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

April 26, 2004

REVENUE MEMORANDUM ORDER No. 27-2004

Subject : Guidelines and Procedures in Granting the Accredited Agent Bank's Request for Refund of Over-remittance of Tax Collection.

To: : All revenue Officers and Employees Concerned

I. Objectives:

This order is issued to:

1. Prescribe the guidelines and procedures in granting the Accredited Agent Bank's (AAB) request for refund of over-remittance of tax collection due to erroneous reporting and remittance.

2. Delineate the functions and responsibilities of each office / division / bank head office / bank branch in the receipt and processing of the request for refund of over-remittance of tax collection.

II. Policies / Guidelines:

1. Refund of over-remittance of tax collection by the AABs shall be processed in accordance with the procedures as stated in this order pursuant to the provisions of Revenue Regulation 5-84 (Sec. 5, A 4 and Sec. 5, B 8) and the MOA between the Bureau and the AABs.

2. Refund of over-remittance by the AABs as collecting agents should not be construed as refund of tax payments as a taxpayer.

3. All requests for refund of over-remittance of tax collection should be made in writing addressed to the Assistant Commissioner – Collection Service, Attention to the Chief, Revenue Accounting Division.

4. The AABs can automatically adjust their remittance, if found erroneous, provided that it is made within the float period or before actual remittance is made.

5. The procedures stated in this order shall apply to all mode of payments that passes through the banking system (whether manual or EFPS collection, whether large or non-large TP collections).

6. No refund shall be granted unless the collection data as shown / uploaded in the Collection and Bank Reconciliation System (CBRS) of the Integrated Tax System (ITS) has been adjusted / corrected.

7. It shall be the responsibility of the computerized RDO to amend / adjust the BCS-A report of the AABs' under their jurisdiction and the RDCs for the BCS-A report of AABs under the non-computerized RDOs.

8. For purposes of this order, the functions and responsibilities of the Revenue District Office (RDO) shall also mean the functions and responsibilities of the Large Taxpayer Document Processing and Quality Assurance Division (LTDPQAD) and the Large Taxpayer District Office (LTDO) for AABs' large taxpayer collections under their jurisdiction.

9. The letter-request for refund of over-remittance should indicate the a) collection date involved; b) the amount of over-remittance; c) the AAB Branch involved; d) the date/s of remittance; e.) the amount of collection per BCS-A and; e) the reason or cause/s why the over-remittance occurred.

10. The letter-request for refund of over-remittance should be submitted together with the following attachment:

    A. Photocopy of the complete BCS-A report for the collection date involved duly acknowledge by the RDO.

    B. Affidavit executed by the AAB Branch Officer indicating the facts / information relative to the case of refund.

    C. Other proof of evidence to further substantiate the claim for refund such as official receipt of other payments (SSS / credit card / etc.) erroneously reported as BIR payment.

III. Procedures:

A. The AAB Head Office / Branch shall:

1. Request in writing addressed to the Assistant Commissioner – Collection Service, Attention to the Chief, Revenue Accounting Division (RAD), for refund of over-remittance of tax collection due to erroneous reporting and remittance.

2. Receive letter from RAD informing of the status of their request and submit additional proof of evidence to further substantiate their request and / or to amend their collection report if found erroneous.

3. Prepare and submit letter-response to RAD's request for additional proof of evidence and / or letter-request to the RDO or RDC to amend the BCS-A collection report.

4. Coordinate with the Revenue District Office/s (RDOs) for the immediate submission of RAD request for additional documents/information or for the immediate adjustment of their collection data as seen (on-line) in the ITS.

B. The RAD shall:

1. Receive letter-request from the AAB through the Assistant Commissioner – Collection Service requesting for refund of over-remittance of tax collection.

2. Verify / investigate if the request is valid / correct within 10 days from receipt of the letter-request together with complete attachment.

   2.a. Verify using the Collection and Bank Reconciliation System (CBRS) of the Integrated Tax System (ITS) the total amount of collection of the concerned AAB Branch for the particular collection date. Check also for the sequential numbering of the BCS-A report by looking at the immediately preceding and succeeding collection.

   2.b. Verify the total amount of remittance using the hard copy of the Consolidated Report of Daily Collection (CRDC), the Central Bank Credit Advice (CBCA) and/or the Journal Entry Voucher (JEV) of the Bureau of Treasury (BTr).

3. Prepare letter-request, if necessary, addressed to the RDO for additional information pertaining to the request for refund based on the submitted hard copy of the BCS-A and the tax return by the AAB Branch

immediately after verification / investigation has been performed and the need for additional information has been ascertained.

4. Receive reply from RDO on request for additional information.

5. Prepare letter-request immediately after verification / investigation, addressed to the AAB, to amend/adjust, if found erroneous, their BCS-A collection report, transmitted electronically to the Revenue Data Center (RDC) and the hard copy submitted to the RDOs.

6. Prepare letter-response to the AAB of the status of their request for refund immediately after verification / investigation and inform them if there is a need to submit additional proof / evidence to further substantiate their claim.

7. Prepare and send letter-advice to BSP to credit the demand deposit account of the concerned AAB within 15 days after the request for refund is verified correct.

C. The RDO shall:

1. Receive letter-request from RAD for additional information on the refund of the AAB.

2. Receive letter-request from AAB to amend BCS-A collection report.

3. Verify / investigate immediately and prepare response to the request of RAD or the AAB within 10 working days from receipt of such request.

   3.a. Verify the total amount of collection as reported by the AAB Branch using the hard copy of the BCS-A collection report.

   3.b. Verify using the corresponding tax return, if it involves payment data of a particular taxpayer, the correctness of the total collection.

4. Coordinate with the AAB or RDC or any BIR offices concerned, if necessary on matters involving the adjustments / amendments to the collection data uploaded in the ITS.

5. Amend / adjust uploaded collection data in the CBRS / ITS, if found erroneous, upon completion of investigation and required documentation.

   Note: 1. Only computerized RDO can amend / adjust the BCS collection data transmitted by the AABs under their jurisdiction.

2. RDC will do the adjustment / amendments to the BCS collection data transmitted by the AABs for non-computerized RDOs under their jurisdiction.

D. The RDC shall:

1. Receive letter-request from the AAB to adjust / amend BCS-A collection data transmitted electronically.

2. Verify / investigate immediately and prepare response to the request of AAB within 10 working days from receipt of such request.

3. Coordinate with the AAB or any BIR offices concerned, if necessary on matters involving the adjustments / amendments to the collection data uploaded in the ITS.

4. Adjust / amend immediately the BCS-A collection report based on the request of the AAB and the completion of its verification / investigation.

IV. Repealing Clause:

Other issuances or portions thereof not consistent with the provisions of this Order are hereby repealed or amended accordingly.

V. Effectivity:

This Order shall take effect immediately.

(Original Signed)
GUILLERMO L. PARAYNO Jr.
Commissioner of Internal Revenue

J/