Bringing In Revenues
for Nation-Building

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

BAGONG PILIPINAS

REVENUE MEMORANDUM ORDER NO. 004-2025

SUBJECT : Policies and Guidelines in the Reporting of Cannot be Located (CBL) Taxpayers and Procedures in Handling the Cases Pertaining Thereto

TO : All Internal Revenue Officials, Employees and All Others Concerned

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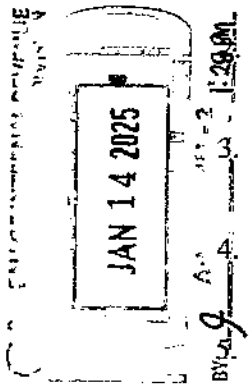
I. OBJECTIVES

This Order is issued to:

1. Provide a common understanding of a CBL Taxpayer;



2. Identify the acceptable documents that will support the report of the Revenue Officer (RO) that a particular taxpayer is a CBL Taxpayer;

3. Identify concerned offices that shall be responsible for the approval of the List of CBL taxpayers and those responsible for its publication through the official BIR website;

4. Provide the policies and procedures when published CBL taxpayers are found/located or have resurfaced;

5. Provide guidelines and procedures in the issuance of tax deficiency assessments to CBL taxpayers who have received a Letter of Authority (LOA) prior to being tagged as CBL;

6. Provide policies and procedures on reporting of dockets of CBL taxpayers with reported delinquent accounts; and

7. Prescribe the procedures for the tagging and un-tagging of the CBL status of these taxpayers in the Internal Revenue Integrated System – Tax Registration System (IRIS-TRS).

II. POLICIES AND PROCEDURES

A. CBL TAXPAYERS

The following taxpayers shall be considered as CBL Taxpayers after all possible means have been exhausted as provided in Item II.B(1) hereof:

1. Taxpayers registered with this Bureau who are not found in their registered addresses, who may or may not be filing the required tax returns; or

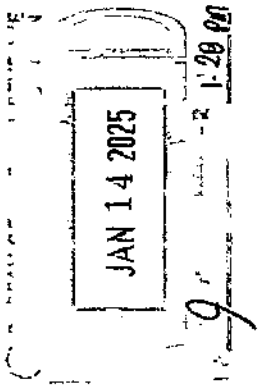
2. Taxpayers who are registered, but upon post-registration ocular inspection, their whereabouts could not be established, or whose indicated addresses are non-existent; or

3. Taxpayers whose registered address was found to be a "virtual office" and where no authorized person is available to receive any correspondences addressed to them.

   For the purposes of this Order, a "virtual office" shall mean a shared office utilized by different taxpayers.

B. REPORTING OF TAXPAYER AS CBL

1. In order to establish if a particular taxpayer is a CBL taxpayer, the concerned RO handling the case shall, after conducting the post-registration ocular inspection of its registered business address and/or failing to serve letters / correspondences and other notices, **exhaust all possible means available** to locate the taxpayer. These efforts to verify or confirm that the taxpayer is indeed a CBL taxpayer, shall include, but are not limited to the following:



   a. Collaboration with relevant government agencies / instrumentalities, public service-oriented entities, suppliers, purchasers and other businesses possibly connected with the taxpayer.

   b. Verification of social media platforms such as Facebook, Instagram, streaming media and the like must be resorted to, in getting information on the possible whereabouts of the taxpayer.

   c. Sending correspondences or notices to the taxpayer's registered electronic mail address or to its authorized tax agent on record, if any.

   d. Analysis of Summary List of Purchases/Sales pertaining to the concerned taxpayer and random checks with any of their suppliers or customers to determine the whereabouts of the taxpayer.

   e. Coordination with the Revenue District Office (RDO) having jurisdiction over the head office of the taxpayer must be made in case the taxpayer is registered as a "branch" to obtain latest information on the branch location or possible service of notices through the head office of the said branch.

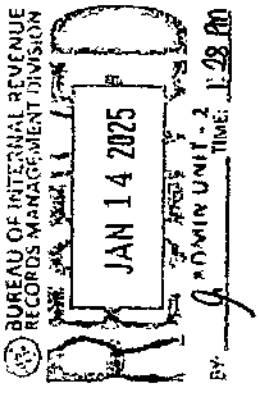
   f. Sending correspondences or notices to the accountable officers in case the taxpayer is a corporation pursuant to Section 30 of the Corporation Code, as amended.

   g. Sending correspondences or notices to the Certified Public Accountant indicated in the financial statement (current or previous years) filed with the Securities and Exchange Commission (SEC).

If the handling RO found the taxpayer or there is an acknowledgement of the sent correspondences, advise the taxpayer to update their registration details, particularly the registered address.

2. In case the aforementioned undertakings did not provide favorable results, the following procedures shall be implemented:

   a. Obtain a certification from at least two (2) of any of the following government offices/agencies (one per office/agency) to support or confirm the **non-existence / non-compliance / inactive status of the taxpayer:**



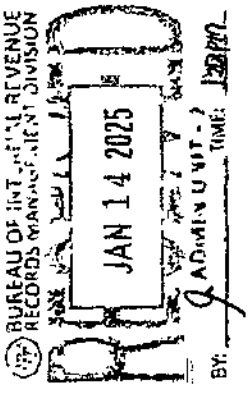
Name of Agency	Requirement
Municipal / City Government Business Permit / Licensing Office	A Certification that the particular person did not renew its business registration and that the latest record of its business/residential address is the same as the registered addressed provided with the BIR
Municipal / City /Provincial Assessor's Office	Certificate that the concerned person has no Property Holdings or Certificate of Property Holdings
Securities and Exchange Commission (SEC)	Certificate that the concerned corporation did not file Latest General Information Sheet and Audited Financial Statement
Registry of Deeds	List of Real Properties, including the known address of the concerned person
Department of Trade and Industry (DTI)	Certificate of Non-Renewal of Business Registration as well as the Latest Known Address per their record
Social Security System (SSS)	Certificate that the person has no record of any contribution to SSS, as self-employed or as employer
Commission on Election (COMELEC)	Certificate that it has no record of the particular person as Voter
Philippine Health Insurance Corporation (PHIC)	Certificate that the concerned party has no record of Philhealth Contributions
Philippine Statistics Authority (PSA)	Death Certificate (for individual)
Insurance Commission (IC)	Certificate of Non-Compliance in the submission of required reports, including the latest known address of the concerned person
Home Development Mutual Fund (PAG-IBIG)	Certificate that the concerned party has no record of PAGIBIG Contributions
Department of Labor and Employment (DOLE)	Certificate of Non-Compliance in the submission of required reports, including the latest known address of the concerned person
Bangko Sentral ng Pilipinas (BSP)	Certificate of Non-Compliance in the submission of required reports, including the latest known address of the concerned person
Land Transportation Office (LTO)	Certificate that the concerned person has no records as owner of vehicle or as driver Licensee

b. Obtain at least one (1) document certifying the non-existence of a CBL taxpayer from other well-established and credible offices, organizations, institutions, establishments and business entities connected with the entrepreneurial or personal activities of the taxpayer such as, but not limited to:

- Manila Electric Company (MERALCO) or other Electric Companies
- Philippine Long Distance Telephone Company (PLDT) or other telecommunications companies / Internet Service Providers
- Water Utilities Companies
- Homeowner's Association, Cooperatives, Recreational Clubs, etc.

For social media platforms such as Facebook, Instagram, streaming media and the like, a screenshot of taxpayer's business address or photo of the business location or map posted in an online advertisement found to be non-existent or fictitious upon ocular inspection.

Other sources of information can be taken from the Barangay or from a third-party source who was formerly transacting business with the taxpayer but lost contact due to the absence of the taxpayer in its original place of business (e.g., Affidavit, written Complaint, etc.).



c. The above information shall be included in the memorandum report referred to in Item II.B.2(e) hereof.

d. If the taxpayer is subject of audit, the RO assigned to the case shall secure a list of assets/properties of the CBL taxpayer, if any, from the Provincial/ Municipal/City Assessor's Office or from the Registry of Deeds which has jurisdiction over the properties located within the concerned RDO in accordance with Revenue Memorandum Order (RMO) No. 26-2010 requiring the RO conducting audit to submit "List of Assets" (Annex A).

e. Within sixty (60) days from the date of ocular inspection, or from the last attempt to serve correspondences/notices which resulted to failure, the concerned ROs and GS shall submit a Memorandum Report (Annex B) together with their Joint Sworn Affidavit (Annex B.1), establishing the status of the taxpayer as CBL, to the Head of Office for approval, through the immediate supervisor, together with the supporting documents and the list of assets/properties, if any.

f. The Head of Office shall approve/disapprove the Memorandum Report submitted by the concerned RO within two (2) days from receipt thereof.

Non-compliance/erroneous/falsification of the documentary proofs to establish the CBL status of the taxpayer shall be a ground for the imposition of administrative sanction against the erring ROs.

3. Upon approval of the RO's Memorandum Report (Annex B), the handling RO/GS/concerned Revenue Official shall undertake the following actions should

the taxpayer's CBL status has transpired during the service of LOA or conduct of audit/investigation:

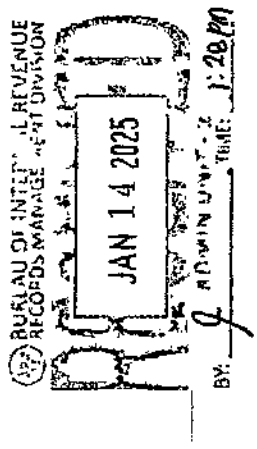
a. If the LOA was not served, update the case status in either electronic Letter of Authority Monitoring System (eLAMS) or Internal Revenue Integrated System – Case Management System – Audit (IRIS-CMS-A), whichever is applicable, following the procedures below:

   a.1 LOA was issued in eLAMS - encode the term "CBL" in the "Remarks" column; and

   a.2 LOA was issued in IRIS-CMS-A - click the "Case Status" tab then click the "Suspend Case" tab and select "CBL" as the reason for suspending the case.

   To temporarily remove the case from the inventory of the handling RO/Group Supervisor (GS), a request for data fix in IRIS-CMS-A shall be logged in the Service Desk followed by an approved Data Fix Request Form for submission to Administrative Systems Division (ASD). The latter shall "end date" the assignment of the case to the RO/GS.

   The duly approved Memorandum Report by the Head of Office must be attached to the Data Fix Request Form.



b. The handling RO shall prepare a list of these unserved LOA for safekeeping and have it received by the CMS Officer/designated custodian for future reference.

c. In case the LOA was served, the handling RO/GS shall prepare the necessary report of investigation and Notice of Discrepancy/Details of Discrepancies (NOD/DOD) in order to establish a report on the taxpayer's deficiency of any internal revenue taxes. If service of notices requesting for the presentation of accounting records/documents has not been served due to the taxpayer being classified as CBL, the report of investigation and NOD/DOD shall be based on available documents or best evidence obtainable (BEO) rule. Relative thereto, the issuance of a Subpoena Duces Tecum (SDT) shall not be required to justify the tax assessment based on BEO rule. The Head of Investigating Office shall subsequently endorse the case to the Reviewing Office for issuance of a Preliminary Assessment Notice (PAN).

4. The Reviewing Office shall review the report and proposed tax assessment and cause the issuance of PAN. Thereafter, the case status in eLAMS or IRIS, whichever is applicable, following the procedures under B.3.a.1/a.2, must be updated, before forwarding the case dockets to the Records Management Division (RMD) for National Office cases or to the Administrative and Human Resource Management Division (AHRMD) for regional cases, for safekeeping. This shall be covered by a Transmittal Letter. All unserved notices shall form part of the case docket and shall be served simultaneously when the taxpayer resurfaced.

5. The approved Memorandum Reports (Annex B) submitted by the ROs shall be consolidated to come up with the Report on CBL Taxpayers (Annex C), which shall be approved by the herein indicated Revenue Officials:

Scenarios for Identifying CBL Taxpayers	Preparation of the "Report on CBL Taxpayer" Annex C	Approval of the "Report on CBL Taxpayers"
Taxpayers with unserved LOA/ Notice of Discrepancy/ Preliminary Assessment Notice/ Final Assessment Notice and other notices related to audit/investigation, and Taxpayers not found in the registered address upon conduct of post-registration/ ocular inspection or those with unserved tax compliance verification. Taxpayers found to be using a Virtual Office address **and** have no authorized person available to receive BIR correspondences and notices. Taxpayers with unserved Collection Letter/Warrants of Distraint and/or Levy (WDL) who have not been previously reported and published as CBL	Assistant Revenue District Officer (ARDO)/Assistant Division Chiefs (ADC) of Assessment Division (AD), Collection Division (CD), National Investigation Division (NID), Regional Investigation Division (RID), Large Taxpayer Collection Enforcement Division (LTCED), Accounts Receivable Monitoring Division (ARMD), Large Taxpayer Division (LTD)-Cebu, Large Taxpayer Division -Davao, Regular/Excise Large Taxpayer (LT) Audit Divisions, Chief of Large Taxpayers VAT Audit Unit (LTVAU)	Revenue District Officer / Division Chief (DC) / Head of Office, as the case may be

BUREAU OF INTERNAL REVENUE
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6. The approved Report on CBL Taxpayers (Annex C) shall be duly notarized by a notary public and shall be submitted to the office of the respective Assistant Regional Director (ARD)/Head Revenue Executive Assistant (HREA) on or before the 10th day following the month it was reported as CBL.

   Copies of the approved Report on CBL Taxpayers (Annex C) of ARMD and NID shall be submitted to the concerned regional offices which have jurisdiction over the CBL taxpayers. However, in the case of CBL taxpayers identified/reported by LTCED, LTD-Cebu, LTD-Davao and Regular/Excise LT Audit Division, LTVAU, the same shall be submitted to the respective HREA.

7. The ARD for Regional Offices or the concerned HREA for LTS shall appoint personnel to validate and countercheck the veracity of the information stated in the Report on CBL Taxpayers (Annex C) as against the Bureau's registration system. The taxpayer's registration information in the report should match with the taxpayer's registration information found in the Bureau's database.

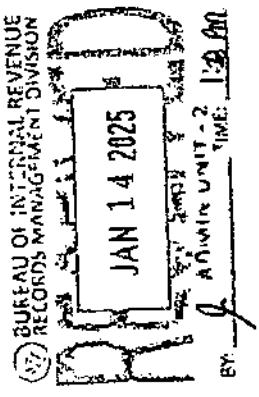
8. The ARD/concerned HREA-LTS shall prepare the Consolidated List of CBL Taxpayers (Annex D) culled from the Reports on CBL Taxpayers (Annex C) submitted by RDOs/DCs. The same shall be forwarded to the concerned Regional Director/ACIR – LTS for approval.

9. The hard and soft copies of the Annex D, together with the original copies of the duly notarized report (Annex C), shall be submitted by ARD / concerned LTS

HREA within twenty (20) working days from the close of each month to the Assessment Service (AS), Attention: Audit Information Tax Exemptions and Incentives Division (AITEID), for uploading in the BIR Website (www.bir.gov.ph). Copies of Annexes C and D shall be furnished to the Chief, Client Support Section of the RDO (CSS-RDO), Chief, Large Taxpayer Assistance Division (LTAD) for regular large taxpayers and Chief, Excise Large Taxpayer Regulatory Division (ELTRD) for excise large taxpayers.

C. PUBLICATION OF LIST OF CBL TAXPAYERS AND TAGGING OF "CBL" STATUS IN THE REGISTRATION DATABASE

1. AITEID shall upload to the BIR Website the submitted consolidated list from the Regional Offices/Office of the concerned HREA of the LTS within five (5) days from receipt thereof. Upon uploading to the BIR Website, AITEID will inform, thru a memorandum, all offices concerned of the date of publication of the subject CBL taxpayers.



2. After publication/posting to the BIR Website, the AITEID shall request, through a memorandum, copy furnished the ACIR of the Client Support Service (CSS), the ASD for the mass tagging of CBL taxpayers in the IRIS-Tax Registration System (IRIS-TRS). The soft copy of the list of published/uploaded CBL taxpayers, shall be consolidated and forwarded by AITEID, to the ASD.

3. The ASD shall perform the mass tagging of the CBL taxpayers in IRIS-TRS based on the consolidated list forwarded by AITEID, within five (5) working days from the date of the receipt of request. After completion of the request, the ASD shall inform AITEID through a memorandum, copy furnished ACIR-CSS and ACIR AS.

4. The CSS through the Internal Communications Division (ICD), shall issue an "ADVISORY" on the newly published list of taxpayers tagged as "CBL", together with the instruction on what the taxpayer should do if they see their names in the list.

D. SAFEKEEPING OF UNSERVED CORRESPONDENCES/ RELEVANT CASE DOCKET (AUDIT/COLLECTION CASE)

1. A copy of the notarized "Annex C" report shall be kept in the custody of the Office of the ARD and concerned HREA of LTS for future reference.

2. All notices and correspondences relative to audit, except unserved LOA, [e.g., First/Final Notice for presentation of records/books, SDT, NOD/DOD, PAN, Formal Letter of Demand/Final Assessment Notice (FLD/FAN), Final Decision on Disputed Assessments (FDDA), and other relevant letters/correspondences] must be attached to the case docket and the same shall be forwarded to the RMD/AHRMD, for safekeeping and future reference. Unserved LOA must be kept by the investigating office's designated custodian or CMS-A Officer for easy retrieval once the taxpayer resurfaced.

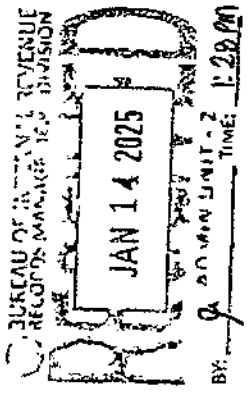
3. Likewise, unserved collection notices and other relevant correspondences must be attached first to the case docket by the office enforcing the collection remedies

before it can be forwarded to the RMD/AHRMD, as the case may be, for safekeeping.

4. A CBL docket may contain any of the unserved notices, and any of the documents mentioned under Item II.B 2 (a and b) hereof that will prove the non-existence of the taxpayer's whereabouts.

5. Identified custodians shall maintain an excel file record of all notices/correspondences and provide a separate and secured area/rack for all CBL dockets under their respective possession, for easy retrieval upon resurfacing of the taxpayer tagged as CBL.

E. **POLICIES AND PROCEDURES ON DOCKETS OF CBL TAXPAYERS WITH DELINQUENT ACCOUNTS** - For docket of CBL taxpayers that are already reported as Accounts Receivable/ Delinquent Accounts (AR/DA), the following shall be observed:



1. In case of execution of summary remedies, the CD/ARMD/LTCED/LTD-Cebu/LTD-Davao shall conduct validation on the non-existence of the taxpayers' whereabouts and secure documents (certifications and other substantiation) to support its non-existence. If it yielded a negative result, regardless of whether the same has been published or not, it shall be recommended as a "Suspense Account" to be classified as "11-F-A", as prescribed under Section IV No. 7f and Section V No. 8a per Annex E of RMO No. 11-2014, as amended, provided that the CBL taxpayer has no distrainable or leviable property.

2. Approved CBL dockets under CD/ARMD/LTCED/LTD-Cebu/LTD-Davao shall remain in the custody of these offices through their respective identified custodian. Likewise, the cases under these CBL dockets shall remain in the AR/DA Inventory List Report of the aforementioned offices for continuous monitoring and validation.

3. All CBL dockets published and tagged as "11-F-A" shall be recommended for write-off, **provided** that the validation on the existence of the taxpayer's whereabouts and securing of documents (certification and other substantiation) to support the non-existence of the taxpayers are completed and have yielded negative results for three (3) consecutive rounds. The interval for validation must be for a minimum of twelve (12) months.

   To illustrate:

   The docket was reported as AR/DA on April 1, 2019, and validation as to its existence and whereabouts are as follows:

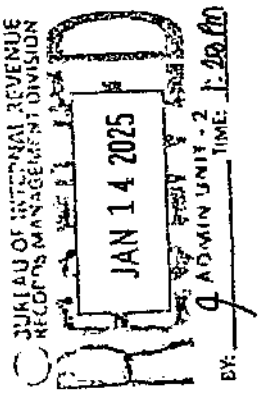
Round	Date of Validation	Result of Validation	Count
1st	October 5, 2019	Negative	0
2nd	November 10, 2020	Negative	1
3rd	May 5, 2021	Negative	0
4th	August 5, 2022	Negative	1
5th	September 8, 2023	Negative	1

6th	October 10, 2023	Negative	0

In the scenario provided, the first round was not considered because it was the outcome of the initial check, which would serve as the basis for the subsequent validations. The second round was considered as it had passed the minimum 12 months interval since the previous validation. However, the third round was conducted within a period shorter than 12 months thus, not counted. The fourth and fifth validations are counted as they met the criteria of a minimum 12-month interval between validations. Given that there were three rounds of checking that resulted in negative outcomes, the CBL account is now eligible for write-off.

Round	Remarks
1st	Initial check/validation
2nd	Conducted more than 13 months after the initial validation
3rd	Conducted less than 6 months after the last validation
4th	There had been 15 months after the last validation
5th	There had been 13 months after the last validation
6th	Only more than 1 month from the last validation

Moreover, a corresponding Authority to Cancel Assessment (ATCA) shall be issued pursuant to RMO No. 33-2018, as amended, upon approval of the recommendation for write-off and completion of the above-required validation.



The physical dockets of CBL accounts approved for write-off with issued ATCA shall be forwarded to the RMD/AIIRMD for safekeeping for another seven (7) years subject to existing policies provided by RMO No. 17-2023.

In the event that the delinquent CBL taxpayer resurfaced at the CD, the Officer of the Day (OD) shall verify from the Masterlist of CBL Taxpayers uploaded in the BIR Website which office reported the taxpayer as CBL. If the taxpayer was reported as CBL by the assisting CD, the OD shall require the resurfaced taxpayer or the authorized officer to execute the Affidavit of Undertaking (Annex "E") for Individual/Non- Individual, whichever is applicable, to settle the tax liability. Subsequently, the OD shall accomplish the Annex F and indorse the delinquent CBL taxpayer to the concerned RDO for un-tagging and updating the registration details. On the other hand, if the resurfaced taxpayer was reported as CBL by CD from another Revenue Region/Investigating Office, the same shall be indorsed to the reporting BIR Office using Annex "F".

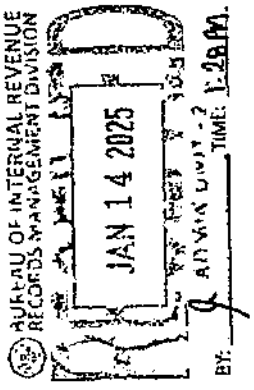
Thereafter, and upon receipt of a copy of the Report of Resurfaced CBL Taxpayers (Annex "H"), the previously issued ATCA shall be revoked by the concerned office which issued the ATCA, if applicable. Nonetheless, the collection office concerned who has the current jurisdiction on the resurfaced CBL taxpayer shall continue the collection summary remedies.

No AR/DA dockets shall be reported as CBL without the review and approval of the Authorized Officer nor shall an ATCA be issued without duly approved recommendation for write-off. Accordingly, the collection office concerned shall ensure that dockets recommended and approved for write-off are microfilmed and a copy of the same be retained for future reference.

F. IMPACT OF TAGGING A PARTICULAR TAXPAYER AS "CBL"

1. The period of limitation upon assessment and collection under Sections 203 and 222 of the National Internal Revenue Code (NIRC) of 1997, as amended, shall be suspended from the date the Memorandum Report (Annex B) of the RO declaring the taxpayer as CBL has been approved by the concerned Head of Office, being one of the situations wherein the Commissioner is prohibited from making the assessment or beginning distraint or levy or a proceeding in court. The running of the statute of limitations shall resume upon the service of any previously unserved correspondence/notice.

2. Notwithstanding the suspension of the period of limitation for assessment and collection upon approval of the Memorandum Report, the concerned Head of Investigating Office is required to issue NOD/DOD to document the taxpayer's deficiency in any internal revenue tax. The NOD/DOD shall be prepared based on available documents or BEO rule, in cases where the notices requesting the presentation of accounting records and documents have not been served due to the taxpayer being classified as CBL. The issuance of SDT shall not be necessary to justify the assessment based on BEO. The taxpayer's right to a Discussion of Discrepancy as indicated in the NOD shall be forfeited, and the PAN shall be issued, accordingly.



3. The List of CBL Individual Taxpayers per published Consolidated List of CBL Taxpayers (Annex D) shall be provided by the ARD / ACIR-CS/LTS to the DTI, National Bureau of Investigation (NBI), Philippine National Police (PNP) and Bureau of Immigration (BI), together with a letter requesting these agencies to alert the BIR in case the listed taxpayer is securing clearance from their respective offices. On the other hand, the list of CBL Non-Individual Taxpayers shall be provided to SEC/Cooperative Development Authority for purposes also of alerting the BIR in case the listed names have transactions with them.

4. Any BIR office processing various application of taxpayers, such as but not limited to Registration of Books of Accounts, Application for Authority to Print (ATP) Invoices, Application for Permit to use CRM/POS/SPM and other invoice generation machine, Application for Permit to Use Loose Leaf, Registration of Computerized Accounting System and/or its components, including Electronic Storage System (ESS), Middleware and Other Similar Systems, Updating of Taxpayer Registration Information Record, Application for Authority to Release Imported Goods, Application for Tax Clearance and electronic Certificate Authorizing Registration (eCAR), shall include in their procedure the verification if the applicant is among those tagged as CBL. In this case, the number of days to process / deliver the aforesaid frontline services, as mandated under existing revenue issuances in accordance with RA No. 11032 "An Act Promoting Ease of Doing Business and Efficient Delivery of Government Services," shall not apply. The aforesaid frontline services shall include a note in its steps and processes that the total processing time in the BIR Citizen's Charter shall not apply to applicants with CBL status.

5. ROs handling audit or refund cases must verify from the published list of CBL taxpayers if there are expenses/input taxes being claimed by the auditee-taxpayer arising from transactions with CBL taxpayers.

   Purchases made from a published CBL taxpayer shall not be allowed as deductions for Income Tax purposes, and if the transaction is with Value Added Tax component, the same cannot be claimed as input tax, unless the buyer can prove the existence of the supplier tagged as CBL by the BIR and the authenticity of purchases made. The RO handling the audit case of the buyer shall report it to the RDO which declared the particular taxpayer as CBL.

G. REAPPEARANCE OF TAXPAYERS TAGGED AS "CBL"

1. In case a CBL taxpayer has resurfaced/reappeared in any of the BIR district offices or has been endorsed by the concerned Regional Collection Division, the RO-OD of the assisting RDO shall observe the following procedures:

   a. Verify from the Masterlist of CBL Taxpayers uploaded in the BIR Website which the BIR office reported the taxpayer as CBL.

   b. After verification, if the taxpayer was reported as CBL by another office (e.g., other RDO, CD, ARMD, NID, Offices under LTS), the said OD shall accomplish the indorsement form (Annex F) and advise the resurfaced taxpayer to: (i.) proceed to the BIR office which reported the said taxpayer as CBL (which shall continue the procedures hereof); and (ii.) submit to such office the official indorsement from the assisting RDO.

   If reported by the assisting RDO, the OD shall retrieve the docket of the CBL taxpayer from the concerned RMD/AHRMD or from the office which reported the taxpayer as CBL, to determine the pending issues that should be resolved.

   c. Upon retrieval of the docket, the OD shall refer the resurfaced taxpayer to the concerned section/office based on the reason why the said taxpayer was tagged as CBL:

Reason for Tagging	Refer to:
Not found in the registered address upon post-registration ocular inspection	The Chief, CSS-RDO
Sent notices regarding stop-filer cases and submission of reports returned to sender for the reason that the address is unknown	Compliance Section - RDO/concerned office under LTS
Unserved LOA and other correspondences related to audit	Assessment Section -RDO / concerned office under LTS / NID
Unserved correspondences related to collection enforcement (WDL, WG, Collection Letters, etc.)	ARMD, CD, LTCED, LTDO Cebu and Davao

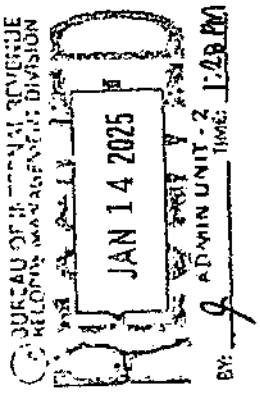
d. The assigned RO of the concerned offices/sections identified under Item G.1.c shall perform the necessary procedures applicable to the case, such as but not limited to:

i. Require the CBL taxpayer to accomplish a registration update form; or

ii. Inform the CBL taxpayer of un-filed tax returns for compliance/updating; or

iii. Serve the unserved notices relative to audit and advise resurfaced taxpayer on what to do.

If the RO is in the process of preparing an audit report, PAN or FLD/FAN with the assessment based on the BEO rule or the best available document, the CBL taxpayer who resurfaced shall be served with all the unserved notices and proceed with the necessary course of action pursuant to existing issuances regarding policies and guidelines for assessment and collection.



In case an FLD/FAN has already been issued, it shall be served and explained to the taxpayer. The taxpayer shall be informed of its right to contest the same within ten (10) days from date of receipt if it is not amenable to the assessment. Likewise, the taxpayer shall be informed that the prescriptive period to assess was suspended from the date the taxpayer was reported and approved as CBL and shall be lifted upon the service of such notice.

iv. Update the notices relative to collection enforcement and serve the same to the resurfaced taxpayer, continue the enforcement of collection summary remedies and inform the resurfaced taxpayer of remedies available for the settlement of the tax liabilities.

e. The assigned RO shall prepare a Memorandum Report (Annex G), which shall be supported by any of the applicable documents listed below to corroborate the recommendation to un-tag the taxpayer as CBL:

i. Updated registration details and/or payment of tax liabilities; or

ii. Documents showing the settlement of tax liabilities and completion of other requirements, if any; or

iii. Waiver of Prescription in case taxpayer requested for compromise settlement, installment payment; or

iv. Agreement Form signed by the resurfaced taxpayer indicating the willingness to pay the assessed tax; and other pertinent documents.

The aforementioned Memorandum Report shall be submitted to the Head of Office for approval.

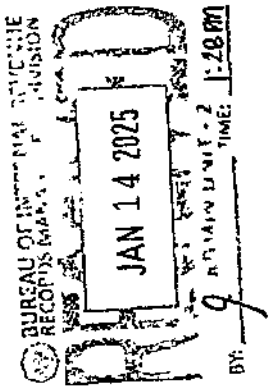
In case of continuation of audit, the assigned RO may also recommend for the un-tagging of the CBL status of the taxpayer in IRIS-TRS and in the CBL System without prejudice, however, to the deficiency taxes of the subject taxpayer that may arise from the evaluation of the pending CBL case. In such case, the RO shall submit, instead of item (ii) above, a report/update on the audit conducted.

2. The duly approved Memorandum Report (Annex G) of the assigned RO shall be given to the Chief, CSS-RDO, Chief, LTAD for Regular LT taxpayers and Chief, ELTRD for Excise LT taxpayers for un-tagging of the CBL status of the taxpayer in IRIS-TRS.

3. In case of continuation of audit, the following procedures shall apply:

   a. For LOA issued in eLAMS – The Head/Assistant Head of Office shall remove "CBL" from the REMARKS column and follow the existing rules and regulations for continuation of audit.

   b. For LOA issued in IRIS-CMS –



      i. If LOA was unserved - The Head/Assistant Head of Office shall lift the suspension of the case status, and assign the case to the original RO/GS. Should any of the RO/GS is no longer with the Investigating Office, cause the cancellation of the previous LOA and replace it to re-assign the case to another RO/GS.

      ii. If the LOA was served - The handling RO shall retrieve the case docket from the RMD/AHRMD, whichever is applicable, and shall request for a data fix in the IRIS-CMS-A from the ASD. The latter shall manage the assignment of the case to a RO/GS-Reviewer for the latter to be able to manage the case, including the initiation of the lifting of the suspension of the case for the approval of the Chief of the Reviewing Office.

4. Based on the approved report of the assigned RO, the RDO/DC of the resurfaced CBL taxpayer shall immediately accomplish the Report of Resurfaced CBL Taxpayer (Annex H) to be submitted to AITEID thru email address aiteid@bir.gov.ph for posting by the latter to the BIR Website and updating of the same in the CBL System.

5. In order to un-tag the taxpayer as "CBL", the Chief, CSS-RDO, Chief, LTAD for Regular LT taxpayers and Chief, ELTRD for Excise LT taxpayers shall open the IRIS-TRS Taxpayer's Information module, enter the TIN of the taxpayer, un-tick the box allotted for CBL and delete the information previously encoded per CBL Source, Period Covered and Date Published.

III. ADMINISTRATIVE SANCTIONS

If irregularities in the registration process are discovered, resulting in the taxpayer being tagged as CBL, the concerned ROs/officials involved shall be subject to appropriate sanctions pursuant to the Revised Code of Conduct for the Bureau of Internal Revenue Officials and Employees.

The BIR shall also pursue other legal remedies provided by law and existing issuances against CBL taxpayers, as may be warranted.

IV. TRANSITORY PROVISIONS

A. **Cases which are in the hands of handling ROs where taxpayers could not be located** – Handling ROs shall follow the prescribed provisions indicated hereof from reporting as CBL, assessments, if applicable, safekeeping and required actions upon re-surface of the concerned taxpayers.

B. **Cases under the custody of different offices where involved taxpayers are already published as CBL** – Concerned RO and offices which have CBL case dockets under their custody shall prepare the list of these CBL case dockets and transmit the same to the identified docket custodian in this Order.

V. REPEALING CLAUSE

Revenue Memorandum Circular No. 98-2010 dated December 8, 2010 and all other revenue issuances and/or portions thereof inconsistent with the provisions of this Order are hereby repealed, modified or amended accordingly.

VI. EFFECTIVITY

All provisions of this Order shall take effect immediately.

ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue

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JAN 14 2025
ADMIN UNIT - 2
TIME: 1:28 PM
BY: