REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
National Office Building
Quezon City

JUN 26 2023

REVENUE MEMORANDUM ORDER NO. 24-2023

SUBJECT : **Prescribing the Revised Policies and Procedures Relative to the Accreditation of Cash Register Machines (CRMs), Point-of-Sale (POS) and Other Similar Sales Machines/Software Generating Invoices/Receipts Including Electronic Invoicing or Electronic Receipting System/Software Used under a Subscription-Based Agreement**

TO : **Assistant Commissioner – Large Taxpayers Service, All Regional Directors, Revenue District Officers, Revenue Officers, and Others Concerned**

I. OBJECTIVES

In order to align the provisions of Revenue Memorandum Circular (RMC) No. 49-2019 (Decentralization on the Accreditation of Cash Register Machines (CRMs), Point-of-Sale (POS), Sales Receipting Software, and Other Sales Machines Generating Invoices/Receipts at the National Office, Revenue Regions and Revenue District Offices Level) with the requirements of RMC No. 68-2015, and to amend a portion of Revenue Memorandum Order (RMO) No. 10-2005, this Order is hereby issued to:

1. Provide the updated policies and procedures relative to the Accreditation of Cash Register Machines (CRMs), Point-of-Sale (POS), Sales Receipting Software, and Other Sales Machines Generating Invoices/Receipts, including Electronic Invoicing (e-Invoicing) or Electronic Receipting (e-Receipting) System/Software used under a Subscription-Based Agreement (hereby collectively known as **"Sales Machines/Software"**);

2. Reiterate the decentralization of the accreditation process and granting to the Large Taxpayers Accreditation Board (LTAB) and Regional Accreditation Board (RAB) the authority to approve/deny such accreditation, with the National Accreditation Board (NAB) acting as a policy-making body;

3. Provide a standard format for system-generated invoices/receipts, X-Reading, Z-Reading, Backend Reports, and other reports, including the generation of Audit Journal or Electronic Journal (e-Journal) to be generated from 'Sales Machines/Software'; and

4. Streamline the documentary requirements and set the standard time for the processing of Applications for Accreditation of "Sales Machines/Software" to comply with the "Ease of Doing Business and Efficient Government Service Delivery Act of 2018" (Republic Act [RA] No. 11032).

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II. DEFINITION OF TERMS

1. **Accreditation** – a process of evaluating whether or not "Sales Machines/Software" are compliant with the BIR's invoicing/receipting requirements.

2. **Accreditation Number (AN)** – a unique system control number generated thru the Enhanced Electronic Accreditation and Registration (eAccReg) System that shall be reflected on the Certificate of Accreditation.

3. **Application Service Provider (ASP)** - provides applications and related services over the Internet. Business establishments rent/lease/subscribe to ASP software for a fee. The software is accessed remotely through a web browser and not installed on a company's local drive. A multi-tenant version of this model is commonly known as Software-as-a-Service (SaaS).

4. **Audit Journal** – refers to the duplicate copy of the tape invoices/receipts generated from the CRM.

5. **Backend Reports** – reports to be generated from the "Sales Machines/Software" or its main/central server. This may be named differently depending upon the taxpayer/developer of the "Sales Machines/Software" (such as but not limited to BIR Sales Summary Report, Daily Cash Report, Terminal Accountability Report, Detailed Sales Report, Senior Citizen Sales Book/Report, Persons with Disability Sales Book/ Report, National Athletes and Coaches Sales Book/Report, Solo Parent Sales Book/Report Void Report, Sales Return and/or Refund Reports, etc.).

6. **Cash Register Machine (CRM)** – a type of business machine that has a memory and can record the sale/transfer of merchandise or services rendered. It generates tape invoice/receipt which is issued in lieu of manual invoices/receipts. It usually has a drawer for storing cash and other valuables and equipped with two (2) rollers or its equivalent that can generate two (2) tape invoices/receipts – one tape for audit and tax purposes and the other tape to be given to the customer. The tape shows sequentially numbered invoices/receipts and details of transaction per invoice/receipt issued.

7. **EIS Unique ID** – a unique series that would serve as reference number in transmitting sales data to the BIR.

8. **Electronic Journal (e-Journal)** – similar to the Audit Journal of CRM, which shall be generated using the POS software to reflect the copy of all principal, supplementary invoices/receipts, and adjustment documents (such as but not limited to return, void, cancellation, and refund), "X-Reading" (or Cashier's Accountability Report/End-of-Shift Report) and "Z-Reading" (or End-of-Day/EOD Report) that are dispensed by such "Sales Machines/Software". Such e-Journal must reflect similar information as presented on the original invoices/receipts issued to client/customer/buyer and adjustments/reports printed that shall be saved on a daily basis in a single ".txt" file format or as standard text document. The e-Journal is not the same as the Electronic Sales (eSales) Report or Electronic Sales Journal/Book being required by the BIR based on existing revenue issuances.

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9. **Machine Identification Number (MIN)** – a unique number issued to CRM/POS upon registration in the Enhanced eAccReg System. It is an identification (ID) of the CRM/POS that will report its sales in the Electronic Sales (eSales) Reporting System.

10. **Point-of-Sale (POS) System** – a type of sales receipting system that is considered more complex than a Cash Register Machine, which may have the capability to record and track customer orders, process debit and credit card accounts, link to other systems in the establishment's network, and manage inventory. Similarly, this system can record the sale/transfer of merchandise or services rendered with system-generated invoices/receipts. The POS may be categorized as follows:

    a. **Bundled POS Hardware and Software** – type of POS software which is tied-up with a specific machine brand and cannot be sold/used separately by the supplier/vendor/developer/manufacturer/ pseudo-supplier.

    b. **POS Software** – any software that has the capability to generate invoices/receipts that can be installed to any machine/brand and will support the business requirements of the company.

11. **POS System Set-Up/Architecture** – the conceptual model that will define the structure and behavior of the system, which may be stand-alone, POS connected to server consolidator, server based – decentralized or global.

12. **Pseudo-supplier** – taxpayer-user of "Sales Machines/Software" who are either of the following:

    a. Direct Importer or local distributor of "Sales Machines/Software" similar sales machines/software generating invoices/receipts.

    b. Taxpayer-user who developed their own "Sales Machines/Software" or a local buyer of customized "Sales Machines/Software" for their own internal use and/or for distribution to their branches, franchisees and/or related companies.

13. **Registration** – a process of securing a Permit to Use Sales Machine, Special Purpose Machine and/or receipting or invoicing system/software.

14. **Reset Counter** – refers to a counter that advances by 1 every time the maximum accumulated sales capacity or the maximum serial number/series of invoices/receipts is exhausted or fully utilized. Resetting of the accumulated sales is either manually triggered or automatic.

15. **Sales API Portal** – a developer console/platform that allows Application Service Providers (ASPs) and partners to configure their integration of the Application Programming Interface (API) and test the correctness of their sales data transmission.

16. **Sales Machines/Software Generating Invoices/Receipts** – machines/software

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other than CRM/POS and Component of CAS that is capable of generating sales and reports.

17. **Special Purpose Machine/Software (SPM)** – a machine/software designed/developed to support sales and accounting activity which may generate or issue transaction document **except** principal invoices/receipts. This may also include machine/software functioning as ordering machine of online platforms located in the place of business of partner merchants/stores/restaurants. SPM is only subject for registration but not accreditation.

18. **Subscription-Based Agreement** – an agreement where recurring fees are being paid by clients/customers, typically on a monthly, quarterly or annual basis.

19. **Web-based POS** – a type of POS that can be accessed through a Web or portal using internet. The data is stored in a virtual storage known technically as "cloud servers".

20. **X-Reading** – also known as Cashier's Accountability Report/ End-of-Shift Report, which shall be generated from the CRM/POS/Other Similar Sales Machine to determine the accountability of the cashier or any authorized personnel at the end of each shift or as may be required by the management depending on the company policy.

21. **Z-Counter** – refers to a counter that advances by 1 and is reflected on the face of the Z-Reading/EOD Report and Backend Reports to determine the number of times the said report was generated. The said counter, however, shall not increase regardless of the number of reprints.

22. **Z-Reading** – also known as End-of-Day (EOD) Report, which shall be generated from the CRM/POS/Other Similar Sales Machine to determine the total sales for the day and other important details as may be required by the BIR, including the Accumulated Grand Total Sales (previous day and present day), Breakdown of Sales (i.e., VATable Sales, VAT Exempt Sales, Zero-Rated Sales, and VAT Amount) and Modes of Payment (i.e. Cash, Credit Card, Gift Checks, etc.), Z-counter, Reset Counter, if any, details of adjustments to sales like Void, Return, Refund transactions, and many others.

III. COVERAGE

This Order shall cover all types of sales machines and/or software generating invoices/receipts that are used in business to record sales transactions, which shall include the following:

1. Cash Register Machine (CRM);

2. POS System– Bundled POS (both hardware and software) and POS Software;

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3. e-Invoicing or e-Receipting System/Software used under a Subscription-Based Agreement;

4. All other similar sales machines/software that will generate printed invoices/receipts, such as but not limited to:

   a. Taximeters;
   b. Handheld or mobile devices linked to a server;
   c. Unmanned bill, coin, or token-operated machines issuing invoice upon sale; and
   d. Other sales machines/software issuing invoices/receipts, except Computerized Accounting System.

   These shall be collectively referred to in this Order as "Sales Machines/Software".

IV. POLICIES AND GUIDELINES

The following general policies shall be observed in the accreditation of CRM/POS/Other Similar Sales Machine:

1. The enumerated items under Section III of this Order are required to be accredited with the BIR using the Enhanced eAccReg System facility.

   Consequently, Special Purpose Machines (SPMs) that will be used solely for internal purposes or generates Supplementary Invoice/Receipts only such as, but not limited to, the following shall not be subject to accreditation under this Order but shall be required to register for the issuance of Permit to Use using the Enhanced eAccReg System facility:

   a. Automated Teller Machines (ATMs);
   b. Cash Depository machines/ATMs with cash depository;
   c. Foreign Exchange machines;
   d. Ordering machines;
   e. Bills Payment machines;
   f. Price Checking machines;
   g. Inventory checking and maintenance machines;
   h. Lottery Terminal/Ticketing Machine; and
   i. Other special purpose machines that does not generate sales invoices/official receipts, but may include machine/software functioning as ordering machine of online platforms.

   Registration of POS/CRM/SPM/Other Similar Sales Machine shall be done via the Enhanced eAccreg System **(except for Section III (3)**, wherein a separate revenue issuance shall be provided relative to the Authority to Generate (ATG) for the e-Receipting or e-Invoicing System/Software used under a Subscription-Based Agreement) and shall be processed by the Large Taxpayers (LT) Office/Revenue District Office (RDO) within two (2) days after receipt of the application.

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POS System which also generates Supplementary Invoices/Receipts along with Principal Invoices/Receipts shall be included in the accreditation and registration of such "Sales Machines/Software".

The types of machines/software and the corresponding process/es required for each are summarized on the table below:

TYPE OF MACHINES/SOFTWARE	SUBJECT TO ACCREDITATION	SUBJECT TO REGISTRATION
1. CRM	✓	✓
2. POS	✓	✓
3. e-Invoicing or e-Receipting System/Software used under a Subscription-Based Agreement	✓	✓
4. Other Sales Machines Generating Invoices/Receipts	✓	✓
a. Taximeter	✓	✓
b. Handheld or mobile devices	✓	✓
c. Vending Machine	✓	✓
5. Special Purpose Machines	×	✓
a. Automated Teller Machines (ATMs)	×	✓
b. ATMs with Cash Depository	×	✓
c. Foreign Exchange machines	×	✓
d. Ordering machines	×	✓
e. Bills Payment machines	×	✓
f. Price Checking machines	×	✓
g. Inventory checking and maintenance machines	×	✓
h. Lottery Terminal/Ticketing Machine	×	✓
i. Other SPM not generating sales invoices/official receipts	×	✓
6. Computerized Accounting System (CAS)/Components of CAS/Computerized Books of Accounts	×	✓
7. POS as Component of CAS	✓	✓
8. E-invoicing/e-receipting system as component of CAS	×	✓

Legend: × - not required ✓ - required

2. All suppliers/vendors/developers/providers/taxpayer-users who intend to distribute/sell/use "Sales Machines/Software" shall apply for enrollment in the Enhanced eAccReg System by submitting a **Sworn Declaration (Annex "A")**[1] to the LT Office/RDO where such supplier/vendor/developer/provider/taxpayer-user

[1] *Note: Attach Special Power of Attorney (SPA) (for Individual) or Board Resolution indicating the purpose and the name of the authorized representative or Secretary's Certificate (for non-individual), and any government-issued ID of the authorized representative, if transacting through a Representative.*

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is registered.

Upon receipt via email of the approval of their enrollment in Enhanced eAccReg System, such suppliers/vendors/developers/providers/taxpayer-users shall apply for accreditation by accomplishing online the **Application for Accreditation** in the Enhanced eAccReg System and manually submitting all the documents listed under the **Checklist of Documentary Requirements (Annex "B")** to the RDO where the supplier/vendor/developer/provider/taxpayer-user's Head Office is registered.

The "Sales Machines/Software" subject for evaluation and inspection by the BIR must comply with the specifications/features stated in Section IV (5) of this Order to qualify for the accreditation. The aforesaid specifications/features must be explicitly attested and declared by the taxpayer through a duly signed and notarized **Sworn Statement (Annex "C")**[2].

3. A "pseudo" supplier (as defined under Section II (12) of this Order) of "Sales Machines/Software" shall likewise apply for accreditation of its machines/software.

4. The concerned Technical Working Group (TWG) shall evaluate the "Sales Machines/Software" on its compliance with the applicable specifications/features stated below to qualify for the accreditation through a system demonstration by the taxpayer-applicant. The schedule of the demo shall be coordinated with the taxpayer-applicant by the TWG Secretariat **within three (3) working days** upon receipt of complete documentary requirements or depending on the preparedness of the taxpayer-applicant to present the "Sales Machines/Software" to the TWG Members based on a "FIRST IN, FIRST OUT" policy. Meeting/evaluation may be done via any online platform depending on the situation.

5. The "Sales Machines/Software" shall comply with the following specifications/features, which must be indicated in the submitted notarized Sworn Statement, to wit:

   a. **Accumulated Grand Total Sales.** The Accumulated Grand Total Sales must have at least twelve (12) digits inclusive of the two (2) decimal places. However, the physical limitation of the maximum number of digits must be taken into consideration or the accumulated grand total sales must not be truncated if the Z-Reading/EOD Report shall be printed on a standard tape receipt paper. Sales machines must be equipped with a reset counter that advances by one (1) every time the Accumulated Grand Total Sales is fully utilized or exhausted and the same shall be shown on the Z-Reading/EOD Report. Such counter shall be reset to zero (0) upon retirement/cancellation of Permit to Use (PTU) of "Sales Machines/Software".

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[2] *Note: Attach Special Power of Attorney (SPA) (for Individual) or Board Resolution indicating the purpose and the name of the authorized representative or Secretary's Certificate (for non-individual), and any government-issued ID of the authorized representative, if transacting through a Representative.*

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In case of resetting, the concerned RDO shall be notified about it to ensure that all the sales data registered in the machine up to the last day it was used are properly recorded. A letter notification must be submitted to the RDO not later than three (3) days after the reset is done with attached printed Z-Reading or EOD Report as of the day of resetting to validate that the reset counter incremented by one (1).

Failure to notify within the prescribed period shall be subject to penalty of One Thousand Pesos (₱1,000) per letter notification not submitted, provided that the aggregate amount for a calendar year shall not exceed Twenty-Five Thousand Pesos (₱25,000), pursuant to the provisions of Section 250 of the NIRC of 1997.

b. **Tamper-free.** In order to protect the integrity of the data, the sales data must not be capable of being manipulated. The "Sales Machines/Software" must not be switchable to "Training Mode", "No Sale Transaction Mode" or any other manipulations that will impair/impede/suspend the recording of sales upon deployment of the same for use in business operations.

All machines that will be exclusively used for training purposes and will generate documents during training must not be considered as invoices/receipts. Hence, the statement **"THIS IS NOT A SALES INVOICE/OFFICIAL RECEIPT. PLEASE REQUEST FROM SELLER YOUR SALES INVOICE/OFFICIAL RECEIPT."** must be boldly printed on the tape receipt that will be generated.

c. **Activity Log or Transaction Log.** The "Sales Machines/Software" must have the functionality to generate report that shows the record of all actions done (such as extract, push or pull, edit, delete, etc.); who created the transactions (with root/ administrator's account, including activities performed in case the software provider/developer access and manipulate the software remotely); the values involved in the activity; and date and time of transactions.

d. **Non-volatile memory.** The "Sales Machines/Software" must have the capability to retain sales data and other important information when the power is turned off or must be equipped with a recovery or backup system to retain the said data/information for the period prescribed under Revenue Regulations No. 5-2014.

e. **E-journal or Audit Journal. For CRM:** This type of sales machine must be equipped with two (2) rollers—generating one copy for the audit journal tape intended for audit and internal revenue tax purposes and the other copy to be issued to the customers as invoice/receipt. There must be a safety mechanism installed that will prevent the operation of the machine if only one of the rollers will be used.

For POS: This type of sales machine must have the capability to generate an Electronic Journal (e-Journal) which was defined under Section II (8) of this Order.

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e-Invoicing or e-Receipting System/Software used under a Subscription-Based Agreement, which will be transmitting sales data to the BIR, shall not need an electronic journal or its equivalent.

f. **Sales Readings.** The most common Sales Readings are the "X-Reading" and "Z-Reading" (see Section II (20) and (22) hereof for definitions). The "Sales Machines/Software" must be able to generate a report from the sales machine or central server showing the reading of daily sales, sales discounts, sales adjustments such as refunds, returns, cancelled, void, etc., and accumulated grand total sales recorded therein, such as **"X-Reading" (Annex "D-1")** and **"Z-Reading" (Annex "D-2").**

It should be noted that the "Z-Reading" must cover all transactions for the whole sales operation or business day. Thus, sales transactions or adjustments reflecting the same sales operation date after the "Z-Reading" was generated must not be allowed, whether the day ends at 11:59 PM or otherwise as set by the establishment's business set-up requirement.

Such readings generated from "Sales Machines/Software" must be capable of being reprinted any time or as may be required for audit, post evaluation and/or Tax Compliance Verification Drive (TCVD) purposes.

e-Invoicing or e-Receipting System/Software used under a Subscription-Based Agreement, which will be transmitting sales data to the BIR, shall not need X-Reading, Z-Reading or its equivalent.

g. **Backend Reports.** The "Sales Machines/Software" must be capable of generating a report summarizing all sales transactions showing separately the VATable Sales, VAT Exempt Sales, and Zero-Rated Sales, such as **BIR Sales Summary Report (Annex "E-1")** and other system-generated backend reports, such as but not limited to the **Senior Citizen Sales Book/Report (Annex "E-2"), Persons with Disability Sales Book/Report (Annex "E-3"), National Athletes and Coaches Sales Book/Report (Annex "E-4"), Solo Parent Sales Book/Report (Annex "E-5"), and Void Report.**

No manual Sales Book, except for CRM, shall be required since "Sales Machines/Software" must be capable to generate and print the abovementioned reports any time or as may be required for audit, post evaluation and/or TCVD purposes.

Note: In any case that a CRM-generated/POS-generated receipts or invoices were replaced by manual receipts or invoices, the sum of all the system-generated receipts or invoices that were converted to manual receipts or invoices shall be reflected as a deduction or adjustment in the CRM Sales Book or Backend Report pursuant to RR No. 16-2018.

h. **Sequential series of accountable forms/documents.** The invoices/receipts generated from the "Sales Machines/Software" must have a minimum of six (6)-digit running Serial Number (SN).

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The maximum number of the running SN must be taken into consideration and the same must not be truncated when the invoices/receipts are printed. The SN must also be padded with zero (0) or the leading zeroes must be shown.

*e.g., If the **103th** invoice/receipt will be generated from the "Sales Machines/Software", it should be displayed as **"000103"** instead of "103" only [assuming that the maximum number of digits is six (6)].*

The "Sales Machines/Software" may also be equipped with a Reset Counter that advances by one (1) every time the maximum number of digits is fully exhausted or utilized. The said Reset Counter is appended to the SN of the invoices/receipts as prefix/suffix.

e.g., "00-000001" shall be shown on the face of the invoice/receipt where the first two digits – "00" is the Reset Counter as prefix of the six-digit running SN.

In order to maintain the consecutive sequence of the transaction numbers imprinted on the invoices/receipts and the audit journal/e-Journal, the invoice/receipt numbering mechanism of a sales machine shall not be disturbed or tampered with.

i. **Reprint Functionality.** "Sales Machines/Software" with functionality to reprint principal invoices/receipts shall not distort the stored sales data and must indicate the word **"REPRINT"** on the face of such invoices/receipts, including the date and time of printing was done.

j. **"Push" Functionality.** All sales data or information (as required under the e-Invoicing/e-Receipting Project of the BIR) that will be generated from an "Sales Machines/Software", if applicable, must be able to send or push to the BIR on a "real-time" or "near real-time" the EIS e-Invoice JavaScript Object Notation (JSON) File Format for CRM/POS based on the provisions of the applicable e-Invoicing/e-Receipting revenue issuances.

k. **Verification or Validation Seal.** Serves as a security feature that will determine the authenticity of the e-Invoices/e-Receipts. This functionality must be inherent in all e-Invoices or e-Receipts generated from "Sales Machines/Software" used under a Subscription-Based Agreement. Most common verification or validation seals are Quick Response (QR) Codes, Bar Codes, Uniform Resource Locator (URL) and any other form of seal or security features.

l. **Data Retention.** All relevant sales data or information and other accounting records must be retained for a period in accordance with the existing revenue issuance on preservation of records. The said accounting records must be maintained or accessed at the registered place of business or the registered address where the "Sales Machines/Software" is being used.

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All relevant sales data or information generated from the e-Invoicing/e-Receipting System/Software used under a Subscription-Based Agreement must also be maintained or accessed at the registered place of business of the taxpayer-user. Hence, the taxpayer-user must be granted an access to such "Sales Machines/Software" any time to download/store pertinent sales data/information therein.

m. **Sales Data Transmission.** For e-invoice/e-receipt, the system must be able to transmit the sales data in JSON File Format with an EIS Unique ID to verify the transmitted sales data.

6. The **Functional and Technical Evaluation Checklist on Sales Machines/Software (Annex "F")** shall be the guide and basis for evaluation of the "Sales Machines/Software" during the conduct of system demonstration. The said checklist shall be accomplished by the TWG Member/Team Head based on the discussions during the system demonstration with other TWG Members to determine whether or not the "Sales Machines/Software" is in compliance with the requirements set forth under this Order and other related revenue issuances.

Minutes of Meeting (MOM) (Annex "G") must be prepared for each of the system demonstrations conducted. All items for compliance/submission/ issues/peculiar feature of the systems must be indicated in the MOM.

7. The "Sales Machines/Software" must generate invoices/receipts showing the information required under RR No. 16-2018 and RR No. 6-2022, in relation to Sec. 6.0 of RR No. 11-2004, which must show, among others, the information enumerated below:

a. The following salient information must be shown as a header of invoices/receipts:

i. Registered Name of the Seller;
ii. Business Name or Style, if any, based on the clarifications provided on RMC No. 55-2019;
iii. Detailed business address of the seller;
iv. The phrase "VAT REG TIN" or "NON VAT REG TIN", whichever is applicable, followed by 9-digit Taxpayer Identification Number (TIN) with 5-digit Branch Code of the Seller;
v. Machine Identification Number (MIN);
vi. Serial Number of the sales machine (if branded machine) and the Serial Number of the Hard Disk Drive and/or Software License Number (if cloned machine) pursuant to RR No. 5-2005, as amended;

b. Invoice/receipt number prominently shown with minimum of six (6) digits running Serial Number appended with a Reset Counter, if applicable;
Note: If the system generates transaction number, SI/OR number should be a different series.

c. Date of transaction;

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d. Customer/Buyer details—Name, Address, TIN and Business Style for VAT SI/OR as reiterated by RMC No. 64-2015 pursuant to RR No. 16-2005, if applicable;

e. Quantity;

f. Description of the items/goods or nature of service rendered;

g. Unit cost;

h. Total cost;

i. VAT Amount (if transaction is subject to 12% VAT);

j. If the seller is engaged in mixed transactions, the sales amount shall be broken down to: VATable Sales, VAT Exempt Sales and Zero-Rated Sales;

k. The phrase "THIS DOCUMENT IS NOT VALID FOR CLAIM OF INPUT TAX." in bold letters must be conspicuously printed at the bottom of supplementary invoices/receipts, such as but not limited to order slips, acknowledgment receipts, and collection receipts. Supplementary invoices/receipts also include adjustment documents, such as but not limited to return, void, cancellation, refund, and other similar documents that form part of the accounting records of the taxpayer and/or issued to customers;

l. The word "EXEMPT" must be prominently shown on the face of the invoices/receipts for taxpayers whose transactions are not subject to both VAT or Percentage Tax that will issue Non-VAT principal invoices/receipts (Example: rice dealer/vegetable/fruits/livestock/poultry sellers selling only the aforementioned goods);

m. The breakdown of Sales Subject to Percentage Tax (SSPT) and Exempt Sales must be indicated on Non-VAT principal invoices/receipts, if the taxpayer is subject to Percentage Tax under Title V of the National Internal Revenue Code (NIRC), as amended by RA No. 10378 (An Act Recognizing the Principle of Reciprocity as Basis for the Grant of Income Tax Exemptions to International Carriers and Rationalizing other Taxes Imposed Thereon by Amending Sections 28(A)(3)(a), 109, 118 and 236 of the NIRC, as Amended, and for Other Purposes) but also sells goods/services under Section 109 (A) to (W), excluding (E) of the same Code, as amended;

n. The following information must be provided if the taxpayer shall transact with Senior Citizen (SC), Person with Disability (PWD), National Athletes and Coaches (NAAC), and/or Solo Parent pursuant to RA No. 9994, RA No. 10754, RA No. 10699, respectively:

   i. SC/PWD/NAAC/Solo Parent TIN, if any;
   ii. OSCA/PWD ID/Philippine National Sports Team (PNSTM) Identification Card No./Solo Parent Identification Card No.;

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iii. SC/PWD/NAAC/Solo Parent Discount (show the 5% or 20%, whichever is applicable—detailed breakdown must be shown including the VAT exemption, if any); and
iv. Signature of the SC/PWD/NAAC/Solo Parent;

o. The following shall be printed at the bottom portion of the OR/SI/CI:
i. Name, Address and TIN with 5-digit Branch Code of the accredited supplier of sales machines;
ii. Accreditation number and the date of accreditation (date issued and valid until) of the accredited supplier; and
iii. PTU Number and the Date Issued or Authority to Generate (ATG) Control Number (whichever is applicable).

8. Taximeter Issuing Receipt must follow RR No. 17-2006 with the information required on the tape receipts, as enumerated below (items a to d must be printed consecutively in the following order in the Official Receipt Header):

a. Business Name/Name of Taxi;
b. Registered Taxpayer's Name with BIR;
c. Taxpayer Identification Number (12 digits including Branch Code);
d. Address of Operator;
e. Telephone Number;
f. Invoice/Receipt Number (minimum of 6 digits);
g. Accreditation Number;
h. Permit Number;
i. Plate Number;
j. Color Coded Body Number;
k. Date of Transaction;
l. Odometer Reading-Start;
m. Odometer Reading-End;
n. Distance Travelled;
o. Waiting Time;
p. Amount of Fare (In Philippine Peso);
q. "THIS SERVES AS AN OFFICIAL RECEIPT".

9. In case "Sales Machines/Software" do not have the capability to encode the information to be reflected on system-generated invoices/receipts and the customer/buyer is a VAT-registered entity, a manual invoice/receipt with approved ATP showing the required information must be issued by the taxpayer/seller; otherwise, the claim for input tax (for VAT purposes) or allowable expenses (for income tax purposes) by the customer/buyer shall be disallowed. In such cases, the system-generated tape invoices/receipts must be attached to the duplicate copy of the manual invoices/receipts to avoid a double take-up of sales and as proof during audit.

Sales generated from "Sales Machines/Software" where tape receipts issued were replaced by manual invoices/receipts must be summarized and shall be deducted from the sales to be reported to the Electronic Sales Reporting (eSales) System.

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Such deduction shall be reflected as an adjustment in the CRM Sales Book or Backend Report, whichever is applicable, pursuant to **RR No. 16-2018.**

10. In case the taxpayer-applicant has a related company, such as affiliate, subsidiary, branch, franchisee, reseller, or distributor with existing accreditation and sells/distributes/uses **exactly the same "Sales Machines/Software"**, system demonstration may be forgone provided that the complete documentary requirements shall be submitted by the taxpayer-applicant, including a **Sworn Statement (Reseller/Distributor of Sales Machines/Software with Existing Accreditation) (Annex "H")** stating such facts. A **Certificate of Accreditation (Annex "I")** shall be issued **within seven (7) working days** from receipt of such application with complete documentary requirements.

11. The **Certificate of Accreditation (Annex "I")** shall be issued by the concerned RDO once the application is approved; otherwise, a **Notice/Letter of Denial (Annex "J")** with the reasons for denial stated therein shall be issued if the said application is denied due to non-compliance with the functional and technical requirements. Once accredited, the Certificate of Accreditation shall reflect an **Accreditation Number (AN)** for a particular machine brand/model/system/software version and shall be issued **within twenty (20) working days** from compliance of the taxpayer with the complete documentary requirements and system demonstration, except for applications stated under Section IV (10) of this Order. Otherwise, issue the Notice/Letter of Denial for non-compliance or non-submission of the documentary requirements on the prescribed period.

12. Any "Sales Machines/Software" that was previously accredited but shall undergo major enhancements/upgrades/modifications shall be required to file new Application for Accreditation following the procedures provided herein. A comparative matrix of the functions and/or features between the previously accredited "Sales Machines/Software" and its upgraded/modified/enhanced version shall be required upon filing of the new accreditation application. A new **Certificate of Accreditation (Annex "I")** shall be issued upon approval of the said application. Enhancements will include but are not limited to the following: additional functionality, improved field and batch validations, additional reports, change of database platform to accommodate new data to be captured, change of parameter settings during inquiry or change in hardware (for application with bundled Machines/Software). In general, version upgrades and application/system enhancements are considered as "Major Enhancements" which will merit reaccreditation.

However, "Minor Enhancements" shall not require reaccreditation but the taxpayer must inform the LT Office/RDO of such change/minor enhancement. Examples of "Minor Enhancements" are arrangement of the field for user interface and adding security control that is transparent to the user or any modification that will not change/impact any functionality of the system/application.

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13. Travel expenses, per diem and other related expenses of TWG Members to and from the taxpayer-applicant's site/place of business to conduct system demonstration shall be allocated from the budget of Revenue Region, LT Office or RDO, or concerned office(s) under the Information System Group (ISG), whichever is applicable. This budget requirement must be included in the Project Procurement Management Plan (PPMP) of the concerned LT Office/RDO and the Annual Procurement Plan (APP) of the Revenue Region. Such travel, if warranted, shall be approved by the Head of the LTAB/RAB.

14. Regular monthly meetings, to be facilitated and attended by the LTAB/RAB Head and/or Co-Head, together with the TWG Head and/or Assistant Head and its corresponding members, shall be conducted to discuss the following matters:

    a. Issues and/or concerns with corresponding resolutions on the accreditation applications in case of dispute, if any;

    b. Inventory of accreditation applications; and

    c. Other related matters, as may be deemed necessary.

    Note: The LTAB/RAB Secretariat shall prepare Minutes of Meeting (MOM) to document all the discussions during the regular meeting.

15. Regular briefings/workshops/seminars shall be conducted to the LTAB/RAB by the NAB in coordination with the Office of the Commissioner (OCIR), Operations Group (OG) and ISG on the update of functional and technical requirements/policies/procedures relative to the evaluation of "Sales Machines/Software" being subject for accreditation.

16. A **Consolidated Monthly Report on the Applications for Accreditation Received (Annex "K-1" and "K-2")** shall be submitted by the LTAB/RAB Secretariat to NAB Secretariat every 10th day of the following month for monitoring purposes and necessary action on all unresolved issues which will require clarification by the NAB.

17. Application for accreditation of "Sales Machines/Software" is for **"FREE".** No charge/fee shall be imposed by any Region/LT Office/RDO.

18. The **eAccReg System Accreditation of Software and/or Hardware Job Aid (Annex "L")** shall serve as guide of the concerned Head/member of LTAB/RAB/TWG Secretariat in using the system.

19. A list of all duly updated accredited "Sales Machines/Software" shall be posted by the concerned office in-charge with the official website of the Bureau of Internal Revenue (BIR) – www.bir.gov.ph to inform the taxpayer-user of those "Sales Machines/Software" that have been accorded official accreditation by the Bureau.

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V. ROLES AND RESPONSIBILITIES

An Accreditation Board (AB) shall be created at the National Office, Large Taxpayers Service (LTS) and each of the Revenue Regions (RRs).

The AB is constituted as follows:

NATIONAL ACCREDITATION BOARD (NAB)

Heads	:	Assistant Commissioner (ACIR), Client Support Service (CSS) – for Non-Large Taxpayers (Non-LTs) ACIR, LTS – for Large Taxpayers (LTs)
Co-Head	:	ACIR, Information Systems Development and Operations Service (ISDOS)
Members	:	For Non-LTs Head Revenue Executive Assistant (HREA), CSS Head, Concerned Revenue Data Center (RDC) Chief, Taxpayer Service Programs and Monitoring Division (TSPMD) Chief, Law and Legislative Division Assistant Chief, TSPMD Section Chief, Programs Development and Review Section (PDRS), TSPMD For LTs HREA, LTS – Programs & Compliance Group Head, National Office Data Center (NODC) Chief, LT Assistance Division (LTAD) Chief, Excise LT Regulatory Division (ELTRD) Chief, Large Taxpayers District Office - Cebu Chief, Large Taxpayers District Office – Davao
NAB Secretariat		For Non-LTs Staff, CSS Representative(s) from PDRS, TSPMD For LTs Staff, Office of the ACIR, LTS Staff, Office of the HREA, LTPCG

LARGE TAXPAYERS ACCREDITATION BOARD (LTAB)

Head	:	HREA, LTS – Programs & Compliance Group
Co-Head	:	Head, NODC

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Members : Chief, Computer Operations Network and Engineering Division (CONED), NODC
Chief, Concerned LT Audit Division

LTAB
Secretariat: Staff, Office of the HREA, LTPCG

REGIONAL ACCREDITATION BOARD (RAB)

Head : Assistant Regional Director (ARD) of respective RR

Co-Head : Head, RDC of the respective RR

Members : Concerned Revenue District Officer (RDO) at the Revenue District Office where the taxpayer-applicant is registered
Chief, Assessment Division of the respective RR

RAB
Secretariat: Head, Client Support Unit (CSU) of the respective RR
Staff from Office of the Regional Director (RD) or Office of the ARD

TECHNICAL WORKING GROUP (TWG)

LARGE TAXPAYERS SERVICE (LTS)
LT REGULAR/EXCISE GROUP (RDOs No. 116, 121, 124 125 and 126)

Head : Chief, LTAD/ELTRD

Asst. Head: Chief, CONED – NODC

Members : Chief, Assessment Section of the concerned LT Audit Offices
Taxpayer Account Management Program (TAMP) Officer of the taxpayer-applicant
Representative from LTAD/ELTRD
Representative from CONED – NODC

TWG
Secretariat: Representative from LTAD/ELTRD

LT DISTRICT OFFICES (RDOs No. 123 and 127)

Head : Chief, LT District Office (LTDO) concerned

Asst. Head: Head, CONED—RDC Visayas or Mindanao

Members : Chief, Assessment Section of the concerned LT Audit Offices
TAMP Officer of the taxpayer-applicant

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Chief, Client Support Section and/or his/her Representative where the taxpayer-applicant is registered
Representative from CONED—RDC Visayas or Mindanao

TWG Secretariat: Staff from Client Support Section of the concerned LTDO

REVENUE REGIONS (RRs)

Head : Revenue District Officer at the Revenue District Office where the taxpayer-applicant is registered

Asst. Head: Chief, CONED of the nearest RDC

Members : Chief, Assessment Section and/or his/her Representative from the RDO where taxpayer-applicant is registered

Chief, Client Support Section and/or his/her Representative from the RDO where the taxpayer-applicant is registered

TAMP Officer and/or his/her Representative from Assessment Section of RDO where the taxpayer-applicant is registered

Representative from CONED or Facility Management Division (FMD) of the RDC

TWG Secretariat: -Staff from Client Support Section where the RDO of the taxpayer-applicant is registered or as assigned/designated by Head, TWG

Note: The TWG Head shall create at least one (1) team and additional teams may be created depending on the number of applications that may be received. Each team shall be assigned a Team Head.

VI. PROCEDURES

The following procedures must be observed and followed in the processing of applications for accreditation of "Sales Machines/Software":

A. TECHNICAL WORKING GROUP (TWG) SECRETARIAT

1. Check the completeness and correctness of the basic compliance requirements based on the Checklist of Documentary Requirements from the supplier/vendor/developer/provider/taxpayer-user.

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In case there are lacking documents to be submitted based on the Checklist of Documentary Requirements, application must not be accepted and the same shall be returned to the taxpayer-applicant making sure that the reason for denial of receipt and the lacking documents are acknowledged by the taxpayer-applicant;

2. Validate the registration information of the taxpayer-applicant via registration database of the BIR, including update on its Annual Registration Fee (ARF) payment, to determine correctness of the submitted documentary requirements;

3. Receive the application for accreditation from taxpayer-applicant and assign a Receiving/Reference Control Number (RCN) with the format below:

   "RRR_RDO_XXXXXX"

   Where:
   RRR = Revenue Region Number (alphanumeric) *e.g., 08A, 07B, 004, etc.*
   RDO = Revenue District Office Number (alphanumeric) *e.g., 17A, 21C, 001, etc.*
   XXXXXX= 6-digit sequential serial number

   For example: RDO No. 112 – Tagum under Revenue Region No. 19 – Davao City received its first application for POS Accreditation.

   *The RCN shall be: **"019_112_000001"***

   A **database** (in MS Excel format based on **Annex "M"**) with all the salient information shall be maintained to record all applications for accreditation received with the corresponding RCN. The said database shall be filtered on a weekly basis (every Friday) to generate a report with all the applications that were received, then forward the said report to the LTAB/RAB Secretariat via electronic mail (e-mail) for the updating/maintenance of a region-wide **database** (in MS Excel format based on **Annex "M"**) that will be utilized for monitoring purposes. Scanned copy of the notarized Sworn Statement submitted by the taxpayer-applicants must be also forwarded via e-mail to the LTAB/RAB Secretariat for recording/updating of the region-wide database.

4. Prepare Notice of Meeting for the conduct of system demonstration upon coordination with the taxpayer-applicant via email. System demonstration must be conducted **within three (3) working days** from submission of the complete documentary requirements or depending on the preparedness of the taxpayer-applicant to present the "Sales Machines/Software". Schedule of system demonstration should be on a "FIRST IN, FIRST OUT" policy. Meeting/Evaluation may be done via any online platform depending on the situation as may be cited.

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5. Communicate the schedule of system demonstration by sending the Notice of Meeting to the TWG members who will evaluate the "Sales Machines/Software" and letter/e-mail for the taxpayer-applicant informing him/her/it about the system demonstration schedule, including the link of the preferred online meeting platform, if applicable. The application for accreditation shall also be forwarded to the TWG - Team Head or Assistant Team Head, **prior** to the actual conduct of system demonstration for proper review and/or validation of documentary requirements.

6. Prepare and present the **Minutes of Meeting (MOM)**[3] **(Annex "G")** during the conduct of system demonstration and specify therein all the additional documentary requirements, which needs to be submitted by the taxpayer-applicant, including any findings/comments noted by the evaluators on their signed **Functional and Technical Evaluation Checklist on Sales Machines/Software (Annex "F").** The TWG Secretariat shall also receive, compile and attach to the docket the printout of the soft copy of the documents generated during the system demonstration. The duly accomplished **Functional and Technical Evaluation Checklist on Sales Machines/Software (Annex "F")** signed by each member (required to be submitted via e-mail to the TWG – Team Head if online system demonstration is done) must also be attached to the docket.

   The "Sales Machines/Software" must be compliant; otherwise, it shall be stated in the MOM that the application is denied by the TWG. It must be acknowledged and signed by all the TWG Members and the taxpayer-applicant's authorized representatives who attended the system demonstration.

   In case technical reconfiguration/enhancement/modification must still be done after the system demonstration, the Minutes of Meeting shall state that the application is denied by the TWG.

7. Receive additional documentary requirements submitted by the taxpayer-applicant as listed and required in the **Minutes of Meeting (MOM) (Annex "G").**

   Non-submission of the required documents/non-compliance with the requirements on the prescribed period as stated on the MOM shall be a ground for the denial of application. Hence, a **Recommendation for Denial (Annex "N")** of the application for non-submission/compliance with the requirement within the required period and the **Notice/Letter of Denial (Annex "J")** shall be prepared by the TWG Secretariat.

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[3] *Note: Any peculiarity of the software being evaluated must also be included in the said MOM.*

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8. Forward the docket with the additional documentary requirements submitted by the taxpayer-applicant to the TWG Members for validation and preparation of **approval/denial memorandum/report.**

   In case of non-submission of the required documents/non-compliance, the docket with the **Recommendation for Denial (Annex "N")** and **Notice/Letter of Denial (Annex "J")** shall be forwarded to the TWG - Team Head for affixing initial on the Recommendation for Denial.

9. Receive dockets with approved **Certificate of Accreditation (Annex "I")** and/or **Notice/Letter of Denial (Annex "J")** from the LTAB/RAB Secretariat for issuance to the taxpayer-applicant. For denied applications, the submitted documentary requirements may be returned or properly disposed by the BIR based at the option of the taxpayer-applicant.

10. Update the taxpayer-applicant thru mail or email on the status of the application for accreditation **within seven (7) working days** from the conduct of system demonstration, whichever is applicable.

    If the docket was already forwarded to the LTAB/RAB Secretariat, inform the taxpayer-applicant of such and advise him/her/it to coordinate with the LTAB/RAB Secretariat regarding the updated/actual status of accreditation application.

    The TWG Secretariat shall advise the taxpayer-applicant to provide the applicable documents to claim the Certificate of Accreditation or Notice/Letter of Denial by a representative, to wit:

    i. Authorization Letter or Special Power of Attorney (SPA) (for Individual); or
    ii. Board Resolution indicating the purpose and the name of the authorized representative or Secretary's Certificate (for Non-individual); and
    iii. Any government-issued ID of the authorized representative.

11. Prepare and transmit approved **Monthly Report on the Applications for Accreditation Received (Annex "P-1" and "P-2")** to the LTAB/RAB Secretariat pursuant to RMC No. 49-2019 on or before 10th day of the following month.

B. TWG MEMBERS

B.1. GENERAL PROCEDURES

1. Receive the Notice of Meeting from the TWG Secretariat relative to the schedule of system demonstration, including the link for the preferred online meeting platform, if applicable.

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2. Attend and participate actively in the evaluation of the system during demonstration following the **Functional and Technical Evaluation Checklist on Sales Machines/Software (Annex "F")** to determine whether or not the "Sales Machines/Software" is in compliance with the existing requirements of the BIR.

   The additional documentary requirements to be requested from the taxpayer-applicant shall be documented in the Minutes of Meeting (MOM) to be prepared and presented by the TWG Secretariat. In case technical reconfiguration/enhancement/modification must be done or there are other major issue/s, the Minutes of Meeting shall include such and indicate that the application has been denied by the TWG.

3. Affix signature on the **Minutes of Meeting (Annex "G")** prepared and presented by the TWG Secretariat after discussing the same with the taxpayer-applicant during the conduct of system demonstration.

   The signature of all the TWG members who evaluated the "Sales Machines/Software" must also be affixed on the **Functional and Technical Evaluation Checklist on Sales Machines/Software (Annex "F")**, which must be attached to the docket by the TWG Secretariat after the evaluation/system demonstration[4].

4. Receive the docket with the additional documents from the TWG Secretariat and prepare an approval/denial memorandum/report addressed to the TWG Head and/or Assistant Head, copy furnished the TWG - Team Head and TWG Secretariat.

5. Endorse docket to the TWG - Team Head for the preparation of the **Recommendation for Accreditation/Accreditation Report (Annex "O")** or **Recommendation for Denial (Annex "N")** with **Notice/Letter of Denial (Annex "J").**

B.2. ADDITIONAL PROCEDURES FOR E-INVOICING/E-RECEIPTING SYSTEM USED UNDER A SUBSCRIPTION-BASED AGREEMENT

1. Verify the correctness of sales data transmission by reviewing the JSON File Format during the conduct of the system demonstration.

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[4] *Note: Each member shall also be required to submit (via e-mail in case of online demonstration) a duly accomplished and signed Functional and Technical Evaluation Checklist to the TWG – Team Head once the system demonstration has been completed.*

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2. Incorporate the findings on the sales data transmission in the **Functional and Technical Evaluation Checklist on Sales Machines/Software (Annex "F").**

C. TWG -TEAM HEAD

1. Receive the application for accreditation from the TWG Secretariat with the Notice of Meeting relative to the schedule of system demonstration, including the link of preferred online meeting platform, if applicable.

2. Conduct system demonstration and evaluate the "Sales Machines/Software" using the **Functional and Technical Evaluation Checklist on Sales Machines/Software (Annex "F")** then accomplish and sign on the said checklist [5] based on the discussion with other TWG members to determine whether or not the "Sales Machines/Software" is in compliance with the existing requirements of the Bureau. Meeting/evaluation may be done via any online platform depending on the situation as may be cited.

3. Affix signature on the **Minutes of Meeting (MOM) (Annex "G")** prepared and presented by the TWG Secretariat after discussing the same with the taxpayer-applicant during the conduct of system demonstration.

4. In case of non-submission of the required documents/non-compliance with the requirements on the prescribed period as stated on the MOM, receive the docket and affix initial on the **Recommendation for Denial (Annex "N")** with **Notice/Letter of Denial (Annex "J")** prepared by the TWG Secretariat.

5. Receive the docket with the approval/denial memorandum/report from the other TWG Members which shall be the basis for the preparation of the **Recommendation for Accreditation/Accreditation Report (Annex "O")** to commend approval or **Recommendation for Denial (Annex "N")** with **Notice/Letter of Denial (Annex "J")** stating all the facts relative to the non-compliance of "Sales Machines/Software".

   In case there is a dispute on the approval/denial memorandum/report prepared by the TWG Members, the Recommendation Accreditation/ Accreditation Report or Recommendation for Denial shall be prepared after the resolution of the issue.

6. Forward the docket with the prepared and initialed **Recommendation for Accreditation/Accreditation Report (Annex "O")** or **Recommendation for Denial (Annex "N")** with **Notice/Letter of Denial (Annex "J")**,

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[5] *Note: The TWG-Team Head shall also require each TWG Member to individually accomplish and sign a Functional and Technical Checklist during the conduct of the online system demonstration and submit the same via e-mail once system demonstration is already completed.*

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whichever is applicable, and the application for accreditation with attached documentary requirements submitted by the taxpayer-applicant, to the TWG Head/Assistant Head for signature.

D. TWG HEAD or ASSISTANT HEAD

1. Create team(s) who will handle the evaluation of applications for accreditation depending upon the inventory/number of the applications received, then assign or appoint the TWG - Team Head for each team, who shall facilitate and lead the conduct of the system demonstrations and shall prepare the **Recommendation for Accreditation/Accreditation Report (Annex "O")** or **Recommendation for Denial (Annex "N")** with **Notice/Letter of Denial (Annex "J")**, whichever is applicable.

2. Receive the docket which includes the **Recommendation for Accreditation/Accreditation Report (Annex "O")** or **Recommendation for Denial (Annex "N")**, whichever is applicable, and affix signature for the approval/denial of accreditation application within the day upon receipt of the same from the TWG Secretariat or TWG - Team Head.

3. Receive the **approval/denial memorandum/report** from the TWG Members concerned and check if there is a dispute and/or issues on the approval/denial of the accreditation application.

4. Review and/or conduct proper evaluation in case there are disputes or issues relative to the approval/denial of application, such as peculiarity of the "Sales Machines/Software" aligned with the concerned business industry. Discussions through meetings with the taxpayer-applicant shall be done, if deemed necessary.

   In case the said disputes/issues cannot be resolved at the TWG level, the same must be escalated to the LTAB/RAB level for their proper review and/or evaluation based on the facts of the case.

5. Endorse the docket to the LTAB/RAB Secretariat for routing to the Chief of the Assessment Division as LTAB/RAB Member and Head/Co-Head.

E. LARGE TAXPAYERS ACCREDITATION BOARD (LTAB)/REGIONAL ACCREDITATION BOARD (RAB) SECRETARIAT

1. Receive weekly reports via electronic mail (e-mail) on all the applications received by the TWG Secretariat of each LT Office/RDO with the corresponding RCN and maintain a LT/region-wide **database** (in MS Excel format based on **Annex "M"**) for monitoring purposes. The aforesaid database must be updated regularly to indicate the actual status of each application. Scanned copy of notarized Sworn Statement shall also be received via e-mail from the TWG Secretariat and shall be the basis of the information that will be entered in the database.

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2. Receive from the TWG Head the docket with the **Recommendation for Accreditation/Accreditation Report (Annex "O")** or **Recommendation for Denial (Annex "N")** with **Notice/Letter of Denial (Annex "J")**, whichever is applicable.

3. Route the docket to the Chief of the LT Audit Division/Assessment Division as LTAB/RAB Member for signature and Head or Co-Head for signature and generation of the Certificate of Accreditation in case of approved application.

4. Inform the taxpayer-applicant on the status of accreditation application **within two (2) working days** from receipt thereof or as may be required upon inquiry of the taxpayer-applicant.

5. Receive the approved/denied dockets from the LTAB/RAB Head or Co-Head and the following necessary actions must be done **within two (2) working days** from receipt of the same.

   Based on the **system-generated Certificate of Accreditation,** prepare two (2) copies of the pro-forma **Certificate of Accreditation (Annex "I") or Notice/Letter of Denial (Annex "J")** to change the signatory of the Certificate of Accreditation from the LTAD/ELTRD/RDO to the LTAB/RAB Head, then forward for signature.

   The two (2) copies of the Certificate of Accreditation shall be considered as:

   a. 1st copy – Original or Taxpayer's Copy; and
   b. 2nd copy – File Copy attached to the docket which will also serve as "Receiving Copy" upon issuance of the said document to taxpayer.

6. Forward the docket to the TWG Secretariat once the **Certificate of Accreditation (Annex "I")** or **Notice/Letter of Denial (Annex "J")** is signed by the LTAB/RAB Head or Co-Head, for their appropriate action.

7. Receive and record transmitted **Monthly Report on the Applications for Accreditation Received (Annex "P-1" and "P-2")** from TWG Secretariat and encode in the database.

8. Prepare and submit **Consolidated Monthly Report on the Applications for Accreditation Received (Annex "K-1" and "K-2")** to NAB **on or before the 15th day of the following month** based on the reports submitted by the TWG Secretariats from various LT Offices/RDOs within their jurisdiction.

9. Prepare **Minutes of Meeting (MOM)** during the regular meetings to be conducted on a monthly basis relative to the issues and/or concerns with corresponding resolutions on the accreditation applications, including the inventory of aforesaid applications. The regular meetings may be conducted via any online platform depending on the situation as may be cited.

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F. LTAB/RAB MEMBERS

1. Receive accreditation docket from the LTAB/RAB Secretariat and sign such **Recommendation for Accreditation/Accreditation Report (Annex "O")** or **Recommendation for Denial (Annex "N")**, whichever is applicable.

2. Review and/or conduct proper evaluation in case there are disputes or issues that cannot be resolved at the TWG level relative to the findings of the TWG. Discussion through meeting with the taxpayer-applicant shall be done, if deemed necessary.

   In case the said dispute(s)/issue(s) cannot be resolved at the LTAB/RAB level, the same must be escalated to the NAB for their proper review and/or evaluation.

3. Facilitate and/or attend regular meetings to be conducted on a monthly basis to discuss the issues and/or concerns with corresponding resolutions on the accreditation applications, including the inventory of aforesaid applications. The regular meetings may be conducted via any online platform depending on the situation as may be cited.

G. LTAB/RAB HEAD and CO-HEAD

1. In case the application is being recommended for denial, receive accreditation docket from the LTAB/RAB Secretariat or Members and sign such **Recommendation for Denial (Annex "N")** and **Notice/Letter of Denial (Annex "J")**.

2. In case the application is being recommended for approval, access the Enhanced eAccReg System for the approval of Accreditation through the system which must be done **within two (2) working days** from receipt of the approved docket. Print the system-generated Certificate that will serve as a basis for the LTAB/RAB Secretariat to prepare the **Certificate of Accreditation (Annex "I")** in the template to indicate the name of the LTAB/ RAB Head as signatory of the certificate that will be issued to the taxpayer.

3. Return the signed report and docket to the LTAB/RAB Secretariat for appropriate actions.

4. Affix signature on the **Certificate of Accreditation (Annex "I")** prepared by the LTAB/RAB Secretariat within the day of receipt of the document and subsequently return the same to the LTAB/RAB Secretariat.

   In case there are disputes/issues on the evaluation case of taxpayer-applicant, sit down together with the Co-Head and other members of LTAB/RAB to discuss and resolve issues or escalate to NAB, if deemed necessary.

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H. NAB HEADS, CO-HEAD and MEMBERS

1. Review the escalated issues from the LTAB/RAB level. A joint discussion may be done to provide resolutions for common issues and concerns raised by both Accreditation Boards.

2. Prepare standard policies, guidelines and/or procedures on the Accreditation of "Sales Machines/Software", as may be required and/or as may be deemed necessary including resolutions of issues/concerns raised by the LTAB/RAB. Any resolution issued by NAB may be adopted by both LTS and Revenue Regions, if such is applicable. The NAB shall monitor the implementation by the LTAB/RAB/TWG of the existing revenue issuances relative on the Accreditation of "Sales Machines/Software".

3. Collate the **Consolidated Monthly Report on the Applications for Accreditation Received (Annex "K-1" and "K-2")** received from the LTAB/RAB Secretariat for monitoring purposes.

VII. POLICIES AND PROCEDURES FOR REVOCATION OF ACCREDITATION

1. If during the conduct of Tax Compliance Verification Drive (TCVD) or post evaluation/audit, the following findings have been observed, the Certificate of Accreditation granted shall be subject for revocation:

   a. Tampering of Certificate of Accreditation;

   b. Any misrepresentation on the Sworn Statement submitted by the supplier;

   c. Tampering of sales data to avoid the recording of sales transactions;

   d. Use of sales suppression software or mechanism; and

   e. Any violation(s) of the supplier on the policies and procedures for accreditation **under RR 11-2004, this order, and other relevant existing revenue issuances.**

2. Revocation of the Accreditation of the developer/distributor due to any of the grounds enumerated above does not necessarily mean that the PTU issued to the taxpayer-user of the system is automatically revoked. However, if the violation was done by the taxpayer-user, that will now be a ground for revocation of the PTU.

VIII. PENALTY CLAUSE

All revenue officials, officers and employees of the Bureau must strictly observe the "ACCREDITATION IS FREE OF CHARGE" policy and comply with the time within which the Certificate of Accreditation or Notice/Letter of Denial should be issued to the taxpayer-applicant in accordance with the provisions of Republic Act (RA) No. 9485, also

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known as "Anti Red Tape Act of 2007", as amended by RA No. 11032 and the latest Citizen's Charter of the BIR. Any violation of the provisions of this Memorandum shall be subject to the corresponding penalties imposed under RA No. 11032, Section 269 and other related provisions of the NIRC of 1997, as amended, and other applicable revenue issuances.

IX. TRANSITORY PROVISION

All pending applications upon approval of this Order must already comply with the policies and requirements stated herein to proceed with the processing of the application. On the other hand, previous accreditation of "Sales Machines/Software" that were granted prior to the effectivity of this Order and were found to be not completely compliant with the requirements under this Order is still valid until its expiration or if such "Sales Machines/Software" have undergone enhancement. Thus, such "Sales Machines/Software" will have to undergo reaccreditation to check its compliance with the requirements of this RMO and other revenue issuances related to the Accreditation of POS.

X. REPEALING CLAUSE

All revenue issuances or any parts thereof inconsistent with the provisions of this Order are hereby repealed or modified accordingly.

XI. EFFECTIVITY

This Order takes effect **IMMEDIATELY**.

ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue

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