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

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March 8, 2022

REVENUE MEMORANDUM ORDER NO. 26-2022

SUBJECT : Prescribing the Policies, Guidelines and Procedures in the Application for Revalidation of Tax Credit Certificates

TO : All Internal Revenue Officials and Others Concerned

I. OBJECTIVES

This Order is issued to:

1. Prescribe the policies and procedures in the processing, verification, and approval of request for revalidation of Tax Credit Certificate (TCC);
2. Provide the proper treatment of expired TCCs identified by the concerned office for write-off in the National Collection (NC) Book and cancellation from the Bureau's Internal Revenue Integrated System- Tax Credit and Refund (IRIS-TCR);
3. Define the duties and responsibilities of each office involved in the processing of requests for revalidation and for those expired TCCs; and
4. Prescribe the reporting requirements for the effective monitoring of issued TCCs and its utilization.

II. DOCUMENTARY REQUIREMENTS OF APPLICATION FOR REVALIDATION OF TAX CREDIT CERTIFICATE

1. Letter request for revalidation of TCC of the taxpayer;
2. Original copy of the TCC for revalidation;
3. Original copy of the Secretary's Certificate or Board Resolution appointing the company's authorized signatory/ies and representative/s;
4. Authorization letter of the employee/representative duly signed by the company signatory to follow-up the status of application and to pick –up the new TCC; and

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5. Photocopy of two (2) valid government issued identification cards (IDs), and the company IDs of both the company signatory and its authorized employee/representative, if applicable.

III. POLICIES

1. All applications for TCC revalidation, together with the original copy of the TCC and its complete supporting documents stated in Section II of this Order, shall be filed with the Miscellaneous Operations Monitoring Division (MOMD) under the Collection Service at the National Office. Applications with incomplete requirements shall not be accepted by the MOMD.

2. All applications for TCC revalidation shall be submitted anytime before the expiration of the validity period of the original TCC.

3. The revalidation shall be accomplished through the issuance of a new TCC, reflecting its unutilized amount or creditable balance.

4. No revalidated TCC shall be issued unless the concerned offices have certified that the taxpayer- TCC holder has no outstanding tax liability. For this purpose, the term "outstanding tax liability" shall refer to an assessment that is already final and executory pursuant to Section 5(d) of RR No. 5-2000.

5. All application for TCC revalidation processed by the MOMD shall be recommended by the Assistant Commissioner-Collection Service (ACIR-CS) and subsequently approved or disapproved as the case maybe by the Deputy Commissioner- Operations Group (DCIR-OG). In the absence of the DCIR-OG, the ACIR-CS shall approve/disapprove thereon, subject to the issuance of a Revenue Delegation Authority.

6. The physical cancellation of the original copy of the old/expired TCC shall be done by the Office of the DCIR-OG with the signature of DCIR-OG duly affixed to the cancelled TCC.

7. Issued TCCs that remain unutilized by taxpayer after five (5) years from the date of issue, unless an application for revalidation has been filed by the taxpayer before the end of the fifth year, shall be considered invalid. It shall not be allowed for use as payment of any of the taxpayer's internal revenue tax liability, and the unutilized amount covered by the certificate shall revert to the general fund of the government. The revalidated TCC shall be valid for a period of five years from the date of its issue.

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8. The processing of application for revalidation that was held in abeyance due to existence of outstanding tax liability and valid open-stop filer cases shall be settled with the concerned RDO within two (2) years from the date of application for TCC revalidation. Non-settlement of the outstanding tax liability or valid open cases shall result to the denial of their applications for TCC revalidation.

9. All pending applications for TCC revalidation filed prior to the issuance of this Order shall be processed in accordance with the guidelines, policies and procedures prescribed in this Order.

IV. PROCEDURES

A. The Miscellaneous Operations Monitoring Division (MOMD) shall:

1. Check the completeness of the application and validity of the TCC applied for revalidation;

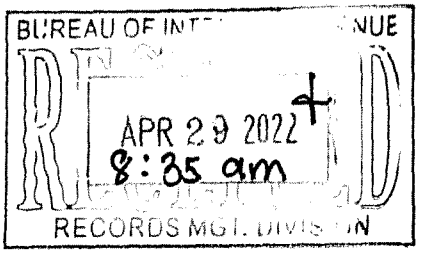
2. Verify the authenticity, validity and accuracy of the outstanding balance of the TCC in the IRIS-TCR;

3. Request from the TCC-Issuing Office to convert/encode the TCC into the IRIS-TCR, if the TCC is not yet converted/encoded in the System;

4. Request for a Certificate of Authenticity of the TCC from the TCC-Issuing Office in case of discrepancy in the information reflected in the physical copy of the TCC as against the IRIS-TCR record;

5. Conduct verbal confirmation with the company's authorized signatory/representative indicated in the Secretary's Certificate or Board Resolution as to the validity/authenticity of the filed application and any other pertinent information relative to TCC revalidation;

6. Request the concerned Offices for certifications needed in the processing of TCC revalidation as follows:



Name of Certification	Concerned Issuing Offices
Certification on the existence of Outstanding Tax Liability	Accounts Receivable Division (ARMD), Large Taxpayer Collection Enforcement Division (LTCED), Large Taxpayer Division (LTD) Cebu and Davao, Revenue District Office (RDO) and Collection Division of the concerned Revenue Region
Certification on the Existence or Status Pending Legal or Judicial Resolution	Appellate Division, Litigation Division, Prosecution Division and/or Regional Legal Division
Certification on TCC Utilization	LTCED, LTD Cebu and Davao, All RDOs Under Revenue Region No. 8A & B, Makati (pls. refer to RMO No. 37-2011)
Certification on whether or not the TCC has Record of Cash Conversion	Accounting Division
Certification on Whether or Not the TCC is Included in the List of Cancelled or Lost TCCs	Accountable Forms Division and/or Administrative and Human Resource Management Division

7. Compare the information/details in the submitted certifications with the information indicated on the physical copy of the original TCC, as well as from the office records/files;

8. Validate the balance reflected at the back portion of the physical copy of the original TCC against the balance appearing on the IRIS-TCR and the certificate of utilization issued by the concerned TDM issuing office. In case of discrepancy, conduct the necessary procedures to resolve the said discrepancy. If the error is in the IRIS-TCR, there must be a written justification duly issued by the head of office before any adjustment on the TCC balance shall be undertaken by the Administrative System Division for data fix execution;

9. Process and evaluate the application for TCC revalidation and perform the courses of action, according to the following scenarios:

   9.1 If the taxpayer has no OTL and/or open/stop filer cases, and all the necessary verification were already conducted, the processing for TCC revalidation shall proceed.

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9.2 If the taxpayer-TCC holder was found to have an OTL and/or open/stop filer case/s, perform the following courses of action:

9.2.1 Send a written notice and advise to pay the said OTL if any, either in cash or thru Tax Debit Memo. In case the taxpayer refuses to pay the amount of OTL, inform them that non-payment of the said OTL is a ground for denial of its application for TCC revalidation;

9.2.2 If the OTL has already been paid, require the taxpayer-TCC holder to submit/present proof/s of payment and verify/validate from the IRIS-Collection Remittance & Reconciliation (IRIS-CRR) Screen if the said payment has already been posted. In case the payment was not yet posted, inform taxpayer to coordinate with the RDO that has jurisdiction over the taxpayer and request for a Certification that said payment was duly received by the BIR. If there is no payment made, require taxpayer to pay the same;

9.2.3 Coordinate with the Compliance Section of the RDO concerned in case there is existence of open/stop filer case/s. Accordingly, the said section of the RDO shall determine the validity thereof. *Only valid open/stop filer case/s defined and clarified under the provisions of Revenue Memorandum Order (RMO) No. 41-2011 shall be reflected in the prescribed certifications/delinquency verification slip.* In case of non-compliance of the taxpayer that causes the RDO to issue a certification indicating the open/stop filer case/s, the application for TCC revalidation shall be held in abeyance by the MOMD until the taxpayer-TCC holder is cleared as such;

9.2.4 In case the OTL or assessment cases of the taxpayer-TCC holder are pending before the courts of law or under administrative protest or applied for abatement/ compromise, it shall be determined and clearly indicated whether or not the same are final and executory. Accordingly, if the assessment cases are not yet final and executory and, therefore, remained pending resolution with the said courts of law or with the concerned revenue offices where that administrative protests were filed, the taxpayer-TCC holder will be held in abeyance and will not be revalidated until such assessment cases or protests have not been decided in favor of the taxpayer or its

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application for abatement/compromise have been approved, otherwise, the taxpayer's request for TCC revalidation shall be denied accordingly and the subject OTL will be charged off against the existing balance of the TCC, if applicable; and

9.2.5 If the OTL involves withholding taxes, inform the taxpayer-TCC holder that the same should be settled in cash before the revalidation can be processed, since payment of the said OTL through TCC is not allowed pursuant to Section 3 of Revenue Regulations No. 5-2000.

10. Prepare and print the newly revalidated TCC with the complete details;

11. Forward the entire docket of the application, together with the accomplished TCC, to the office of ACIR-CS for review and approval/disapproval;

12. Release the approved new TCC to the taxpayer upon verification of the identity and authority of the company's representative to pick up the TCC;

13. File the approved application for TCC revalidation for safekeeping and future reference;

14. Prepare and submit a Report of Outstanding TCCs with available balances to ACIR-CS for updating and monitoring purposes;

15. Generate List of expired TCCs from the IRIS-TCR and verify if the said TCCs have no pending application for utilization, cash conversion and revalidation;

16. Endorse to RAD the verified list of expired TCCs for their appropriate action;

17. Receive from RAD the List of Expired TCCs with Journal Entry Vouchers (JEVs); and

18. Forward to ASD the List of expired TCCs with JEVs for cancellation in the IRIS-TCR.

B. The Collection Service shall:

1. Receive and review the entire docket of application for TCC revalidation forwarded by the MOMD. If the same is in order, affix

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initials on the new TCC issued. In case of disapproval, affix initials on the denial letter;

2. Transmit the entire case docket to the Office of DCIR-OG for review and approval/disapproval;

3. Receive from the Office of the DCIR-OG the entire docket of application for TCC revalidation; and

4. Forward to MOMD the approved docket of TCC revalidation.

C. The Operations Group shall:

1. Review and approve/disapprove the application for TCC revalidation. If it concurs with the recommendation, approve and affix signature on the new TCC issued. In case of disapproval, affix signature on the denial letter;

2. Stamp "CANCELLED" on the face of the old/expired TCC and subsequently affix signature of DCIR-OG thereof ; and

3. Return the entire approved docket of TCC revalidation to the Collection Service for appropriate action.

D. The ARMD/LTCED/LTDs Cebu and Davao/Regional Collection Division/Revenue District Office (RDO) shall:

1. Verify if the taxpayer-TCC holder has OTL and/or no open/stop filer case/s and the TCC has no utilization;

2. Prepare the following Certifications requested by MOMD:

   2.1 Certification on the existence of OTL and no open/stop filer cases- for ARMD, LTCED, LTDs Cebu & Makati, Regional Collection Division and RDOs

   2.2 Certification on TCC utilization – for LTCED, LTDs Cebu & Makati, RDOs under Revenue Region Nos. 8A-Makati City & 8B- South NCR (TDM issuing offices per RMO No. 37-2011)

3. Forward to MOMD the required certifications within 24 hours per RMO No. 29-2014.

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E. The Appellate Division/Litigation Division/Prosecution Division/ Regional Legal Division shall:

1. Verify if the taxpayer-TCC holder has any pending case for legal or judicial resolution;

2. Prepare a certification on the Status of Cases Pending Legal or Judicial Resolution within 24 hours per RMO 29-2014; and

3. Forward to MOMD the requested certification.

F. The Accounting Division shall:

1. Verify if the TCC applied for revalidation by the taxpayer-TCC holder is not yet converted to cash;

2. Prepare a certification that the TCC has no record of cash conversion; and

3. Forward to MOMD the requested certification.

G. The Accountable Forms Division/AHRMD of the Regional Office shall:

1. Verify if the TCC applied for revalidation is not included in the list of lost or cancelled TCCs;

2. Prepare a certification that the TCC is not included in the list of lost or cancelled TCCs; and

3. Forward to MOMD the requested certification.

H. The Revenue Accounting Division shall:

1. Receive from MOMD the List of expired TCCs generated from the IRIS-TCR that were already verified from the office files/records and those expired TCCs that have no pending application for TCC utilization, cash conversion and revalidation of the said Office;

2. Validate from its office file/records if the TCCs have been reported as issued by the TCC-issuing office;

3. Prepare a confirmation letter notifying the taxpayer- TCC holders of their expired TCCs. If the taxpayer-TCC holder has no reply within ten (10) working days upon receipt of the letter, the subject expired TCCs shall be processed for drop/write-off from the NC Book; and

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4. Issue a Journal Entry Voucher (JEV) to write-off the amount of the expired TCC from the NC Book and the amount shall be reverted back to the general fund of the government.

I. The Administrative Systems Division shall:

1. Receive from MOMD the list of expired TCCs with JEVs for cancellation in the IRIS-TCR; and

2. Execute cancellation of expired TCCs with JEVs in the IRIS-TCR.

V. REPORTING REQUIREMENTS

Reports shall be prepared by and submitted to the concerned offices on or before the deadlines, detailed as follows:

Name of Report	Office Responsible	Receiving Office	Due Date
1. Monthly Report of Accountability for Accountable Forms (BIR Form 2311-revised June 2006)	MOMD	AFD/RAD/ COA	On or before the 10th day of the following month
2. Monthly Report of Lost/Damaged/ Cancelled Accountable Forms	MOMD	AFD	
3. List of Outstanding TCCs with Available Balances	MOMD	CS	on or before the fifth(5th) day of the following month after end of each quarter
4. List of Expired TCCs generated from the IRIS-TCR with no pending application for TCC utilization, cash conversion and revalidation	MOMD	RAD	on or before the 15th of the month following the end of each quarter
5. List of Expired TCCs already written-off from the NC Book with corresponding JEVs	RAD	MOMD	Sixty (60) calendar days from the date of receipt of list
6. List of Expired TCCs already written-off from the NC Book for cancellation in the IRIS-TCR	MOMD	ASD	within three (3) days after receipt of report

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VI. REPEALING CLAUSE

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

VII. EFFECTIVITY

This Order shall take effect immediately.

CAESAR R. DULAY
Commissioner of Internal Revenue

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By:
MARISSA O. CABREROS
Deputy Commissioner
Legal Group
Officer-In-Charge

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