD	Concerned VAT TCC-Issuing Office OCIR	Every 10th day of the following month

participating GFI		ODCIR-OG CS	
10. Weekly List of VAT TCC Applied for VAT TCC Monetization	DOF-OSS	CPD	Every Monday to cover all applications for the previous week (within the enrollment period)

VII. TRANSITORY PROVISIONS

In order to provide clarity in the implementation of this Order, the following policies shall be applied to all applications for cash conversion of VAT TCCs otherwise entitled for monetization under the Program:

1. All VAT TCC holders with applications for cash conversion of outstanding VAT TCCs pursuant to Section 204 (C) of the Tax Code that are still pending processing by the Bureau can still apply for VAT TCC monetization by withdrawing the previously filed application for cash conversion from the concerned office having physical possession of the said application, and filing a new application for enrollment to the VAT TCC Monetization Program with the concerned Receiving Offices; and

2. All requests for cash conversion of VAT TCCs that are already in the possession of the BIR as of the effectivity of Executive Order No. 68 dated March 27, 2012 and DOF-DBM-BIR Joint Circular No. 2-2012 dated May 31, 2012 may still be processed pursuant to the provisions of Section 5 (b) of Revenue Regulations No. 5-2000 regardless of the issuance dates of the covering TCCs, subject to the availability of funds.

VIII. REPEALING CLAUSE

All revenue issuances or portions thereof which are inconsistent herewith are hereby repealed, modified or amended accordingly.

IX. EFFECTIVITY

This Order shall take effect immediately.

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

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