REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

2 July 2010

REVENUE MEMORANDUM ORDER NO. 68-2010

SUBJECT : Guidelines and Procedures in the Verification and Surrender of the Documentary Stamp Tax Electronic Imprinting Machines (DSEIMs) and the Transfer of Unused/ Unloaded Documentary Stamp Tax (DST) Balance to the Electronic Documentary Stamp Tax (eDST) System.

TO : All Concerned BIR Officials and Employees

I. OBJECTIVES

With the implementation of the eDST System pursuant to Revenue Regulations No. 7-2009 (dated June 29, 2009), the use of the Documentary Stamp Tax Electronic Imprinting Machine (DSEIM) was discontinued effective January 1, 2010. As such, all unused/unloaded Documentary Stamps Tax (DST) balances in the said machines may, at the option of the taxpayer/user in possession of a DSEIM, be transferred to the eDST System, following the verification of the said machines by the concerned BIR Offices.

In this regard, this Order is being issued to:

1. Provide the guidelines and procedures in the verification and surrender of the DSEIMs;

2. Establish the methods for the transfer of unused/unloaded DST balance to the eDST System; and

3. Define roles and responsibilities of all concerned officials in the implementation of this Order.

II. POLICIES AND GUIDELINES

1. All taxpayers/users of DSEIMs with unused/ unloaded DST balances shall file a written request for the verification of the DSEIMs, and the transfer of the DST balances to the eDST System, to the Assistant Commissioner – Collection Service (CS), Attention: The Chief, Collection Programs Division (CPD). Such request must include a list of DSEIMs in the custody of the taxpayer/user and their corresponding serial numbers.

2. The following are the designated offices who shall be responsible for the verification and audit of load balances of the DSEIMs and all related documents:

Taxpayer/User of DSEIM	Designated Office
a. Taxpayers under the Large Taxpayer (LT) – • Large Taxpayers Regular Audit Divisions (LTRAD) I to IV • Large Taxpayers Excise Audit Division (LTEAD) I to II	LTRAD I to IV / LTEAD I to II – **for the audit of related documents** Large Taxpayers Collection and Enforcement Division (LTCED) – **for the verification of DSEIMs**
b. Taxpayers under LT-District Office – Makati	LTDO-Makati
c. Taxpayers under LT-District Office - Cebu	LTDO-Cebu
d. All other taxpayers	Revenue District Office (RDO) who has jurisdiction over the taxpayer

The Chief of the designated Office shall be responsible for signing the verification and audit report.

3. Taxpayers/users who wish to transfer their unused DST load balances may file the required request for DSEIM verification on or before August 31, 2010. Otherwise, any unused DST balances still loaded in these machines after this date shall be deemed forfeited in favor of the BIR.

   Any taxpayers/users of Company-owned DSEIMs who opted to forego the verification of the DSEIMs shall be precluded from transferring any unused DST balance(s) loaded in the said machines to the eDST System.

4. All BIR-Owned DSEIMs with zero balances located within Metro Manila shall be surrendered directly to the General Services Division (GSD) at Room B-1, Basement Warehousing and Distribution Section, BIR National Office Bldg., Diliman, Quezon City.

   4.1. For all other taxpayers outside Metro Manila, BIR-owned DSEIMs shall be surrendered to the Administrative Division of the Revenue Regional Office having jurisdiction over the RDO that conducted the verification of the DSEIM(s) in question. The Administrative Division concerned shall in turn coordinate with the GSD for the proper accounting of DSEIM records and disposition of the said machines.

   4.2. Company-owned DSEIMs, on the other hand, shall be returned to the concerned taxpayers/users, for their disposition.

5. All taxpayers/users who have neither surrendered BIR-owned DSEIMs in their custody, nor requested for their verification as of August 31, 2010, shall be notified in writing by the CPD that:

   - They will be liable for the cost of these machines in the amount of Eight Hundred Ninety Eight U.S. Dollars ($898.00) per unit, which amount shall be converted to Philippine currency based on the prevailing peso-dollar exchange rate at the time it will be paid, in accordance with the MOA between the DSEIM taxpayer/user and the BIR; and,

- Any unused DST load balances in the machines are considered forfeited in favor of the BIR.

6. Taxpayers/users who are unable to surrender the DSEIM(s) in their custody/pay for lost DSEIMs must secure the appropriate Order of Payment, and pay the corresponding amount, at the concerned BIR offices, as follows:

TAXPAYER	ORDER OF PAYMENT	PAYMENT FOR DSEIMs
• Large Taxpayers (Regular and Excise) under the jurisdiction of the LTS	Accounting Division, at Room 1005, BIR National Office Bldg., Quezon City	Cashier's Office, GSD, at Room 803, BIR National Office Bldg., Diliman, Quezon City
• Large Taxpayers under the LTDOs of Makati and Cebu	Finance Division of the Region having jurisdiction over the taxpayer	Revenue Collection Officer (RCO) of the RDO within whose territorial jurisdiction the LTDO concerned is situated, inasmuch as the LTDOs have no RCOs who may issue official receipts for such payments.
• All Other Taxpayers		RCO of the RDO having jurisdiction over the taxpayer/user.

These offices shall follow the existing procedures in the remittance of non-tax collections thru the issuance of the Government Official Receipt (Form 51).

7. The GSD shall reconcile the inventory of all the BIR-issued DSEIMs with the machines actually returned to the GSD by the taxpayers and concerned BIR Offices, including the accounting of the payments for all the unsurrendered/lost DSEIMs.

III. PROCEDURES

1. The Collection Programs Division shall:

1.1. Receive from the taxpayer the request for the verification of DSEIMs and transfers of unused/ unloaded DST balance;

1.2. Refer / forward the request for DSEIM verification to the applicable Office enumerated in Section II.2 of this Order;

1.3. Inform the taxpayer in writing of the designated Office who shall verify the machines;

1.4. Notify the taxpayer about the results of the verification conducted on the metering machines, immediately upon receipt of the On-Line Verification Report from the designated BIR Office;

1.5. Transfer the unused / unloaded DST balances, if any, to the taxpayer's eDST account, based on the verification report received from the concerned BIR Office; and,

1.6. Notify taxpayers/users who have not surrendered the BIR-owned DSEIMs of their liability to pay for the cost of the said machines.

2. The LTRAD I to IV/LTEAD I to II /LTCED/LTDO- Makati/LTDO-Cebu/RDO shall:

2.1. Conduct verification of the DSEIMs and the audit of their related documents within five (5) working days after receipt of the metering machines;

2.2. Accomplish the On-Line Verification Report [Annex "L" of Revenue Memorandum Order (RMO) No. 15-2001] on documentary stamp purchased/used/unused as of date of verification/surrender of DSEIM and submit the duly accomplished form to the Chief, CPD, immediately upon the completion of the necessary verification;

2.3. Submit to the Chief, CPD (copy furnished the Chief, GSD) within five (5) working days after receipt of payment thereof, the List of Collections described in Section II.7 of this Order, using the following format: (Applicable to RDOs only);

TAXPAYER NAME	TIN	SERIAL NUMBER OF DSEIM	AMOUNT	DATE OF COLLECTION	GOV'T. OFFICIAL RECEIPT NUMBER (FORM 51)

2.4. Surrender the BIR-owned DSEIMs, after verification of the load balances, to concerned BIR Offices mentioned in Section II.4 of this Order, and return company-owned DSEIMs to the concerned taxpayer/user, for their disposition.

3. The GSD-National Office shall:

3.1. Receive from the RDOs the List of Collections from DSEIMs which were not surrendered to BIR;

3.2. Receive payments and issue Official Receipts for the unsurrendered / lost DSEIMs in the custody of the Regular Large Taxpayers and Excise Taxpayers;

3.3. Prepare and submit the Consolidated Report of Collection and Inventory of the DSEIMs to the ACIR-CS (copy furnished the Office of the Deputy Commissioner-Operations Group, the Chief-CPD, and the Commission on Audit [COA] Resident Auditor), for the proper accounting of collections from unsurrendered/lost

DSEIMs and monitoring of the inventory of surrendered/unsurrendered / lost DSEIMs; and

3.4 Safekeep and maintain an inventory of BIR-owned DSEIMs surrendered by the taxpayers/users, until the same are disposed of in accordance with the rules and regulations prescribed by the COA.

4. The Administrative Division of the Revenue Region shall:

4.1. Receive the DSEIMs from the concerned taxpayers and/or concerned BIR office; and

4.2. Coordinate with the GSD regarding the surrender of the said machines and the disposition thereof, in accordance with the rules and regulations prescribed by COA.

IV. EFFECTIVITY

This Order shall take effect immediately.

(Original Signed)
KIM S. JACINTO-HENARES
Commissioner of Internal Revenue