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

June 25, 2010

**REVENUE MEMORANDUM ORDER NO. 58-2010**

**To** : All Deputy Commissioners (DCIRs), Assistant Commissioners – Large Taxpayers Service (LTS) for Regular and Excise, LT National Office Division Chiefs, LT District Officers and Others Concerned

**Subject** : CY 2010 Key Performance Indicators (KPIs) for the LTS

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## I. OBJECTIVES

This Order is issued to:

1. Prescribe and provide details on the CY 2010 Large Taxpayers Service (LTS) – Regular and Excise, together with the Offices under the same (e.g., LT National Office Divisions and LT District Offices) Performance Measures by indicating the Priority Programs, KPIs, Program Weights, KPI Weights, Targets, as well as the Office(s) responsible to implement and monitor each Priority Program; (Refer to Annexes A-1 to A-9)
2. Prescribe the policies and procedures for monitoring and evaluating the performance of the LTS-Regular and Excise and the Offices under it vis-a-vis the Office Performance Measures;
3. Align the Priority Programs/Activities/Projects of the LTS- Regular and Excise and the Offices under the same to the 2010 BIR Strategy Map; and
4. Articulate the progress of BIR initiatives and tax reforms under the Performance Governance System.

## II. POLICIES

1. KPIs shall be used as bases for the performance monitoring and evaluation of incumbent heads of LTS – Regular and Excise, LTS National Office Divisions, and LT District Offices for CY 2010.
2. For purposes of ranking overall KPI, the two (2) LT Services- Regular and Excise shall be clustered with all the Revenue Regions (RRs) and referred to as Group "A", while the LTS audit offices shall be clustered with all the Revenue District Offices and referred to as Group "B".

3. The incumbent heads of office under Group "A", belonging to the top five (5) ranking may be assigned in the Office of their preference or be retained in their present area of assignment; while those belonging to the bottom five (5) ranking shall undergo training program.

4. The incumbent heads of office under Group "B", belonging to the top ten (10) ranking may be assigned in the RDO of their preference or be retained in their present area of assignment; while those belonging to the bottom ten (10) shall undergo training program.

5. The definitions and criteria used in 2009 for specific KPIs shall be adopted if the said is retained as 2010 KPI. However, if there is a need to define/redefine or clarify any 2010 KPI, the Commissioner who is directly the supervisor of the LTS Group may, at a later date, issue clarification for the said purpose.

6. A Performance Contract per Office shall be signed by the Head of Office, noted by the Commissioner and submitted to the Assistant Commissioner (ACIR), Policy and Planning Service not later than April 30, 2010. (Refer to Annex B)

7. The Commissioner, DCIRs, and ACIRs shall perform periodic checking and systematic documentation of the progress of each of the KPI included in the Performance Contracts of their supervised Offices. The Commissioner shall discuss, during the regular Management Committee (MANCOM) Meeting, issues/outstanding accomplishments reported on any KPI under their area of supervision.

8. The two (2) LTS ACIRs (Regular and Excise) shall as Measure Owners, prepare the Annual Office Performance Evaluation of the LT and the Offices under them (e.g. LT National Office Divisions and LT District Offices) for each of the KPIs being monitored by them.

9. An additional bonus equivalent to ten (10) points which shall come from the members of MANCOM, to wit:

   9.1 Commissioner = 4
   9.2 DCIR, Operations Group = 1
   9.3 DCIR, Information Systems Group = 1
   9.4 DCIR, Legal and Inspection Group = 1
   9.5 DCIR, Resource Management Group = 1
   9.6 DCIR, Special Concerns Group = 1
   9.7 DCIR, Tax Reform Administrative Group = 1

10. An interim performance rating may be administered depending on the exigencies of service as determined by the MANCOM.

## III. PROCEDURES

Hereunder are the procedures in the preparation and submission of the accomplishment reports and office performance evaluation for CY 2010 Priority Programs and KPIs:

## A. Preparation and Submission of Accomplishment Reports

1. Prepare **Monthly** Accomplishment Report

| Report | Office/Person Responsible | Submitted To | Due Date |
|---|---|---|---|
| 1.1 LTDO Accomplishment on KPIs (using format in Annex C1) | LT District Officer | Assistant Commissioner – LTS Excise | Not later than the 10th day after end of each month |
| 1.2 LT National Office Division Accomplishment on KPIs (using the format in Annex C1) | LTS Division Chief | Assistant Commissioners – LTS Regular and Excise | Not later than the 10th day after end of each month |
| 1.3 LTS (Regular and Excise) Accomplishment on KPIs (using the format in Annex C1) | Assistant Commissioner – LTS Regular and Excise | Assistant Commissioner monitoring the KPI | Not later than the 12th day after end of each month |
| 1.4 Consolidated Accomplishment of all LTDOs and LTS Divisions (using format in Annex C2) | Assistant Commissioner – LTS Regular and Excise | Assistant Commissioner monitoring the KPI | Not later than the 15th day after end of each month |

2. Prepare Consolidated **Quarterly** Accomplishment Report

| Report | Office/Person Responsible | Submitted To | Due Date |
|---|---|---|---|
| 2.1 LTDO Accomplishment on KPIs (using format in Annex D1) | LT District Officer | Assistant Commissioner – LTS Excise | Not later than the 10th day after end of each quarter |
| 2.2 LT National Office Division Accomplishment on KPIs (using the format in Annex D1) | LTS Division Chief | Assistant Commissioners – LTS Regular and Excise | Not later than the 10th day after end of each quarter |
| 2.3 LTS (Regular and Excise) Accomplishment on KPIs (using the format in Annex D1) | Assistant Commissioner – LTS Regular and Excise | Assistant Commissioner monitoring the KPI | Not later than the 12th day after end of each quarter |
| 2.4 Consolidated Accomplishment of all LTDOs and LTS Divisions (using format in Annex D2) | Assistant Commissioner – LTS Regular and Excise | Assistant Commissioner monitoring the KPI | Not later than the 15th day after end of each quarter |

3. Consolidated **Semestral** Accomplishment/Status Report

| Report | Office/Person Responsible | Submitted To | Due Date |
|---|---|---|---|
| 3.1 Consolidated Accomplishment of all LTS (Regular and Excise), LT National Office Divisions and LTDOs (using the format in Annex E) | Assistant Commissioner monitoring the KPI | Commissioner | Not later than the 15th day of the month following each semester |
| **3.2** Status Assessment Report of LTS (Regular and Excise), LT National Office Divisions and LTDOs (using the format in Annex F) | Assistant Commissioners-LTS | Commissioner | Not later than the 15th day of the month following each semester |

## B. Evaluation of Office Performance

Prepare **Annual** Office Performance Evaluation (using the format in Annex G)

| Activity | Office/Person Responsible | Submitted To | Due Date |
|---|---|---|---|
| 1. Annual Performance Evaluation of LTS (Regular and Excise), LT National Office Divisions, and LTDOs | Assistant Commissioner monitoring the KPI | Commissioner and Deputy Commissioners | Not later than the 20th day of the month after the end of the year |
| 2. Annual Performance Evaluation of LTS Divisions | Assistant Commissioner (Regular and Excise) | Commissioner | Not later than the 20th day of the month after the end of the year |
| 3. MANCOM additional bonus or minus points for LTS (Regular and Excise), LT National Office Divisions and LTDOs | MANCOM | Commissioner | Not later than the 23rd day of the month after the end of the year |

## C. Documentation

The Office of the Commissioner, thru the Policy and Planning Service, shall be responsible in preparing the overall final ranking of LTS (Regular and Excise), Revenue Regions, Revenue District Offices, LTDOs, and LT Audit Divisions. The Planning Division must be provided with copies of all the foregoing documents. These documents shall serve as means of validation in the preparation of the Office Annual Performance Evaluation for the LTS (Regular and Excise), LT Audit

Divisions, LTDOs. Likewise, these will be used as bases/inputs for next year's strategy map and priority programs to be recommended to MANCOM.

**D. Analysis of LTS (Regular & Excise), LT National Office Divisions and LT District Offices KPIs**

| Activity | Office/Person Responsible | Submitted To | Due Date |
|---|---|---|---|
| 1. Prepare the Final Report of the Office Performance Evaluation Report per KPI | ACIR, Policy and Planning Service | Commissioner | Not later than the 25th day of the month after the end of the year |
| 2. Analysis Report on the result of accomplishment of KPIs | ACIR, Policy and Planning Service | Commissioner | Not later than the 25th day of the month after the end of the year |

## IV. REPEALING CLAUSE

All revenue issuances or portions thereof inconsistent herewith are hereby repealed or amended accordingly.

## V. EFFECTIVITY

This Order takes effect immediately.

(Original Signed)
**JOEL L. TAN-TORRES**
Commissioner of Internal Revenue

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