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

BUREAU OF INTERNAL REVENUE
RECORDS MGT. DIVISION
3:38 P.M.
NOV 14 2016
RECEIVED

November 7, 2016

REVENUE MEMORANDUM ORDER NO. 64-2016

SUBJECT : Amending Certain Provision of RMO No. 19-2015 Pertaining to Audit Policies

TO : All Internal Revenue Officers and Others Concerned

I. OBJECTIVE

This Order is issued to amend the policies and procedures requiring the approval of the Commissioner of Internal Revenue before a taxpayer may be audited for the third (3rd) time and the removal of the fifty percent (50%) surcharge.

II. AMENDMENT

For purposes of auditing a taxpayer for the three succeeding years, the policy stated in Sec. III No. 4 of RMO NO. 19-2015 is hereby amended to read as follows:

"If the taxpayer has been audited for the last two (2) years and has been selected for audit on the current or third (3rd) year, the RDO/LTD/LTAD shall encode right away the requested audit of the subject taxpayer in eLAMS/ eTIS-CMS which shall be approved by the Regional Director/ Assistant Commissioner who heads the investigating office. The Selection Code shall depend on the reason why the taxpayer has been selected."

"The deficiency assessment on these cases shall only be imposed with twenty-five percent (25%) surcharge unless the under declaration of income or overstatement of expenses/ deductions reaches 30% or more which shall be imposed with fifty percent (50%) surcharge."

III. REPEALING CLAUSE

All revenue issuances and/or portions thereof that are inconsistent herewith are hereby repealed, revoked, amended or modified accordingly.

IV. EFFECTIVITY

This Order shall take effect immediately.

CAESAR R. DULAY
Commissioner of Internal Revenue

002076