REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

June 27, 2016

REVENUE MEMORANDUM ORDER NO. 36-2016

SUBJECT : Prescribing the Policies and Procedures in the Decentralization of Recording and Reporting of Internal Revenue Taxes to All Regional Finance and Collection Divisions

TO : All Internal Revenue Officials, Employees and Others Concerned

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I. BACKGROUND

Under the current procedures, the Revenue Accounting Division (RAD) in the National Office records in the books of accounts of this Bureau all revenue tax collections through the different payment channels, except for taxes collected by the Revenue Collection Officers (RCOs) as well as taxes paid by the National Government Agencies (NGAs), using the Electronic Tax Remittance Advice (eTRA) System which are both recorded in the National Government (NG) Books (now Collection Books) by the Regional Finance Divisions (RFDs).

It has been observed, however, that the total monthly recorded collection figures in the BIR's Books of Accounts are not reconciled with the total tax collections recorded by the Bureau of the Treasury (BTr). The said discrepancy always arose from the unreconciled collections from the Revenue Official Receipts (RORs) issued by the RCOs and the eTRAs, both of which are being recorded by the RFDs.

Moreover, based on the reconciliation by the RAD between the BTr-reconciled tax collections and the Consolidated Monthly Statistical Report of Revenue Collections (BIR Form No. 12.09) submitted to the Research and Statistics Division (RSD) on a revenue district office (RDO)/regional office basis across all payment channels, discrepancies are consistently noted. These discrepancies were transmitted to the concerned offices, through emails, with instructions for the immediate reconciliation of the collection data; however, most of these concerned revenue offices habitually failed to comply with the said requirement. As a result thereof, these omissions, together with delay by the RFDs in the submission of the monthly collection reports from RORs and eTRAs, are adversely affecting the timely preparation and submission of accurate consolidated financial reports made by the RAD to the Commission on Audit (COA) and other government agencies.

In order to address these perennial problems and pursuant to the pertinent provisions of the Philippine Public Sector Accounting Standards (PPSAS), this Order is hereby issued to decentralize the reconciliation, recording and reporting of internal revenue taxes collected across all tax payment channels by the different RDOs, to the Regional Collection Divisions (RCDs) and RFDs, respectively, under the Revenue Regions (RRs) of this Bureau,

except for taxes collected by the Large Taxpayers Service (LTS) which shall still be recorded by the RAD.

II. OBJECTIVES

This Order is hereby issued to:

1. Prescribe the uniform policies and guidelines on the decentralized reconciliation and recording of internal revenue taxes collected by all concerned collecting revenue offices;

2. Define the duties and responsibilities of all concerned revenue offices in order to ensure that only validated and reconciled tax collections are recorded in the regional collection books; and

3. Prescribe the reporting requirements in order to facilitate the reconciliation and recording of revenue tax collections.

III. POLICIES

A. The recording of all internal revenue taxes collected from taxpayers registered under the respective jurisdiction of the RRs of this Bureau, through the different channels of payment, shall be performed by the RFDs of the concerned RRs.

With respect to taxpayers registered under the LTS, the recording of all taxes therefrom shall remain as one of the functions of the RAD. For purposes of recording the respective tax collection of the RDOs under the LTS, a subsidiary ledger for each RDO under the LTS shall be separately maintained by the RAD.

B. Prior to the recording of all tax collections in the RO-Collection Books or NO-Collection Books, including adjustments thereto by the RFDs or RAD, as the case may be, the same shall be evaluated and reconciled by the RDOs or the concerned RDOs of the LTS. Based on all available collection data provided in the ITS/eTIS, Collection Reconciliation System (CRS) and other collection reports received from all concerned internal and external offices (e.g., RAD, DWSOD, BTr, BSP, etc.), the RCDs shall subsequently review and validate the reconciled report of the RDOs, while the RAD shall review and validate the reconciled reports transmitted by the concerned RDOs under the LTS with prior recommendation and approval of the Assistant Commissioner (ACIR), LTS. Accordingly, the RFDs and RAD shall not prepare the corresponding Journal Entry Voucher (JEV) without the appropriate written recommendation from the RCDs and ACIR, LTS, respectively.

The RAD shall be regularly provided by the RFDs with a copy of all the documents pertinent to adjustments made in the RO-Collection Books for purposes of updating the RAD's records.

For purposes of ensuring that all collection data are timely and accurately recorded in the NO and RO-Collection Books and the corresponding prescribed Financial Reports

are timely submitted to all the concerned internal and external Offices, the procedural requirements in the reconciliation of collection data under the existing guidelines in RMO No. 28-2001, Chapter II of the Collection Manual as prescribed under RMO No. 28-2012, and this Order, as well as appropriate and close coordination among the concerned revenue offices, shall at all times be strictly observed by all concerned revenue offices.

C. The basis of recognition of tax collections in the Collection Books shall be the collection date and not the booking date. For purposes of distinction, the term "collection date" refers to the actual date when the tax payment is received by this Bureau through the different payment channels, while the term "booking date" refers to the date when the tax collection is actually uploaded/encoded in the ITS-CBR/eTIS-CRR. For recording of tax collections based on the collection dates thereof across the different payment channels, the provisions of Revenue Memorandum Circular (RMC) No. 17-2012 shall be strictly observed.

With respect to taxes collected by the RCOs, where the Electronic Revenue Official Receipts issued are being used by the RFDs as basis of recording thereof in the RO-Collection Books even if such recorded collections are not yet actually deposited by the concerned RCOs with the Authorized Government Depository Bank (AGDB) during the month of collection, the amount of the undeposited/unremitted tax collections shall be duly disclosed by the RFDs, as footnote, in the monthly Statement of Internal Revenue Collection (SIRC) attached to the Trial Balance to be submitted to the RAD. The said disclosure shall be made in the following manner:

Total collections per RORs for the month	Pxxxx
Less: Total amount deposited with AGDB for the month	xxxx
Difference (Undeposited collections/ Remittance of prior period collections)	Pxxxx
Add: Cumulative undepositedcollections, beginning of the month	xxxx
Cumulative undeposited collections, ending of the month	P xxxx

These information shall be the basis of the RAD, for purposes of reconciliation of the total tax collections from RCOs against the corresponding total collection data recorded by the BTr. For purposes of preparing the BIR Form No. 12.09, the amount of taxes collected by RCOs to be reflected in the said report shall be based on the actual dates when the RCO collections are deposited with the AGDB pursuant to the guidelines prescribed under RMC No. 17-2012.

In order to further ensure that tax collections are accurately recorded and reflected in the ITS-CBR/eTIS-CRR, the following requirements shall be strictly observed:

a. All RCOs shall properly accomplish the deposit slips in a clear and legible manner. The RCOs shall, before leaving the AGDB premises, ensure that the AGDB-machine validation on the deposit details (e.g., transaction number, transaction date and

time, amount deposited, etc.) are reflected therein in a clear and readable manner.

b. For SARO and BSP direct crediting transactions such as BSP checkless payment, payment thru the Philpass facility made by large and non-large taxpayers, tax payments made by the BTr, NIA-CASECNAN and all other government agencies using the direct crediting facility, the same shall be encoded in the ITS-CBR/eTIS-CRR by the concerned RDOs, based on the BTr JEVs together with supporting documents such as BSP credit advice as proof of payment, agency JEV and the like, as provided by the RAD. Accordingly, the same shall be recorded in the NO-Collection Books and RO-Collection Books by the RAD and all concerned RFDs, respectively.

c. It shall be the responsibility of the concerned RDO that tax collections across all payment channels are timely and correctly uploaded/encoded in the ITS-CBR/eTIS-CRR, in cases where the tax collections in the ITS-CBR/eTIS-CRR are incomplete due to non-uploading, or erroneous uploading/encoding thereof (i.e. multiple or double uploading, failure to reverse the collections arising from dishonored checks thru encoding thereof in the ITS/eTIS, multiple errors in generating the eTRA, etc.). For this purpose and on matters pertaining to non-uploading of collection data in the ITS-CBR/eTIS-CRR, the concerned RDO shall immediately coordinate with the concerned RDC to resolve the issue(s) attendant thereto.

D. The daily collection data contained in the Consolidated Reports of Daily Collection (CRDCs) that are manually submitted by the Authorized Agent Bank-Head Offices (AAB-HOs) to the RAD shall be electronically transmitted, on a per RDO and AAB-branch basis, to the concerned RDOs, RCDs and RFDs, within two (2) days from receipt thereof.

In cases where the electronically transmitted CRDCs by the AABs have not yet been uploaded in the ITS-CBR/eTIS-CRR, the manually submitted CRDCs by the AAB-HOs that were subsequently transmitted by the RAD, shall be used by the concerned RDOs, RCDs and RFDs for purposes of validation and reconciliation with the daily Batch Control Sheets (BCS) and the appropriate recording thereof to the RO-Collection Books.

E. The R-AD shall, on a monthly basis, reconcile the List of Remittances (LORs) received from the Bangko Sentral ng Pilipinas (BSP) with the CRDCs and BTr JEVs transmitted by the AAB-HOs and BTr, respectively. Any discrepancy/ies therefrom shall be immediately coordinated by the RAD with the concerned RDOs, RCDs and RFDs; and the same shall be considered as a reconciling item that shall be taken up as adjustment to the previously recorded tax collection in the RO-Collection Books.

F. For purposes of determining the appropriate RDO where the tax collections shall be credited considering that the collection data from the CRDC are automatically defaulted to the host RDO and not in the home RDO, the Data Warehousing and Systems Operations Division (DWSOD) shall generate, thru the ITS/eTIS, a bi-monthly

Transfer In and Transfer Out Collection Report (Annex "A") as of the 15th and end of each month containing the "transfer in" and "transfer out" transactions. The said report shall be transmitted to the concerned RDOs, for verification purposes, copy furnished the RAD, RCDs and RFDs, not later than three (3) days immediately after the fifteen-day period of the month covering the said transactions.

G. The recording by the RFDs of "transfer in" and "transfer out" transactions shall be governed by the following provisions:

For ITS/eTIS-generated "transfer in" and "transfer out" transactions

1. In cases where the host RDOs agree with the "transfer out" transactions,

    a. With respect to "transfer in" and "transfer out" transactions where both the affected RDOs are falling under the jurisdiction of the same RR, the respective RDO, after verifying the same as accurate, a written report thereon shall be submitted to the RCD within 3 days from receipt of the list from the DWSOD, for validation purposes and subsequent recommendation to the RFD for purposes of adjusting the respective subsidiary ledger of both RDOs in the RO-Collection Books.

    b. With respect to "transfer out" transactions affecting an RDO not falling under the same RR, the concerned host RDO that received the tax collections, after verifying that the listed "transfer out" transactions are accurate, shall submit a written report thereon to the RCD within 3 days from receipt of the list from the DWSOD, for validation purposes and subsequent recommendation to the RFD for appropriate adjustments in the RO-Collection Books. Further, the RFD of the host RDO shall transmit a certified true copy of the JEV to the RFD of the RR where the collection being "transferred out" shall be credited. Accordingly, for purposes of preventing double recording of the same collection transactions, all concerned RFDs shall not record any "transfer in" collection without officially receiving the corresponding JEV from the RFDs having jurisdiction over the host RDOs that received the tax collections from taxpayers.

2. In cases where the host RDOs do not agree with the "transfer out" transactions,

    a. With respect to "transfer in" and "transfer out" transactions where both the affected RDOs are falling under the jurisdiction of the same RR, the host RDO shall submit a written memorandum to the RCD within 3 days from receipt of the list from the DWSOD, containing the justifications that the listed "transfer out" transactions should not be deducted from tax collections of the said RDO. The RCD shall evaluate on the merits of the justifications by the RDO and submit a written decision thereon to the RFD, copy furnished the concerned RDOs, for recording purposes on their respective subsidiary ledgers.

    b. In cases where the taxpayer's home RDO is under the jurisdiction of another revenue region and the RCD of the host RDO finds that the "transfer out"

collections is correct or valid, a written decision thereon shall be submitted to the host RFD, copy furnished the concerned host RDO, for preparation of the appropriate JEV. A certified true copy thereof shall be transmitted to the concerned RFD of the taxpayers' home RDO for the necessary recording in their respective RO-Collection Books. Likewise, no "transfer in" collection shall be recorded by the concerned RFDs without the receipt of the officially issued JEVs from the RFD having jurisdiction over the host RDO that received the tax collections from taxpayers.

c. On the other hand, should the RCD of the host RDO conforms with the latter's justifications, the written recommendation thereon shall be transmitted, thru the Regional Director, to the ACIR, Collection Service (CS), Attention: Chief, RAD, for purposes of resolving the issue, copy furnished the RDOs, RCDs and RFDs having jurisdiction over the taxpayer. The RAD shall evaluate on the merits of the justifications by the host RDO, as recommended by the concerned RCD, and submit a written decision thereon to the ACIR, CS for approval, and the same shall be transmitted to all the concerned RDOs and revenue regional offices, for their appropriate actions. The recording of any "transfer in" collections shall not be made without the receipt of the officially issued JEVs from the RFD having jurisdiction over the host RDO that received the tax collections from taxpayers, for purposes of ensuring that only one RFD is recognizing the tax collection from a single transaction.

For manual requests pertaining to "transfer in" and "transfer out" transactions

1. The manual transfer of collections shall only be allowed in the following cases:

   a. One-time transactions (ONETT) covered by BIR Form Nos. 1606, 1706, and 2000 OT;

   b. Excise tax collections from non-LT registered taxpayers, except from minerals and mineral products;

   c. Tax collections from branches of LT-registered taxpayers that are registered in the RDOs where these branches are located;

   d. Deficiency tax collections from audit by RDOs or LTS Office where the taxpayers are previously registered but are subsequently registered to another RDO, including the LTS, subject to approval by the Commissioner;

   e. Collection prior to the date when the large taxpayers' registration data were transferred from the old RDOs to the new RDOs;

   f. Taxes collected by RCOs that are deposited with the AGDB branch located outside the territorial jurisdiction of the RR where the RCOs are assigned; and

   g. Other transactions that may be authorized by the CIR.

2. It shall be ensured by all concerned RDOs, in coordination with all concerned revenue offices, that all tax collections are uploaded/encoded in the ITS-CBR/eTIS-CRR, after the conduct of all the necessary prescribed reconciliation procedures. Prior to the filing of any request for manual transfer of tax collections to the concerned requesting revenue office, it shall likewise be ensured by the concerned revenue offices that tax collections covered by the said request are uploaded/encoded in the ITS-CBR/eTIS-CRR.

   For both ITS/eTIS-generated list and manually requested "transfer in" and "transfer out transactions", in cases where the concerned RFD of the RDO from whom the tax collections will be deducted shall not comply with the 2-day deadline period prescribed by the ACIR-CS, the tax collection shall be automatically credited in favor of the appropriate RDO. The CS-issued memorandum shall serve as the authority of the concerned RFD having jurisdiction over the latter RDO to record the "transferred in" collections, as adjustment to the RO-Collection Books. Such defiance to "transfer out" the collections by any concerned RDO, RCD or RFD shall be a sufficient basis of the Internal Investigation Division (IID) for the issuance of the appropriate Show-Cause Order. Furthermore, and for purposes of determining the correct Key Performance Indicator (KPI) of all concerned revenue offices, the RAD shall deduct the said tax collection from the collection performance of the affected RDO/regional office.

3. The pertinent provisions on Items G.1 and G.2 hereof on ITS/eTIS-generated "transfer in" and "transfer out" transactions shall, in so far as applicable, likewise apply on manually requested "transfer in" and "transfer out" transactions, for purposes of determining the appropriate RDO where the tax collections therefrom shall be credited.

H. All concerned RDOs and LTS Offices shall prepare their respective Report on Validated Collections for Booking in the NO and RO-Collection Books Per Channel of Payment, after performing all the reconciliation procedures under existing revenue issuances.

I. The RAD and all the concerned RFDs shall utilize the applicable account codes of the Unified Accounts Code Structure (UACS) pursuant to the Commission on Audit (COA) Resolution No. 2014-003 dated January 24, 2014, for purposes of recording the tax collections across all payment channels in the NO and RO-Collection Books.

   For reference purposes, the RAD shall provide the concerned LT Offices, RDOs, RCDs and RFDs with COA-Prescribed Account Codes per UACS Per Tax Type (Annex "B"), containing the existing Alphanumeric Tax Codes (ATCs) with applicable UACS codes, on a per tax type basis.

   Accordingly, all RDOs and concerned LTS Offices shall ensure that the applicable account codes of the UACS are properly reflected in each and every Report on Validated Collections for Booking in NO-RO Collection Books Per Channel of Payment that are being submitted as prescribed herein, to the RAD and RFDs, thru the RCDs, as the case may be.

J. All RFDs as well as the RAD shall prepare and submit to the concerned Offices the following prescribed reports:

NAME OF REPORTS	FREQUENCY OF SUBMISSION	FOR RFDs (REGIONAL)		FOR RAD (CONSOLIDATED)	
		Due Date	Receiving Office	Due Date	Receiving Office
A. Financial Reports					
1. Trial Balance and Supporting Schedules	Monthly	On or before the 5th day of the following month	RAD and Regional COA Auditor	On or before the 10th day of the following month	COA-BIR Resident Auditor, DBM and COA Government Accountancy Sector
	Quarterly	On or before the 5th day of the month following the quarter	-do-	On or before the 10th day of the month following the quarter	-do-
	Annual	On or before January 31 of the following year	-do-	On or before February 14 of the following year	-do-
2. Other Financial Reports: a. Statement of Financial Position b. Statement of Financial Performance c. Statement of Changes in Net Assets/Equity d. Statement of	Quarterly	On or before the 5th day of the month following the quarter	RAD and Regional COA Auditor	On or before the 10th day of the month following the quarter	COA-BIR Resident Auditor, DBM and COA Government Accountancy Sector
	Annual	On or before January 31 of the	-do-	On or before February 14 of the	-do-

Cash Flows		following year		following year	
e. Statement of Comparison Between Budget and Actual Amount f. Notes to Financial Statements					
3. Annual Financial Reports a. Pre and Post Closing Trial Balance b. Financial Statements for the Year Ended	Annual			On or before February 14 of the following year	BIR-Accounting Division
4. Subsidiary Ledgers of Tax Collections per RDO (Annex "C")	Monthly	On or before the 5th day of the following month	RAD		
5. Schedule of Undeposited Collections (Annex "D")	Monthly	On or before the 5th day of the following month	RAD		
B. Non-financial reports					
Summary Report on Adjustments Arising From "Transfer in" and "Transfer out" Transactions (Annex "E")	Monthly	On or before the 5th day of the following month	RAD		

However, in meritorious cases wherein any concerned RFD cannot prepare and submit any of the above-prescribed financial reports within the set deadline on the ground that there are collection data that have not yet been received/accounted for (e.g., CRDC collection data for the last day of the month will be received by the RAD on the

3rd day of the following month and sorting of collection data for each and every host RDO and transmittal of sorted collection data to the concerned RDOs, RCDs and RFDs can be made by the RAD on the 5th day), or the validation or reconciliation thereof has not yet been completed, a tentative financial report(s) shall be submitted to the concerned offices containing the initially completed, validated and/or reconciled collection data. An amended financial report(s) shall be submitted superseding the previously submitted tentative financial reports(s) within fifteen (15) days after the abovementioned deadlines. Accordingly, in the preparation of the amended financial report(s), the upward and/or downward adjustments to the previously submitted tentative financial report(s) shall only reflect the collection data pertaining to the specific collection month/quarter/year being adjusted.

EXAMPLE: An RFD submitted a tentative trial balance for the month of July 2016 with the total amount of P1.3B with a certain RDO. The said RDO has not yet fully accounted its collection for the said month. In September 2016, however, the said RDO reported an additional collection amounting to P2M covering the month of July 2016. In this case, the RFD shall prepare the amended trial balance for the month of July 2016 to reflect the said additional collection of P2M. The said amount shall not be added to the collection data in September 2016.

The RCD and RFD shall maintain close coordination to ensure that final monthly Trial Balance, net of unremitted collections from RCOs, is reconciled with the BIR Form No. 12.09 being submitted to the RSD.

K. In order to facilitate the reconciliation of tax collections through the RCOs reflected between the periodic reports prepared by the RDOs and RFDs prescribed under RMO No. 26-2014 and the BTr JEVs, the RAD shall prepare the BTr Daily Report on BIR Deposited Collections to AGDB Branches and electronically transmit the same to the concerned RDOs, RCDs and RFDs, within five (5) days from receipt of the BTr JEVs and the supporting documents from the BTr.

L. The withholding taxes collected from the National Government Agencies (NGAs) shall be recorded based on the Tax Remittance Advices (TRAs) generated by the eTRA System, except for manually prepared TRAs, as may be authorized by the Commissioner of Internal Revenue.

M. All 2015 tax collections that were previously reconciled by the RAD and subsequently sorted and transmitted on a monthly basis to all the concerned RDOs shall be re-transmitted by the RAD to the said RDOs, including the RCDs and RFDs. Unless these 2015 collection data have been fully reconciled by the RDOs with the RAD, pursuant to RMO No. 8-2015, the same shall be used as the base figures in preparing the monthly comparative reports by the said concerned regional offices.

In cases where there are adjustments to the 2015 tax collections of other concerned RDOs that were reported to the RAD, as a result of the reconciliation referred to in the immediately preceding paragraph, the same shall be immediately communicated in writing by the RAD to all the affected RDOs.

N. All adjustments to tax collections covering 2015 and all prior years as validated with the BTr shall be recorded by the RAD. However, this information shall be transmitted in writing by the RAD to the concerned RFDs, RCDs and RDOs for purposes of adjustment in their respective comparative collection reports.

IV. PROCEDURES

A. ON RECONCILIATION AND RECORDING OF TAX COLLECTIONS PER PAYMENT CHANNEL

Prior to the recording of all taxes in the NO and RO-Collection Books, through the electronic National Government Accounting System (eNGAS), by the RAD and RFDs, the reconciliation procedures shall be strictly complied by all concerned revenue offices, according to the different collection channels and modes of tax payment, as follows:

A.1. PAYMENT THRU THE AABs

The tax payment thru the AABs may be made by the taxpayers using the Over-the-Counter (OTC) payment facility, Electronic Filing and Payment System (eFPS), Electronic Fund Transfer Instruction System (eFTIS) [now Philippine Payments and Settlements System (PhilPaSS)], mobile payment facilities (e.g., G-Cash), debit and/or credit card payment facilities and other payment modes authorized by this Bureau.

1. The **RAD** shall:

    a. Coordinate with the System Development Division (SDD) to ensure that all electronic CRDCs (eCRDCs) that are daily transmitted by the AAB-HOs are uploaded in the ITS-CBR/eTIS-CRR.

    b. Compare the List of Remittance (LOR) transmitted by the BSP with that of the CRDCs transmitted by the AAB-HOs.

    c. Coordinate with the BSP and AAB-HOs for any discrepancies noted.

    d. Consolidate and sort all the electronic file copies of CRDCs received from the different AAB-HOs on a per RDO and AAB-branch basis.

    e. Distribute the sorted CRDCs, through email, to the concerned RDOs, copy furnished the RCDs and RFDs within 2 days from receipt of the CRDCs from the AAB-HOs.

    f. Reconcile the BSP LORs received with the CRDCs transmitted by the AAB-HOs. Any discrepancy therefrom shall be immediately coordinated with the concerned RDOs, RCDs and RFDs; and the same shall be considered as

a reconciling item that shall be taken up as adjustment to the previously recorded tax collection in the RO-Collection Books.

g. Compare the collections thru AABs reflected in the BTr JEVs with that of the CRDCs as previously reconciled with the LORs. Any discrepancy thereon shall be immediately coordinated with the BTr or with the concerned AABs for resolution thereof.

h. Determine the accuracy of the collection reports submitted by the LTS for recording in the NO-Collection Books.

i. Prepare the corresponding JEVs based on the validated collection reports submitted by the concerned LTS offices, for recording in the NO-Collection Books.

j. Evaluate the merits of the recommendation/justifications relative to "transfer in" and "transfer out" transactions made by the RCD and LTS, submit a written decision thereon to the ACIR, CS for approval, and transmit the same to all concerned RDOs and regional revenue offices, for their appropriate actions.

k. Validate the DWSOD-report on collection transactions from taxpayers affected by the enlisting to/delisting from the concerned RDOs under the LTS for purposes of adjusting the collection data recorded in the NO-Collection Books.

l. Match the collection data of the RAD-Collection Reports and Reconciliation Section (CRRS), the recorded collection figures in the RO-Collection Books as reflected in the monthly subsidiary ledgers submitted by the RFDs, the BIR Form No. 12.09 submitted to the RSD, and the total collections per BTr records. Any discrepancy thereon shall be immediately coordinated with the concerned RDOs, RCDs and RFDs for the resolution thereof.

2. The **DWSOD** shall :

a. Generate the Transfer In and Transfer Out Collection Report containing the "transfer in" and "transfer out" transactions identified by the ITS/eTIS during the month on a bi-monthly basis (15th and end of the month) and transmit the same to the concerned RDOs/LT Offices, copy furnished the RAD, RCDs and RFDs for verification purposes, not later than three (3) days immediately every after the fifteen day period of the month covering the said transactions.

b. Generate the Report on Excise Tax Collections from Non-LT Taxpayers (Annex "F") pertaining to the excise tax collections from the non-LT registered taxpayers, as well as the Tax Collections from LT Registered Taxpayers With Branches Registered in the RDOs (Annex "G ") concerning

to the tax collections from LT-registered taxpayers whose branches are registered in the RDOs where these branches are physically located, for verification purposes, on a monthly basis, and transmit the same to the concerned RDOs/LT Offices copy furnished the RAD, RCDs and RFDs for verification purposes, not later than 3 days immediately after the end of each month.

c. Generate the Report on Tax Collections from Taxpayers Enlisted to/Delisted from the LTS (Annex "H"), upon written request by the RAD, pertaining to tax collections from taxpayers that were enlisted to/delisted from the concerned RDOs under the LTS and transmit the same to the RAD, copy furnished the LTS, concerned RDOs, RCDs, and RFDs, within 3 days from receipt of the said request from the RAD.

3. The **RDC, or National Office-Data Center (NO-DC) in applicable cases,** pursuant to existing revenue issuances, shall:

   a. Generate the daily summary of uploaded collection reports and transmit the same immediately to the RDOs, LT Offices and other concerned offices for validation.

   b. Upload the daily BCS that are transmitted by all concerned AAB-HOs/branches. In cases of unsuccessful uploading of AAB-transmitted BCS in the ITS-CBR/eTIS-CRR due to integrity errors, the immediate notification of such instances with the concerned RDOs/LTS Offices shall be made for purposes of immediate coordination by the said offices with the concerned AAB HO(s)/branch(es) to enable the immediate correction of the unsuccessfully uploaded BCS files.

   c. Generate the monthly BIR Form No. 12.09 and forward the same to the concerned RDOs for validation purposes.

4. The **SDD** shall:

   a. Monitor the immediate uploading in the ITS-CBR/eTIS-CRR of all eCRDCs transmitted by the AAB-HOs.

   b. Assist in the resolution of errors encountered in the CRDC files, in coordination with the concerned AABs or BIR offices.

5. The **Taxpayers Service Systems Division** shall:

   a. Upload in the ITS-CBR/eTIS-CRR all tax collections thru the eFPS/eBIR Forms facility that are transmitted daily by the AAB-HOs.

   b. Resolve all issues on the payment thru the eFPS/eBIR Forms facility, such as unuploaded tax payment information, in coordination with the concerned AAB-HOs or revenue offices.

6. The **RDO, or concerned LTS Office in applicable cases,** shall:

   a. Reconcile the daily collection data, on a per AAB branch basis, reflected in the CRDCs transmitted by the RAD and the ITS-CBR/eTIS-CRR. In case of discrepancy/ies between these data, immediate coordination with the RAD shall be made for the resolution thereof.

   b. Reconcile the daily collection data, on a per AAB branch basis, reflected in the BCS-CRDC screen of the ITS-CBR/eTIS-CRR, as well as that in CRS, and undertake all the necessary actions to resolve the detected discrepancies pursuant to the pertinent provisions of RMO No. 28-2001.

   c. Prepare the Report on Validated Collections for Booking in NO-RO Collection Books Thru AABs (Annex "I") prescribed herein, and submit the same to the RCD, for review purposes, immediately upon completion of the prescribed reconciliation procedures. For this purpose, it shall be ensured that the applicable account codes of the UACS are properly reflected in the aforementioned report.

   d. Undertake the following procedures on the "transfer in" and "transfer out" transactions:

      i. Check whether or not the "transfer in/out" transaction is already uploaded/encoded in the ITS-CBR/eTIS-CRR. If not, all the necessary action should be made to ensure that the collection data is uploaded/encoded in the ITS-CBR/eTIS-CRR before the conduct of the prescribed validation of the said transaction.

      ii. Validate the accuracy of the collection data to determine the propriety of the "transferring in/out" thereof from/to another RDO.

      iii. Prepare a written report thereon and submit the same to the RCD for validation purposes, together with the supporting documents within 3 days from receipt of the DWSOD-issued list or manually prepared request, as the case may be.

   e. Perform the following procedures on dishonored checks received from the concerned AABs pursuant to RMO No. 25-2001:

      i. Encode in the ITS-CBR/eTIS-CRR using the CBR Dishonored Check (DC) Add Screen, the details of the DCs received.

      ii. Forward a copy of the duly received Report of Returned/Dishonored Checks (BIR Form No. 12.58) prepared by the concerned AAB to the RCD, within 5 days after the receipt thereof from the AABs, together with supporting documents, for the necessary action and update in collection records.

f. Validate the accuracy of the DWSOD-generated report pertaining to tax collections from taxpayers that were enlisted to/delisted from the RDO and transmit a written report thereon to the RAD, RCD, RFD and the concerned LTS office for the necessary adjustments to their respective collection books and financial reports.

g. Check in the ITS-CBR/eTIS-CRR whether or not all tax collections are uploaded therein and immediately coordinate with the concerned offices in order to resolve the discrepancy, if any. Prior to the processing of all manually requested "transfer in/out" transactions, it shall be ensured that the tax collections covered by the said request are uploaded in the ITS-CBR/eTIS-CRR.

7. The **RCD** shall:

a. Determine the accuracy of the Report on Validated Collections for Booking in NO-RO Collection Books Thru AABs (Annex "I") prescribed herein, including the proper account codes of the UACs, received from the RDOs for issuance of the written recommendation to the RFD for recording in the RO-Collection Books, based on all available collection data.

b. Validate the written report containing "transfer in/out" transactions received from the RDO and submit the same to the RFD for recording purposes or for adjusting the respective subsidiary ledger of affected RDOs in the RO-Collection Books.

c. Evaluate the written memorandum received containing the justification that the listed transfer out collection should not be deducted from the tax collections of the concerned RDO.

d. Prepare and submit a written decision to the RFD for recording purposes and adjusting the RDOs' subsidiary ledgers, if applicable, copy furnished the affected RDOs.

e. Transmit the written recommendation to the ACIR, CS, Attention: RAD, thru the Regional Director, for resolution of the proper crediting of collection, if the RCD conforms to the justification of the concerned RDO that the tax collection should not be transferred to an RDO outside the jurisdiction of the region, copy furnished the concerned RDOs, RCDs and RFDs. Non-compliance thereto shall be a sufficient basis for the issuance of the Show Cause Order by the IID in the National Office.

f. Furnish the RFD with a copy of the Report of Returned/Dishonored Checks (BIR Form No. 12.58) received from the RDOs, for the appropriate adjustment in the RO-Collection Books, and undertake all the necessary actions to ensure that the appropriate office will have the physical custody of the original copy of the DCs, pursuant to existing rules and regulations.

g. Validate the results of the RDO's verification on the accuracy of the DWSOD-generated report pertaining to the tax collections from taxpayers that were enlisted to/delisted from the RDO, and transmit a written report thereon to the RAD, RFD and the concerned LTS office for the necessary adjustments to their respective collection books and financial reports.

h. Ensure that the revenue tax collections thru AABs recorded by the RFD are reconciled with the collections thru AABs reflected in the BIR Form No. 12.09 submitted to the RSD by all concerned RDOs. In cases of discrepancy, the same shall be immediately returned to the concerned RDOs for the necessary resolution thereof.

8. The **RFD** shall:

a. Prepare the JEVs to record in the RO-Collection Books the RCD-submitted Report on Validated Collections for Booking in NO-RO Collection Books Thru AABs (Annex "I")prescribed herein.

b. Prepare the necessary JEVs to record all adjustments on tax collections in the RO-Collection Books upon receipt of approved recommendation submitted by the concerned RCD, as well as the decision of the ACIR-CS on the disputed tax collections arising from the "transfer in/out" transactions affecting other regional offices.

c. Adjust the respective subsidiary ledger of RDOs in the RO-Collection Books, if the affected RDOs are falling under the jurisdiction of the same RR.

d. Furnish the RAD and the concerned RDOs, RCDs and RFDs with copies of JEVs taking up the adjustments in the collections, together with the pertinent supporting documents.

e. Coordinate with all concerned offices on any discrepancy noted in the submitted reports for purposes of undertaking all the necessary actions thereon immediately after the detection/discovery thereof.

A.2. PAYMENT THRU RCOs

The authority to accept tax payment is granted to the RCOs in places where there is no AAB in the area or, for the convenience of the taxpayers, during specified deadlines prescribed under existing revenue issuances. Currently, there are established guidelines and procedures being observed by the RCOs, Special Collecting Officers (SCOs), and other authorized Collection Officers (COs) in the acceptance, processing, remittance and reporting of tax and non-tax collections, using the Mobile Revenue Collection Officers System (MRCOS) facility.

1. The **RDC** shall:

    a. Generate the daily summary of uploaded collection reports and transmit the same immediately to the RDOs and other concerned offices for validation.

    b. Upload in the ITS-CBR/eTIS-CRR the BCS that are daily extracted from the MRCOS. In cases of unsuccessful uploading thereof, resolve the same immediately, in coordination with the service provider and the concerned RDOs.

    c. Generate the monthly BIR Form No. 12.09 and forward the same to the concerned RDOs for validation purposes.

2. The **RAD** shall:

    a. Sort, on a per host revenue region basis, the tax collections from RCOs based on the list of National Collection Officer Deposited Collections which is attached to the BTr JEV and transmit the copy of the sorted BTr Daily Report on BIR Deposited Collections to AGDB Branches (Annex "J"), thru email, to the concerned RFDs, copy furnished all RDOs and RCDs, within 5 days from receipt of the said report from BTr.

    b. Evaluate the reconciliation report, together with the supporting documents, submitted by the RCDs. In case of any discrepancy, immediately return the same to the concerned RCDs, copy furnished the concerned RDOs and RFDs, for further resolution thereof.

    c. Coordinate with the BTr the discrepancies noted in the reconciliation process, for resolution thereof.

    d. Perform the necessary applicable actions on "transfer in/out" transactions prescribed in G.1 and G.2 hereof pertaining to tax collections thru RCOs.

    e. Match the collection data of the RAD-CRRS, the recorded collection figures in the RO-Collection Books as reflected in the monthly subsidiary ledgers submitted by the RFDs, the BIR Form No. 12.09 submitted to the RSD, and the total collections per BTr records. Any discrepancy thereon shall be immediately coordinated with the concerned RDOs, RCDs and RFDs for the resolution thereof.

3. The **RDO** shall:

    a. Receive from the RCOs their respective weekly Report of Collections and Deposits (ReCD).

    b. Prepare a consolidated report of weekly Statement of Report of Collections and Deposits, including the summary of tax collections per tax

type (revised SRCD format per Annex "K"), based on ReCDs submitted by the RCOs. The said report shall be submitted to the RCD for validation purposes within the prescribed deadline, pursuant to the provisions of RMO No. 26-2014.

c. Resolve the noted discrepancy on the submitted consolidated weekly SRCD referred by the RCD, RFD and RAD and transmit, in writing, the results thereof to the said referring offices for purposes of undertaking all the necessary actions thereto.

d. Check in the ITS-CBR/eTIS-CRR whether or not all tax collections are uploaded or encoded therein, as the case may be, and immediately coordinate with the concerned offices in order to resolve the discrepancy, if any. Prior to the processing of all manually requested "transfer in/out" transactions, it shall be ensured that the tax collections covered by the said request are uploaded in the ITS-CBR/eTIS-CRR.

e. Perform the necessary applicable actions on "transfer in/out" transactions prescribed in G.1 and G.2 hereof pertaining to tax collections thru RCOs.

4. The **RCD** shall:

a. Validate the consolidated weekly SRCDs submitted by the concerned RDOs and submit the same to the RFD, if the report is found correct, for recording of collections therefrom in the RO-Collection Books. In case of discrepancy thereon, the weekly SRCDs shall be immediately returned to the concerned RDOs, for appropriate action.

b. Reconcile the information reflected in the BTr Daily Report on BIR Deposited Collections to AGDB Branches transmitted by the RAD against the consolidated weekly SRCDs submitted by the RDOs, MRCOS and CRS databases, and other available collection data. Any noted discrepancy shall be immediately coordinated with the RAD, local BTr and the concerned RDOs and RFDs, for immediate resolution thereof.

c. Prepare and transmit the written recommendation to the RFD, together with the supporting documents, for recording purposes, copy furnished the RAD and the concerned RDOs.

d. Inform, in writing, the RAD and all concerned RDOs, RCDs and RFDs to/from whom the tax collections should be credited, regardless of whether or not the said regional offices fall under the jurisdiction of the host regional office where the AGDB branch that received the tax collections deposited by the RCOs is physically located, for purposes of recording the same in their respective NO or RO-Collection Books, as the case may be. Non-compliance thereto shall be a sufficient basis for the issuance of the Show Cause Order by the IID in the National Office.

e. Perform the necessary applicable actions on "transfer in/out" transactions prescribed in G.1 and G.2 hereof pertaining to tax collections thru RCOs.

f. Ensure that the revenue tax collections thru RCOs recorded by the RFD are reconciled with collections thru RCOs indicated in the submitted BIR Form No. 12.09 report of the concerned RDOs.

g. Check whether or not all tax collections thru RCOs are duly uploaded or encoded, as the case may be, in the ITS-CBR/eTIS-CRR. In case of any discrepancy, immediately coordinate with the concerned RDOs for the resolution thereof. In the review of the RDO's recommendation on manually requested "transfer in/out" transactions, it shall be ensured that the tax collections thru RCOs covered by the said recommendation are duly uploaded or encoded, as the case may be, in the ITS-CBR/eTIS-CRR.

5. The **RFD** shall:

a. Receive the copies of ReCDs and SRCDs submitted by the RCOs and RDOs, respectively and validate the same with the corresponding SRCDs duly validated by the RCDs. Any noted discrepancy therefrom shall be immediately coordinated with the concerned RDOs and RCDs for the resolution thereof.

b. Prepare the prescribed JEV for purposes of recording the collections based on the validated SRCD submitted by the RCD and the recommended adjustments in the RO-Collection Books.

c. Furnish copies of JEV taking up the adjustments in the collections, together with pertinent supporting documents, to the RAD and all the concerned RFDs, RCDs and RDOs.

d. Perform the necessary applicable actions on "transfer in/out" transactions prescribed in G.1 and G.2 hereof pertaining to tax collections thru RCOs.

A.3. PAYMENT BY BANGKO SENTRAL NG PILIPINAS (BSP) THRU THE CHECKLESS PAYMENT FACILITY

A Checkless Payment pertains to a scheme wherein the BSP is allowed to pay all its internal revenue taxes by directly crediting the account of the Treasurer of the Philippines (TOP). Under the said scheme, the BSP is required to electronically file with the concerned LTS Office or RDO having jurisdiction over the transaction the corresponding tax returns/forms/declarations, together with the direct credit advice issued by the BSP to the BTr which shall serve as proof of payment of the tax due thereon.

For purposes of paying its tax liabilities and recording the same in the books of the BIR and the BTr, the BSP separately prepares and issues direct credit advices covering the payment transactions and sends to the BTr the monthly BSP bank

statements on the TOP demand deposit account with the BSP. The copies of these two documents are also sent to the RAD. The BTr JEV is prepared by the BTr, based on the documents transmitted by the BSP, and the copy thereof, together with the applicable supporting documents, are sent to the RAD for appropriate recording of the tax collections by the concerned BIR offices.

1. The **RAD** shall:

    a. Compare and validate the BTr JEV against the credit advice received from the BSP. For any noted discrepancy, the same shall be immediately coordinated with the BTr and BSP, for purposes of the resolution thereof.

    b. Transmit to the concerned RDOs/LTDPQAD, copy furnished the concerned RCDs and RFDs, the copies of the BTR JEVs, together with credit advice and the monthly BSP bank statement on TOP demand deposit account received from the BSP for purposes of undertaking the necessary actions thereto.

    c. Validate the accuracy of the collection report from the BSP's payments of its own tax liabilities submitted by the LTDPQAD. In case of any discrepancy, return the same immediately to the said office for appropriate action.

    d. Prepare the corresponding JEVs for the tax collections by the concerned LTS Offices/ RDOs that were made thru this facility, for recording in the NO-RO Collection Books.

    e. Match the collection data of the RAD-CRRS, the recorded collection figures in the RO-Collection Books as reflected in the monthly subsidiary ledgers submitted by the RFDs, the BIR Form No. 12.09 submitted to the RSD, and the total collections per BTr records. Any discrepancy thereon shall be immediately coordinated with the concerned RDOs, RCDs and RFDs for the resolution thereof.

2. The **RDO/LTDPQAD** shall:

    a. Encode the tax collection information from the BSP checkless payment in the ITS-CBR/eTIS-CRR, *thru the Add BCS Screen Facility,* based on the validated tax returns duly filed by the BSP, together with the attached direct credit advices as proofs of payment of the taxes due thereon. *In case where the BSP has not yet filed the said tax return, but the BTr JEV, together with the applicable supporting documents, are actually received from the RAD, the said tax collection shall already be encoded in the ITS-CBR/eTIS-CRR, thru the Add BCS Screen Facility, as tax collection, subject to the guidelines and policies prescribed under RMC No. 17-2012. However, if the BTr JEV has not yet been received from the RAD, but the BSP has already filed the tax return together with supporting copy of aforementioned credit advice, the encoding thereof in the ITS-CBR/eTIS-*

CRR shall be deferred until such time that the corresponding BTr JEV is actually received.

b. View in the CRS facility to identify any discrepancy between the RDO-encoded collection information in the ITS-CBR/eTIS-CRR and the RAD-encoded collection information thru this channel of payment that was covered by the BTr JEV. In case of any discrepancy, undertake all the necessary actions to address the same.

c. Prepare the Report on Validated Collections for Booking in NO-RO Collection Books Thru BSP Checkless Payments Facility (Annex "L") and transmit the same to the RCD and the RAD, as the case may be, for review purposes, together with the copies of the tax returns and supporting documents received from the BSP and the RAD.

3. The **RCD** shall:

a. Review the encoded tax collections in the ITS-CBR/eTIS-CRR and compare the same from the documents transmitted by the RAD and the concerned RDOS. In case of discovery of premature encoding of the tax collection in the ITS-CBR/eTIS-CRR, direct the concerned RDOs, in writing, copy furnished the RAD and RFD, to immediately reverse such encoded tax collection in the ITS-CBR/eTIS-CRR.

b. Prepare a written recommendation for the recording of the duly validated collections from the BSP checkless payment facility in the RO-Collection Books and transmit the same to the RFD, together with all of the supporting documents.

c. Ensure that the revenue tax collections thru the BSP Checkless Payment recorded by the RFD are reconciled with collections thru the BSP Checkless Payment indicated in the submitted BIR Form No. 12.09 report of the concerned RDOs.

4. The **RFD** shall:

a. Check the accuracy of the recommendation made by the RCD for the recording of the tax collections from the BSP in the RO-Collection Books. In case of detected discrepancy, the same shall be immediately coordinated with the RCD for purposes of undertaking all the necessary actions in the resolution thereof.

b. Prepare the prescribed JEV to effect the recording of the tax collection in the RO-Collection Books, based on the validated recommendation by the RCD, including all supporting documents transmitted by the RAD.

A.4. PAYMENT MADE BY BANKS OF THEIR OWN TAX LIABILITIES USING THE FACILITY OF THE PHILIPPINE PAYMENTS AND SETTLEMENTS SYSTEM (PHILPASS), FORMERLY THE ELECTRONIC FUND TRANSFER INSTRUCTION SYSTEM (EFTIS)

The PhilPaSS is a payment facility generally used by identified commercial, specialized government and thrift banks classified as PhilPaSS participants by the BSP. These banks pay their respective tax liabilities by encoding the same thru the said system and the said payment is electronically transmitted to the BSP. However, there are instances where other government entities are also allowed to use the said facility, subject to approval by the BSP.

1. The **RAD** shall:

    a. Receive the copy of the daily List of Remittances (LORs) containing the participating entities' respective amount of tax liabilities and the BTr JEVs together with the BSP-issued credit advice, from the BSP and BTr, respectively.

    b. Sort and transmit to all concerned RDOs, RCDs and RFDs the reports of tax collections thru this facility from non-large taxpayers based on the documents received from the BSP and BTr, for recording in the RO-Collection Books. On the other hand, the concerned LTS offices shall be furnished with the BTr JEV and the supporting documents.

    c. Encode the pertinent details in the LORs in the ITS-CBR/eTIS-CRR, thru the Add CRDC Screen Facility, immediately upon receipt of the said documents from the BSP.

    d. Validate the accuracy of the LTS-submitted collection report derived from the PhilPaSS facility. In case of any discrepancy, return the same immediately to the concerned LTS office for the appropriate actions thereon.

    e. Prepare the corresponding JEVs based on the validated collection reports submitted by the concerned LTS offices, for recording in the NO-Collection Books.

    f. Match the collection data maintained by the RAD-Collection Reports and Reconciliation Section, the recorded collection figures in the RO-Collection Books as reflected in the monthly subsidiary ledgers submitted by the RFDs, the BIR Form No. 12.09 submitted to the RSD, and the total collections per BTr records. Any discrepancy thereon shall be immediately coordinated with the concerned RDOs, LTS offices, RCDs and RFDs for the resolution thereof.

2. The **RDO, or the concerned LTS Office, in applicable cases**, shall:

    a. Validate the accuracy of the RAD-transmitted copies of the documents received from the BSP and BTr against the tax returns filed by the participating taxpayers falling under the jurisdiction of the respective concerned RDO and LTS office. In case of any discrepancy, immediately coordinate with the concerned taxpayer under their respective jurisdiction for the appropriate actions thereon.

    b. Encode the collection data in the ITS-CBR/eTIS-CRR, thru the Add BCS Screen Facility, based on the validated taxpayers' tax returns and the documents received from the RAD, BSP and BTr, whichever is applicable.

    c. View in the CRS facility to identify any discrepancy between the BCS and CRDC information that were encoded in the ITS-CBR/eTIS-CRR. In case of any discrepancy, undertake all the necessary actions to address the same.

    d. Prepare the Report on Validated Collections for Booking in NO-RO Collection Books Thru PhilPaSS Facility (Annex "M") and transmit the same to the RCD and the RAD, as the case may be, for review purposes, together with the copies of the duly filed tax returns, as well as the BTr JEVs and BSP LORs received from the BSP, BTr and RAD.

    e. Coordinate immediately with the RAD or the RCD having jurisdiction over the concerned RDO, as the case may be, for any discrepancy noted, for purposes of resolution thereof.

3. The **RCD** shall:

    a. Review the encoded tax collections in the ITS-CBR/eTIS-CRR and compare the same with the documents transmitted by the RAD and the concerned RDOs. In case of discovery of premature encoding of the tax collection in the ITS-CBR/eTIS-CRR, direct the concerned RDOs, in writing, copy furnished the RAD and RFD, to immediately reverse such encoded tax collection in the ITS-CBR/eTIS-CRR.

    b. Prepare a written recommendation for the recording of the duly validated collections from the PhilPaSS facility in the RO-Collection Books and transmit the same to the RFD, together with all of the supporting documents.

    c. Ensure that the revenue tax collections thru the PhilPaSS facility recorded by the RFD are reconciled with collections thru the PhilPaSS facility indicated in the submitted BIR Form No. 12.09 report of the concerned RDOs.

4. The **RFD** shall:

    a. Check the accuracy of the recommendation made by the RCD for the recording of the tax collections thru the BSP PhilpaSS facility in the RO-Collection Books. In case of detected discrepancy, immediately coordinate with the RCD for purposes of undertaking all the necessary actions in the resolution thereof.

    b. Prepare the prescribed JEV to effect the recording of the tax collection in the RO-Collection Books, based on the validated recommendation by the RCD, including all supporting documents transmitted by the RAD.

    c. Furnish the RAD and all the concerned RFDs, RCDs and RDOs with copies of JEVs, together with pertinent supporting documents, reflecting the adjustments in the collections.

A.5. PAYMENT THROUGH THE BTr's DIRECT CREDITING FACILITY

This payment scheme allows the BTr to directly credit the account of the TOP in payment of certain tax liabilities such as the taxes withheld by the BTr on government-issued bonds and securities, as well as some tax obligations of certain government agencies such as the National Irrigation Administration (NIA) under the project agreement with CE-Casecnan for electricity generation and water delivery covering a specific period.

1. The **RAD** shall:

    a. Classify and segregate the BTr JEVs and the supporting documents received from the BTr for recording in the NO or RO-Collection Books.

    b. Transmit immediately to the concerned RDOs/LTS offices, copy furnished the concerned RCDs and RFDs, the BTR JEV and the supporting documents for purposes of validating the same from the tax returns filed by taxpayers falling under their jurisdictions.

    c. Validate the accuracy of tax collection data from non-BIR operations reflected in the BTR JEV from the supporting documents thereof. Any discrepancy therefrom shall be immediately coordinated with the BTr for purposes of resolution thereof.

    d. Encode in the ITS-CBR/eTIS-CRR the validated collection data from non-BIR operations and prepare the BIR JEV for purposes of recording the same in the NO-Collection Books.

    e. Validate the collection reports from BIR operations submitted by the concerned LTS office and, in case of any detected discrepancy, immediately return the same to the said office for appropriate actions thereon.

f. Prepare the JEV, based on the validated collection reports from BIR operations submitted by the concerned LTS office, for purposes of recording the tax collection in the NO-Collection Books.

g. Match the collection data of the RAD-CRRS, the recorded collection figures in the RO-Collection Books as reflected in the monthly subsidiary ledgers submitted by the RFDs, the BIR Form No. 12.09 submitted to the RSD, and the total collections per BTr records. Any discrepancy thereon shall be immediately coordinated with the concerned RDOs, LTS offices, RCDs and RFDs for the resolution thereof.

2. The **RDO, or the concerned LTS Office, in applicable cases,** shall:

a. Validate the accuracy of the RAD-transmitted BTr JEV and supporting documents against the tax returns filed by the government agencies falling under their respective jurisdiction. In case of any discrepancy, immediately coordinate with the concerned taxpayer under their jurisdiction for the appropriate actions thereon.

b. Encode in the ITS-CBR/eTIS-CRR the validated collection data reflected in the BTr JEV.

c. View in the CRS facility to identify any discrepancy between the RDO-encoded collection information in the ITS-CBR/eTIS-CRR and the RAD-encoded collection information thru this channel of payment that was covered by the BTr JEV. In case of any discrepancy, undertake all the necessary actions to address the same.

d. Prepare the Report on Validated Collections for Booking in NO-RO Collection Books Thru BTR's Direct Crediting Facility (Annex "N") and submit the same to the RCD or RAD, as the case may be, for validation purposes.

3. The **RCD** shall:

a. Review the accuracy of the collection report thru the BTr direct crediting facility submitted by the concerned RDOs, based on the data encoded in the ITS-CBR/eTIS-CRR and the documents transmitted by the RAD and, in case of any discrepancy, return the same to the concerned RDOs for the appropriate actions thereon.

b. Prepare a written recommendation and transmit the same to the RFD, together with all copies of documents submitted by the concerned RDOs, for recording of collections in the RO-Collection Books.

c. Ensure that the revenue tax collections thru the BTr's Direct Crediting recorded by the RFD are reconciled with collections thru the BTr's Direct Crediting indicated in the submitted BIR Form No. 12.09 report of the concerned RDOs.

4. The **RFD** shall:

   a. Compare the collection data reflected in the RCD-recommended collection reports, together with the supporting documents submitted by the concerned RDOs, against that appearing in the RAD-transmitted documents. In case of any discrepancy, return to the RCD the collection reports for necessary actions thereon.

   b. Prepare the prescribed JEV for purposes of recording the tax collection thru this facility in the RO-Collection Books.

A.6. WITHHOLDING TAX PAYMENTS BY NATIONAL GOVERNMENT AGENCIES (NGAS) THROUGH ELECTRONIC TAX REMITTANCE ADVICE (eTRA) SYSTEM/MANUAL TRA

Under existing prescribed procedures, the DBM prepares the budget for the cash expenditures of the NGAs and for purposes thereof, a Notice of Cash Allocation (NCA) is being issued to these NGAs. However, the withholding tax component thereof in the NGAs' budget is not being released to the concerned NGAs. Instead of remitting the taxes withheld by the NGAs to the BIR in cash, the TRA scheme has been put in place. Under this payment scheme, the concerned NGAs merely accomplish the TRA form, whether in electronic or manual manner, and submits the same to the BIR as proof of payment of the withholding tax due declared in their tax returns. The NGAs subsequently submit to the DBM the prescribed report on the tax remittance made thru this payment scheme for recording and monitoring purposes by the latter office. In order to facilitate the issuance and monitoring of TRAs, all NGAs are mandated to use the eTRA System, via the eFPS facility, that has been developed by the BIR.

1. The **RAD** shall:

   a. Print the "Withholding Tax Collection Reports of NGAs thru eTRA" thru the eTRA System on a weekly basis.

   b. Validate each electronic TRA (eTRA) reflected in the said report against the collection reports submitted by the concerned RFDs and LTS offices, immediately after generation of the abovementioned eTRA collection report and coordinate immediately, in writing, any detected discrepancy thereon to the concerned RFDs and LTS offices, copy furnished the concerned RCDs and RDOs for the resolution thereof pursuant to RMO No. 30-2014.

   c. Prepare a consolidated report containing the valid eTRAs, excluding the TRAs that are included in the exception reports generated by the DWSOD,

and transmit the same to the BTr for purposes of recording the same in the BTr books of accounts as collection of the BIR.

d. Prepare the prescribed JEV for purposes of recording the collection of withholding taxes of NGAs falling under the jurisdiction of the concerned LTS offices in the NO-Collection Books.

e. Prepare a consolidated eTRA adjustment report based on the information/data transmitted by the Miscellaneous Operations Monitoring Division (MOMD), containing the eTRAs that were previously included in the DWSOD-issued exception reports but found to be valid TRAs after verification by all concerned revenue offices. The said adjustment report shall be transmitted to the BTr for purposes of recording in the BTr books of accounts as additional collection of the BIR.

f. Match the collection data of the RAD-CRRS, the recorded collection figures in the RO-Collection Books as reflected in the monthly subsidiary ledgers submitted by the RFDs, the BIR Form No. 12.09 submitted to the RSD, and the total collections per BTr records. Any discrepancy thereon shall be immediately coordinated with the concerned RDOs, RCDs and RFDs for the resolution thereof.

2. The **RDO, or concerned LTS office, in applicable cases**, shall:

a. Print the Withholding Tax Collection Report of National Government Agencies thru eTRA on a weekly basis, validate the accuracy thereof, and submit the validated report to the RAD or the concerned RCD, as the case may be, every Monday of the week.

b. Verify from the concerned NGAs falling under their respective jurisdiction the accuracy of the information reflected in the system-generated report bearing on erroneously issued eTRAs based on the exception reports transmitted by the DWSOD, pursuant to the provisions of RMO No. 30-2014.

c. View in the CRS facility to identify any discrepancy between the automatically uploaded or RDO-encoded collection information from this channel of payment, as the case may be, in the ITS-CBR/eTIS-CRR and the RAD-encoded collection information that was covered by the BTr JEV. In case of any discrepancy, undertake all the necessary actions to address the same.

d. Prepare and submit for approval by the authorized approving revenue official TRA Debit Memos (TRADMs) covering erroneously issued eTRAs.

e. Distribute the copies of the duly approved TRADMs to the concerned revenue offices and other concerned external government offices.

f. Reverse/amend the erroneous entries in the ITS-CBR/eTIS-CRR based on the duly approved TRADMs issued by the concerned approving officials.

g. Prepare and submit the report of adjustments on the erroneous entries committed by the concerned NGAs under their respective jurisdictions, together with copies of the duly approved TRADMs, to the RAD, concerned RCD and MOMD.

h. Perform the procedural requirements prescribed under RMO No. 16-2000, as amended by RMO No. 27-2001, for manually issued TRAs.

3. The **MOMD** shall:

a. Perform the procedural requirements for purposes of reviewing the validation procedures on the report of adjustments on the erroneous entries committed by the concerned NGAs under their respective jurisdictions, together with copies of the duly approved TRADMs, made by the concerned RDOs and LTS offices on erroneously issued eTRAs, pursuant to the provisions of RMO No. 30-2014. Any detected discrepancy shall be coordinated with the said concerned revenue offices for the necessary actions thereon pursuant to the same RMO.

b. Transmit the reviewed report of adjustments on the erroneous entries committed by the concerned NGAs under their respective jurisdictions, together with copies of the duly approved TRADMs, to the concerned RCDs and RAD, for review purposes prior to recording by the RFD in the RO-Collection Books and for booking to the BTr as additional collection of the BIR, respectively.

4. The **RCD** shall:

a. Validate the eTRA/manual TRA Report, together with the copies of the TRAs submitted by the concerned RDOs.

b. Forward the validated eTRA/manual TRA Report and other supporting documents, every Wednesday of the following week, to the RFD for recording of collections in the RO-Collection Books.

c. Review the RDO-submitted report on the results of verification on the accuracy of the information reflected in the system-generated report bearing on erroneously issued eTRAs. In case of any discrepancy, return the same to the concerned RDOs for necessary actions.

d. Prepare a written recommendation, and transmit the same to the RFD, together with all copies of documents submitted by the concerned RDOs, for recording of collections in the RO-Collection Books.

e. Ensure that the revenue tax collections thru TRAs recorded in the RFD are reconciled with collections through TRAs indicated in the submitted BIR Form No. 12.09 of the concerned RDOs.

5. The **RFD** shall:

   a. Prepare the BIR JEV based on the RCD-validated eTRA/manual TRA reports, including the adjustments thereto, to record the TRA collections in the RO-Collection Books. For manually issued TRAs, the recording thereof in the said books of accounts shall only be made if the RCD recommendation is accompanied by copy of the TRA duly stamped received by the concerned local BTr office.

   b. Submit to the RAD, every Thursday of the following week, the copies of the BIR JEVs, together with the pertinent supporting documents, for purposes of recording in the BTr Books of Accounts.

   c. Furnish the RAD and all the concerned RFDs, RCDs and RDOs with copies of JEVs, together with pertinent supporting documents, reflecting the adjustments in the collections from this payment facility.

A.7. SPECIAL ALLOTMENT RELEASE ORDER (SARO)

There are certain national government agencies (NGAs) and Government-Owned and Controlled Corporations (GOCCs) whose payments of the applicable taxes for some transactions are subsidized by the national government due to certain provisions of special laws and/or international agreements.

The availment of these tax subsidies are covered by the SAROs duly issued by the DBM upon written request by the implementing government agencies. Tax subsidy availments by GOCCs, however, are subject to prior approval by the Fiscal Incentives Review Board (FIRB) before the issuance of the SAROs by the DBM. The national government has been earmarking certain amount to cover these tax subsidies in the form of Tax Expenditure Fund (TEF) in the annual Government Appropriation Act (GAA).

The DBM-issued SAROs serve as the medium of tax payment to the BIR by the concerned NGAs and GOCCs. Before tax collections can be recognized by the BIR in its books of accounts, the payment transaction should be covered by the JEVs duly issued by the concerned NGAs and GOCCs as well as the corresponding JEVs duly issued by the BTr.

1. The **RAD** shall:

   a. Classify and segregate the BTr JEV and the supporting documents received from the BTr for purposes of recording in the NO and RO-Collection Books.

b. Transmit immediately to the concerned RDOs/LTS offices, copy furnished the concerned RCDs and RFDs, the BTr JEV and the supporting documents for purposes of validating the same from the tax returns filed by taxpayers falling under their jurisdictions and encoding the same in the ITS-CBR/eTIS-CRR, thru the Add BCS Screen Facility.

c. Check whether or not the validated collection reports from this channel of payment submitted by the concerned LTS offices has been correctly encoded in the ITS-CBR/eTIS-CRR. In case of any detected discrepancy, immediately return the same to the concerned LTS offices for the appropriate actions thereon.

d. Prepare the JEV, based on the validated collection reports submitted by the concerned LTS offices, for purposes of recording the tax collection in the NO-Collection Books.

e. Match the collection data of the RAD-CRRS, the recorded collection figures in the RO-Collection Books as reflected in the monthly subsidiary ledgers submitted by the RFDs, the BIR Form No. 12.09 submitted to the RSD, and the total collections per BTr records. Any discrepancy thereon shall be immediately coordinated with the concerned RDOs, RCDs and RFDs for the resolution thereof.

f. Update the List of SARO being maintained by the Office based on the BTr-transmitted copies of BTr JEV, SARO and other pertinent documents.

2. The **RDO, or the concerned LTS Office, in applicable cases,** shall:

a. Validate the accuracy of the RAD-transmitted BTr JEV and supporting documents against the tax returns filed by taxpayers falling under their jurisdictions. In case of any discrepancy, immediately coordinate with the concerned taxpayer under their jurisdiction for the appropriate actions thereon.

b. Encode in the ITS-CBR/eTIS-CRR, thru the Add BCS Screen facility, the validated collection data based on the SARO, BTr JEV and supporting documents.

c. View in the CRS facility to identify any discrepancy between the RDO-encoded collection information in the ITS-CBR/eTIS-CRR and the RAD-encoded collection information thru this channel of payment that was covered by the BTr JEV. In case of any discrepancy, undertake all the necessary actions to address the same.

d. Prepare the Report on Validated Collections for Booking in NO-RO Collection Books thru SARO (Annex "O") and submit the same to the

concerned RCD or RAD, as the case may be, together with supporting documents, for review purposes.

3. The **RCD** shall:

   a. Review the accuracy of the validated collection report submitted by the concerned RDOs, based in the ITS-CBR/eTIS-CRR and the documents transmitted by RAD and, in case of any discrepancy, return the same for the appropriate actions thereon.

   b. Prepare a written recommendation, and transmit the same to the RFD, together with all the copies of documents submitted by the concerned RDOs, for recording of collections in the RO-Collection Books.

   c. Ensure that the revenue tax collections thru the SARO recorded by the RFD are reconciled with collections thru the SARO indicated in the submitted BIR Form No. 12.09 report of the concerned RDOs.

4. The **RFD** shall:

   a. Compare the collection data reflected in the RCD-recommended collection reports, together with the supporting documents, submitted by the concerned RDOs against that appearing in the RAD-transmitted documents (i.e. BTr JEV, SARO, etc.). In case of discrepancy, return to the RCD the collection reports for necessary actions thereon.

   b. Prepare the prescribed JEV for purposes of recording the tax collection thru this facility in the RO-Collection Books.

B. ON THE SUBMISSION OF FINANCIAL REPORTS TO CONCERNED INTERNAL AND EXTERNAL OFFICES

After the reconciliation and recording procedures are complied with by the concerned revenue offices across all payment channels, the following reporting procedures shall be strictly observed:

1. The **RFD** shall:

   a. Generate thru the eNGAS facility, the required financial reports of the RO-Collection Books, on a monthly/quarterly/annual basis.

   b. Submit to the RAD and the COA Regional Auditor, the applicable financial reports prescribed in Policy J. of this Order.

2. The **RAD** shall:

   a. Generate thru the eNGAS facility, the required financial reports of the NO-Collection Books, on a monthly/quarterly/annual basis.

b. Consolidate the financial reports of the RO-Collection Books submitted by the RFDs, with that of the reports recorded in the NO-Collection Books.

c. Submit to Accounting Division the Consolidated Annual Financial Statements of Collection Books of the BIR NO and its 19 Revenue Regional Offices.

d. Submit to the COA-BIR Resident Auditor, DBM and the COA Government Accountancy Sector, the applicable financial reports prescribed in Policy J. of this Order.

V. TRANSITORY PROVISIONS

The provisions of this Order shall cover all tax collections, thru all payment channels, received by this Bureau upon effectivity hereof. However, the tax collections from January 1, 2016 to June, 2016 thru the AABs, Direct Crediting (ie., BSP checkless payment, PhilpaSS availed by non-large taxpayers, tax payments made by the BTr, NIA-CASECNAN and all other government agencies availing the direct crediting facility) and SAROs that were already reconciled, recorded and reported by the RAD shall be transferred to the concerned RFDs, through the corresponding JEVs, including the applicable supporting documents. Accordingly, the concerned RFDs shall prepare the corresponding JEVs to effect such transfer of recorded tax collections by the RAD.

VI. REPEALING CLAUSE

All existing revenue issuances or portions thereof inconsistent with the provisions of this Order are hereby repealed, modified and/or amended accordingly.

VII. EFFECTIVITY

This Order shall take effect on July 1, 2016.

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

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