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

December 1, 2020

REVENUE MEMORANDUM ORDER NO. 42-2020

SUBJECT: Prescribing the Guidelines in the Submission of the Monthly Report on Issuance/Denial of Tax Exemption of Cooperatives Pursuant to Republic Act No. 9520 and Non-Stock, Non-Profit Associations/Organizations under Section 30 of the National Internal Revenue Code of 1997, as Amended.

TO : All Internal Revenue Officers and Others Concerned.

I. OBJECTIVES

This Order is issued to monitor the issuance of Certificate of Tax Exemption (CTE) to qualified cooperatives and non-stock, non-profit organizations/associations enjoying tax exemptions pursuant to Republic Act (RA) No. 9520 and Section 30 of the National Internal Revenue Code (NIRC) of 1997, as amended, respectively.

II. COVERAGE

Submission of reports for all issued CTEs to cooperatives beginning January 1, 2018, the effectivity of TRAIN Law pursuant to Section 5(B) of the NIRC, as amended by Republic Act (RA) No. 10963, otherwise known as the "TRAIN Law", requiring the CDA to submit a tax incentive report of cooperatives enjoying tax incentives for the inclusion in the database created under Republic Act No. 10708, otherwise known as "The Tax Incentives Management and Transparency Act (TIMTA)",

Submission of reports for all CTEs issued to Non-Stock, Non-Profit Organization/Association by the Regional Offices beginning July 24, 2019, the date of issuance of Revenue Memorandum Order No. 38-2019.

III. GUIDELINES

1. All Regional Director shall submit, on or before the 15th day of the following month, the following reports:

   A. Monthly Summary Report of Certificate of Tax Exemption Issued for Cooperatives (Annex A)

      i. Hard copy together with copies of CTE to the Assistant Commissioner, Legal Service; and
      ii. Soft copy to the Audit Information Tax Exemption and Incentives Division through aiteid@bir.gov.ph copy furnished the Legal Service (faith.farochilen@bir.gov.ph) and the Law and Legislative Division (juanito.balbastre@bir.gov.ph).

B. Monthly Summary Report of Certificate of Tax Exemption Issued for Non-Stock, Non-Profit Organization/Association (Annex B)

   i. Hard copy together with copies of CTE to the Assistant Commissioner, Legal Service; and
   ii. Soft copy to the Legal Service (faith.farochilen@bir.gov.ph) and the Law and Legislative Division (juanito.balbastre@bir.gov.ph).

C. Monthly Summary Report of Denied Tax Exemption Applications for Non-Stock, Non-Profit Organization/Association (Annex C)

   i. Hard copy together with copies of Rulings issued by the Region denying the application to the Assistant Commissioner, Legal Service; and
   ii. Soft copy to the Legal Service (faith.farochilen@bir.gov.ph) and the Law and Legislative Division (juanito.balbastre@bir.gov.ph).

IV. SANCTIONS

Non-compliance with the prescribed deadlines on the submission of reports is considered violation of office rules and regulations subject to penalty defined in the Revised Code of Conduct as implemented by Revenue Memorandum Order (RMO) No. 53-2010.

V. REPEALING CLAUSE

All other issuances and/or portions thereof inconsistent herewith are hereby amended or modified accordingly.

VI. EFFECTIVITY

This Order takes effect immediately.

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

K-1