REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

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December 28, 2020

REVENUE MEMORAMDUM ORDER NO. 6-2021

SUBJECT : Revised Guidelines on the Assignment and Re-assignment of Revenue Officers Involved in Excise Tax Functions to Establishments Where Articles Subject to Excise Tax are Made or Kept Based on Republic Act (RA) Nos. 10963, 11346 and 11467.

TO : All Revenue Officials, Employees and Others Concerned

I. BACKGROUND

Section 16 of the National Internal Revenue Code of 1997, as amended provides that the Commissioner shall employ, assign, or reassign internal revenue officers involved in excise tax functions, as often as the exigencies of the revenue service may require, to establishments or places where articles subject to excise tax are produced or kept. Provided, "That an internal revenue officer assigned to any such establishment shall in no case stay in his assignment for more than two (2) years, subject to rules and regulations to be prescribed by the Secretary of Finance, upon recommendation of the Commissioner of Internal Revenue".

II. OBJECTIVES

This Order amends the previously issued guidelines under RMO No. 26-2017 dated June 14, 2017 due to the implementation of Republic Act (RA) Nos. 10963, 11346 and 11467 expanding the coverage of Excisable Industry such as Sweetened Beverage, Cosmetics, Heated Tobacco and Vapor Products. Thus, rezoning and reassignment is necessary to ensure the following:

a. Equitable deployment of Revenue Officers On Premise (ROOPs) based on their individual performance and expertise;

b. Optimum distribution of ROOPs to establishments, particularly those whose operators require effective supervision and strict monitoring which are crucial to the Bureau's efficient collection of excise taxes; and

c. Establishment of data base through internal and external stakeholder's coordination for related excisable products information. Such expansion resulted to an increase in the number of excise taxpayers and its production plants, warehouses and/or depots requiring supervision and monitoring by a limited number of internal revenue officers involved in excise tax functions.

III. DEFINITION OF TERMS

1. **REVENUE OFFICER ON-PREMISE (ROOP)** – shall refer to a Revenue Officer assigned to monitor and supervise the business operations of an establishment/s engaged in the manufacture/importation/export of excisable products where he/she is assigned. For purposes of this Order, ROOPs shall refer to both those assigned in Zones as well as Excise Tax Areas (EXTAs).

2. **ZONEs** – shall refer to areas covering Revenue Region No. 4 – San Fernando, Pampanga, Revenue Region No. 5 – Caloocan, Revenue Region No. 6 – Manila, Revenue Region No. 7A– Quezon City, Revenue Region No. 7B – East NCR, Revenue Region No. 8A – Makati City, Revenue Region No. 8B – South NCR, Revenue Region No. 9A – CaBaMiRo, Revenue Region No. 9B – LaQueMar and Revenue Region No. 10-Legaspi City, which are under the immediate jurisdiction of Excise LT Field Operations Division (ELTFOD) for purposes of monitoring and supervising excisable establishments registered and located within these areas. The coverage of the zones has been expanded as provided below due to the splitting of Revenue Regions No. 7 – Quezon City and Revenue Region No. 8 – Makati City and the increase in number of excisable taxpayers due to the TRAIN Law and R.A. Nos. 11346 and 11467:

ZONE NO.	AREAS COVERED
I	Marikina, Pasig, Antipolo, Cainta, Angono, Rizal, Pateros
II	Quezon City
III	Caloocan, Malabon, Navotas, Valenzuela
IV	Manila, Mandaluyong, San Juan, Pasay, Palawan
V	Parañaque, Makati, Taguig
VI	Muntinlupa, Las Piñas, Cavite
VII	Laguna 1- Cabuyao & other nearby areas
VIII	Laguna 2 – Sta. Rosa & other nearby areas
IX	Laguna 3 – Calamba, San Pedro, Los Baños & other nearby areas
X	Batangas 1 – Nasugbu, Lian, Tuy & other nearby areas
XI	Batangas 2 – Calaca, Balayan,Bauan, Mindoro & other nearby areas
XII	Batangas 3 – Malvar, Lipa, Tabangao
XIII	Batangas 4 – Sto. Tomas, Tanauan
XIV	Bulacan
XV	Pampanga, Tarlac, Nueva Ecija
XVI	Bataan, Subic Special Economic Zone, Clark Special Economic Zone & other areas in Zambales
XVII	Quezon, Marinduque, Legaspi City, Masbate

3. **ZONE-IN-CHARGE (ZIC)** – shall refer to a Revenue Officer designated as a supervisor of all ROOPs assigned at excisable establishments located within a zone.

4. **EXCISE TAX AREAs (EXTAs)** – shall refer to areas in Revenue Regions outside of Revenue Region Nos. 4 to 10 which are under the jurisdiction of Excise Tax Area Offices for purposes of monitoring and supervising excisable establishments registered and located within these areas. The coverage of the EXTAs are as follows:

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EXTA NO.	AREAS COVERED
I	RR 1-Calasiao, Pangasinan, RR 2-Cordillera Administrative Region & RR 3 – Tuguegarao, Cagayan and Zambales Areas – Large Taxpayers Mining companies
II	RR 11 – Iloilo City, RR 12 – Bacolod City
III	RR 13 – Cebu City, RR 14 – Eastern Visayas Region
IV	RR 16 – Cagayan de Oro City, RR 17 – Butuan City
V	RR 15 – Zamboanga City, RR 18 – Koronadal City, RR 19 – Davao City

5. **EXCISE TAX AREA /(EXTA) OFFICES** – shall refer to extension/satellite offices of ELTFOD outside of Revenue Regions 4 to 10 tasked to monitor and supervise excisable establishments located within Excise Tax Areas. The EXTA Offices are operationally under the jurisdiction of ELTFOD but administratively under the jurisdiction of Revenue Regional Offices. As such, they are required to comply with the administrative requirements of the Revenue Region having jurisdiction over them.

6. **EXTA HEAD** – shall refer to a Revenue Officer designated as a head to monitor and supervise the overall operation of the covered excise tax areas under its jurisdiction.

7. **AREA SUPERVISOR** – shall refer to a Revenue Officer designated as a Supervisor of all ROOPs assigned at excisable establishments located within a specific region/province under the jurisdiction of an EXTA.

8. **EEMIEP** – is the acronym for "Establishment Engaged in the Manufacture/Importation/Export of Excisable Products". For ease and brevity, the word "Establishment" may be used in lieu thereof for purposes of this Memorandum Order.

IV. POLICIES AND GUIDELINES

1. There shall be assignment/re-assignment of ROOPs in EEMIEP every two (2) years thru a Revenue Travel Assignment Order/Revenue Special Order (RTAO/RSO) issued by the Commissioner based on criteria set under this Revenue Memorandum Order (RMO);

2. The following criteria shall be considered in assigning/reassigning ROOPs to establishments:

    a. Individual Performance Commitment and Review (IPCR) rating for the last two (2) semesters;
    b. Industry Exposure;
    c. Involvement in Projects; and
    d. Other factors which shall include report of discrepancy/finding which Resulting into assessment and or collection.

3. For purposes of optimizing ROOP distribution, establishments shall be classified according to type of taxpayers (whether manufacturer, importer, trader/dealer, etc.) and then prioritized and ranked according to the following:

    a. Amount of annual excise tax payments based on removals for the last three (3) years; and
    b. Average growth rate on excise tax payments based on removals for the last three (3) years.

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4. Establishments engaged in the manufacture of excisable products shall have a monitoring ROOP assigned therein as priority taxpayers for monitoring purposes over those establishments engaged in the importation, trading and/or storage of tax paid excisable articles. *Provided, however*, that in the case of establishments engaged in the importation, trading and/or storage of tax paid excisable articles in a given zone, ROOP may be concurrently assigned thereat, in addition to his/her assignments in the manufacturing establishments;

5. No ROOP shall be reassigned back to his last two (2) consecutive assignments in Zones except in meritorious cases. In the case of EXTAs, however, a ROOP may be allowed to be re-assigned to an establishment engaged in the manufacture of excisable products where he/she was previously assigned prior to his present place of assignment, only when deemed necessary;

6. As a general rule, the re-assignment of ROOPs and ZICs deployed in Zones I to XVII shall be limited to establishments located within the areas of Zones I to XVII. Likewise, reassignment of ROOPs and Area Supervisors of EXTA shall be limited to establishments located within the jurisdiction of a particular EXTA. *Provided, however*, that when the exigencies of the revenue service so require, ROOP, Area Supervisor assigned in Zones I to XVII maybe deployed to EXTA or vise-versa;

7. All newly hired Revenue Officers – Excise (ROs-E) shall undergo training and familiarization of excise tax functions for every excisable industry at the Excise Large Taxpayers Field Operations Division/Excise Large Taxpayers Regulatory Division (ELTFOD/ELTRD) within six (6) months prior to assignment or being deployed as ROOP;

8. In the case of special projects undertaken by the BIR in a particular industry which require sustained or prolonged training and familiarization both on the part of the pilot establishment/s and the ROOPs/s assigned thereat, the Commissioner may allow assignment of ROOPs for more than two (2) years upon recommendation of the Assistant Commissioner of Internal Revenue (ACIR), Large Taxpayers Service (LTS);

9. To ensure smooth transition, the ZIC or Area Supervisor, as the case maybe, shall oversee the turn-over of official records and other relevant files and documents of BIR offices within the EEMIEP premises by the outgoing to incoming ROOP/s;

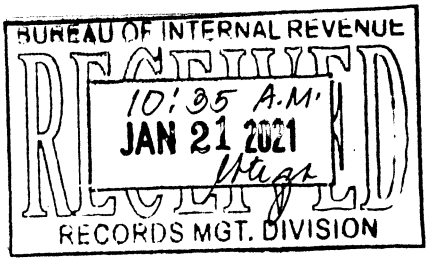
10. Conduct of spot checking of ROOPs in their respective place of assignment shall be done regularly to monitor their attendance and physical presence in the premises. The results of spot checking shall be considered in the re-assignment of ROOPs; and

11. There shall be a regular review of the list of EEMIEPs to be subjected to assignment of ROOP/s, as well as the number to be assigned thereat. If after review, it was determined that additional ROOP/s is/are necessary or if an establishment requires close monitoring, ROOPs may be transferred to ensure that collection of taxes is monitored.

12. Hiring of personnel shall be undertaken by Resource Management Group thru Personnel Division to complement the need for monitoring of establishments.

V. PROCEDURES

The following procedures shall be observed:



A. **The SECTION CHIEF CONCERNED/EXTA HEAD shall**:

1. Prepare the list of excisable establishments engaged in the manufacture/importation of excisable products under their jurisdiction, classified and ranked based on the criteria provided for under Item IV of this Order;

2. Determine the number of ROOPs to be assigned in each establishment engaged in the manufacture/importation of excisable products taking into consideration the size /area of establishment and operations; and

3. Submit the list to the Chief, ELTFOD.

B. **The CHIEF, ELTFOD shall**:

1. Review and evaluate the lists submitted by the concerned Section Chiefs;
2. Taking into consideration the lists submitted by the Section Chiefs or EXTA Heads, prepare matrix identifying EEMIEPs with proposed ROOPs to be assigned;
3. Cause the preparation of the corresponding Revenue Travel Assignment Order/Revenue Special Order (RTAO/RSO); and
4. Submit the RTAOs/RSOs to the Head Revenue Executive Assistant (HREA – Excise Group) for review and consideration.

C. **HREA – Excise Group shall**:

1. Review the RTAO/RSO and the matrix to ensure fairness and impartiality; and
2. Recommend RTAO/RSO to ACIR – LTS

D. **The ACIR – LTS shall**:

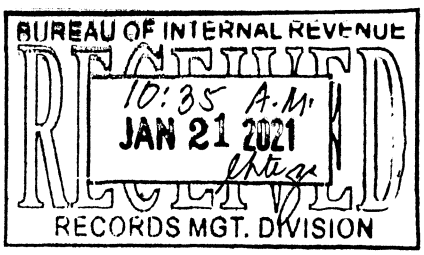
1. Review, recommend and submit RTAO/RSO for approval/disapproval to the Office of the Commissioner.

VI. REPEALING CLAUSE

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

VII. EFFECTIVITY

This Order shall take effect immediately.



CAESAR R. DULAY
Commissioner of Internal Revenue

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