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

October 19, 2020

REVENUE MEMORANDUM ORDER NO. 39-2020

SUBJECT : Policies, Guidelines and Procedures in the Processing of Applications for Voluntary Assessment and Payment Program Pursuant to Revenue Regulations (RR) No. 21-2020

I. OBJECTIVE

This Order is issued to prescribe the policies, guidelines and procedures in the processing of applications for the Voluntary Assessment and Payment Program (VAPP) pursuant to RR No. 21-2020.

II. POLICIES AND PROCEDURES

1. The Large Taxpayers (LT) Audit Divisions (LTAD)/LT Divisions (LTDs)/ Revenue District Offices (RDOs) shall receive and process the applications of taxpayers for availment of VAPP starting from the effectivity of RR No. 21-2020. For this purpose, a Technical Working Group (TWG) shall be created in the said offices to ensure that all applications are acted upon within the prescribed period.

2. The TWG shall be responsible in receiving and processing of the VAPP applications, including the issuance of Certificate of Availment (Annex "A"), in case of full compliance, or Denial Letter (Annex "B") in cases where the VAPP availment is disapproved based on the grounds provided under Sections 3, 7 and 8 of RR No. 21-2020.

3. The Systems Development Division (SDD) shall develop and deploy the Data Entry Module (DEM) to be used by the Document Processing Division (DPD). and Large Taxpayers Document Processing and Quality Assurance Division (LTDPQAD) to capture data on VAPP availments. Prior to its implementation, the SDD shall conduct briefing, thru the concerned Revenue Data Center, for the users of the DEM.

4. In processing the applications, the following procedures shall be observed:

   4.1 Keep a record of all applications received, whether filed personally or through courier service, with the following information:

a. Date Filed/Received
b. Name of Taxpayer
c. Taxpayer Identification Number (TIN)
d. Alphanumeric Tax Code (ATC)
e. Taxpayer Classification
f. Date of Payment
g. Amount Paid Per BIR Form 0622, (in case of additional payment per BIR Notice, indicate separately the said payment and the date)
h. Name of Revenue Officer assigned to evaluate the application
i. Status of the Application, whether approved or denied:

   If approved –
   - Certificate of Availment (CA) No.
   - Date Issued

   If Denied –

   - Date of Denial Letter (DL)
   - Reason for denial

j. For ONETT availments under Section 9.c

   - eCAR Number
   - Date Issued

Two separate records shall be maintained: (1) for VAPP availments under Section 9.a and 9.b, and (2) for applications under Section 9.c.

4.2 Provide the Chief, LT Office/Revenue District Officer, Attention: Chief, Assessment Section (CAS), with a list of availments on the next working day following the day of receipt, indicating the name of the taxpayer, TIN and ATC per BIR Form No. 2119 (VAPP Application Form) as basis for the suspension of audit covered by the VAPP application.

4.3 Ensure the completeness of the documentary requirements as enumerated in Section 5 of RR No. 21-2020.

4.4 Photocopy BIR Form No. 2119 and BIR Form No. 0622 (Payment Form) and distribute as follows:

a. Original – to be attached to the docket together with the attachments submitted by the taxpayer

b. Photocopy - to be forwarded to the concerned DPD or LTDPQAD, as the case may be, on or before the fifth (5th) day of the month following the month of receipt of availment for encoding in the DEM as soon as the same is made available

4.5 Based on the submitted documents, see to it that the required VAPP amount had been correctly computed and paid by the taxpayer.

4.6 Verify the validity of the payment per BIR Form No. 0622 in the Integrated Tax System (ITS)/Internal Revenue Integrated System (IRIS).

4.7 Within twenty (20) working days from receipt of the application, prepare a memorandum report recommending the approval of the application if the taxpayer has fully complied with the requirements/conditions of the VAPP.

4.8 If the review reveals deficiencies or defects in the availment, prepare and send a BIR Notice (Annex "C") to the concerned taxpayer through the email address provided in BIR Form No. 2119 within fifteen (15) working days from receipt of the application. The taxpayer must rectify the defects and/or comply with/pay the deficiencies within ten (10) working days from receipt of the notification/email. A printed copy of the emailed BIR Notice shall be attached to the docket of the VAPP application.

On the day following the lapse of the 10-day period, prepare a memorandum report recommending the disapproval of the application in case the taxpayer failed to act/submit the required documents/pay the additional VAPP amount per BIR Notice.

4.9 Transmit the docket on the VAPP application to the Assistant Chief, LT Office/Assistant Revenue District Officer (ARDO) for review.

5. The Assistant Chief, LT Office/ARDO shall review the VAPP application within five (5) working days from receipt of the docket.

6. Within 5 working days from receipt of the docket from the Assistant Chief LT Office/ARDO, the Chief, LT Office/Revenue District Officer shall act on the recommendation for approval/disapproval of the VAPP application.

7. If approved, the Chief, LT Office/Revenue District Officer shall cause the preparation of a CA, sign the CA and issue the same within three (3) working days from approval of the application. All the applicable taxes availed of by the taxpayer shall be indicated on the CA.

In case of denial of the application due to failure of the taxpayer to act on the aforesaid notification or in case of invalid availments, or falsified information, the Chief, LT Office/Revenue District Officer shall issue a DL within 3 working days from disapproval of the application.

8. For control purposes, all CA and DL shall be properly numbered containing twelve (12) alphanumeric characters defined as follows:

8.1 The first two (2) characters shall represent the type of communication issued to the taxpayer, whether CA or DL

8.2 The next 3 characters shall refer to the RDO number

8.3 The next 2 characters shall refer to the month of issuance CA or DL

8.4 The last 5 characters refer to the sequence number.

There shall be a separate sequence number for the CA and DL

To illustrate: First CA issued on October 2020 by RDO No. 28 – Novaliches

CA 028-10-00001

First DL issued on November 2020 by RDO No. 47 – East Makati

DL 047- 11-00001

Distribution of CA and DL:

Original	-	Taxpayer's copy
Duplicate	-	Attached to the docket on the VAPP application
Triplicate	-	Office file copy

For approved availments under Sec. 9.c, a quadruplicate copy of the CA shall be prepared for the One-time Transactions (ONETT) Team.

9. The TWG shall forward to the ONETT Team the docket containing the following:

9.1 BIR Form No. 2119;
9.2 BIR Form No. 0622;
9.3 Quadruplicate copy of CA; and
9.4 All the duly accomplished ONETT tax return(s) and corresponding documentary requirements

Within 5 working days from receipt, the ONETT Team shall issue/release the electronic Certificate Authorizing Registration (eCAR) to the concerned taxpayer. After release of the eCARs, the ONETT Team shall transmit the dockets to the Chief, LT Office/Revenue District Officer.

10. Based on the list of VAPP availments provided by the TWG, the Chief, LT Office/Revenue District Officer shall suspend the conduct of the audit of taxpayer whose availment is under evaluation. The TWG shall coordinate with the CAS regarding the approved/denied availments. The audit shall resume if the availment has been found invalid.

If the taxpayer's availment has been determined to be valid and after issuance of the CA, the CAS shall recommend to the Chief, LT Office/Revenue District Officer to withdraw and cancel the issued Letter of Authority (LA), Tax Verification Notice (TVN), Notice for Informal Conference/Notice of Discrepancy for pending cases.

11. The Chief, LT Office/Revenue District Officer shall submit the following reports, not later than the 5th day following the close of the month:

	Name of Report	Distribution of Report	
11.1	Monthly Report on Availments of Voluntary Assessment and Payment Program Filed	a. Assistant Commissioner (ACIR), Assessment Service (AS), Attention: Chief, Assessment Programs Division (APD) b. ACIR, Large Taxpayers Service (LTS)/ Concerned Regional Director (RD) c. Head Revenue Executive Assistant (HREA), LTS/ Chief, Assessment Division (AD) d. Office file copy	Annex "D"
11.2	Monthly Report on Certificates of Availment/Denial Letters Issued Pursuant to RR No. 21-2020	a. ACIR, AS, Attention: Chief, APD b. ACIR, LTS/Concerned RD c. HREA, LTS/Chief, AD d. Office file copy	Annex "E"
11.3	Monthly Report on Cancelled LAs and TVNs due to Approved Availments of VAPP	a. ACIR, AS, Attention: Chief, Assessment Performance Monitoring Division (APMD) b. ACIR, LTS/Concerned RD c. Office file copy	Annex "F"

To facilitate the consolidation of reports, the aforesaid signed monthly reports shall be scanned and submitted through email together with the softcopy prepared in Microsoft Excel format to apd@bir.gov.ph or apmd@bir.gov.ph, as the case may be.

12. The Chief, LT Office/Revenue District Officer shall transmit all dockets on the approved/denied VAPP applications to the Office of the HREA, LTS/Chief, AD not later than the fifteenth (15th) day of the month following the month of issuance of the CA/DL for post review.

13. The ACIR, LTS/Regional Director shall issue and sign the Authority to Cancel Assessment (ATCA) pursuant to Revenue Delegation Authority Order (RDAO) No. 6-2001 for FANs covered by approved VAPP availments with duly issued CAs within 10 working days from receipt of the Monthly Report on Certificates of Availment/Denial Letters Issued from the Chief, LT Office/Revenue District Officer.

14. After post review, the dockets of all applications for VAPP, whether approved or denied, shall be forwarded to the Records Management Division, for applications filed in the LT Audit Divisions in the National Office, or Administrative and Human Resource Management Division of the Regional Office, for applications filed in the RDOs, for safekeeping.

III. ADMINISTRATIVE SANCTIONS

Concerned personnel who have been found remiss in their responsibilities in ensuring compliance with the herein prescribed policies and procedures shall be imposed with the applicable administrative sanctions as provided for under existing Bureau of Internal Revenue Code of Conduct and Civil Service Rules.

IV. EFFECTIFITY

This Order shall take effect immediately.

(Original Signed)
CAESAR R. DULAY
Commissioner of Internal Revenue

I-1