REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

January 23, 2013

REVENUE REGULATIONS NO. 1-2013

SUBJECT : Further Expands the Coverage of Taxpayers Required to File Tax Returns and Pay Taxes Through the Electronic Filing and Payment System (eFPS) to Include National Government Agencies (NGAs) Mandatorily Required to Use the Electronic Tax Remittance Advice (eTRA)

TO : All Internal Revenue Officers and Others Concerned

BACKGROUND. The eFPS was first introduced in 2001 in line with the government's policy of providing fast and convenient manner of transacting with government offices. The Bureau of Internal Revenue (BIR), as one of the government agencies with a very important role in nation building as it is mandated to collect revenues for use of the government, conceptualized the eFPS to make the filing of tax returns and the payment of taxes convenient for the taxpayers.

With the eFPS, taxpayers can avail of a paperless tax filing experience and can also pay their taxes online through the convenience of an internet-banking service via debit facility from their enrolled bank account. In addition, since eFPS is available on the internet, taxpayers can file and pay for their taxes anytime and anywhere as long as he or she is using a computer with an internet connection.

The eFPS is open to all taxpayers who wish to make use of the system. It was initially introduced to the taxpayers under the Large Taxpayers Service. However, the BIR has seen the need to identify taxpayers who will be mandated to use the system; hence, the following taxpayers are, at present, already mandated to make use of the eFPS:

1. Large Taxpayers duly notified by the BIR;
2. Top 20,000 Private Corporations duly notified by the BIR;
3. Top 5,000 Individual Taxpayers duly notified by the BIR;
4. Taxpayers who wishes to enter into contract with government offices;
5. Corporations with paid-up capital stock of Ten Million Pesos;
6. PEZA-registered entities and those located within Special Economic Zones; and
7. Government Offices, in so far as remittance of withheld VAT and business tax is concerned.

Now that Electronic Tax Remittance Advice (eTRA) System, a sub-system of the eFPS has been developed, the base of taxpayers mandated to use eFPS is expanded to include all National Government Agencies (NGAs) since the latter make use of the TRA in settlement of their withholding tax liabilities arising from the use of funds being released by the Department of Budget and Management (DBM).

This scheme of remitting taxes withheld through TRAs started with the issuance of the Joint Circular No. 1-2000 (JC 1-2000) signed by the Secretaries of the Department of Finance (DOF) and the DBM and the Chairman of the Commission on Audit (COA), in lieu of the other modes of withholding tax remittance such as cash remittances, the Modified Disbursement System (MDS) Checks and Authority to Debit the Account of the Agency (ADA). Under the existing procedures, all NGAs are securing blank TRA forms from the BIR, accomplishing and attaching the same to the appropriate withholding tax returns, and submitting the same manually to the concerned Revenue District Office (RDO). With eTRA System, NGAs need not go to the BIR to secure the blank TRA forms and to manually file the tax returns. In lieu of these manual procedures, the NGAs can access the eFPS, file the tax return electronically and accomplish the eTRA on-line, provided the prescribed enrollment to the eFPS has already complied with.

With eTRA System, transparency and efficiency in revenue collection reporting and reconciliations will be enhanced as all concerned parties can view and record on real time the remittances made by the NGAs.

Section 1. SCOPE. Pursuant to the provisions of Section 244 of the National Internal Revenue Code of 1997 (Tax Code), in relation to Section 27 of Republic Act No. 8792, otherwise known as the "Electronic Commerce Act", these Regulations are hereby promulgated to regulate the electronic filing of Tax Remittance Advice (TRA) of National Government Agencies (NGAs), through the existing eFPS of the Bureau.

Section 2. DEFINITION OF TERMS. For purposes of these Regulations, the terms herein provided are defined as follows:

2.1 **Electronic Tax Remittance Advice (eTRA) System** – the process of remitting taxes withheld by NGAs through the internet using the eFPS facility of the BIR, in lieu of the manual filing of Tax Remittance Advice.

2.2 **Electronic Filing and Payment System (eFPS)** – refers to the system developed and maintained by the BIR for electronically filing tax returns, including attachments, if any, and paying taxes due thereon, specifically through the internet.

2.4 **e-filing** – means the process of electronically filing tax returns, including attachments, if any, specifically through the internet.

2.5 **e-payment** – means the process of electronically paying a tax liability through the internet banking facilities of AABs.

2.6 **Authorized Agent Bank (AAB)-** refers to any bank as certified by the Bangko Sentral ng Pilipinas (BSP) which has satisfied the criteria on accreditation and is actually accredited to collect internal revenue taxes.

2.7 **Tax Remittance Advice (TRA)** – a serially-numbered document prescribed by the DBM that should be used by the NGAs in the remittance of withheld taxes on funds coming from DBM. This form is being distributed by the BIR to be accomplished by the NGAs. The same shall be duly certified by the Chief Accountant and approved by the Head of the concerned NGA or his duly authorized representative, and attached to every withholding tax return filed as payment for taxes withheld. This shall be the basis for the BIR and the Bureau of Treasury (BTr) to record the tax collection in their respective books of accounts.

2.8 **Electronic Tax Remittance Advice (eTRA)**– a TRA which is accomplished on-line via the BIR's eFPS facility.

2.9 **National Government Agencies (NGAs)** – refers to government agencies whose main fund/budget comes from the DBM based on the yearly budget allotment as provided under the General Appropriations Act.

2.10 **Agency Code** – it is an alphanumeric code provided by the DBM for each and every national government agency.

2.11 **Department Code** – refers to the department's unique identification provided by the DBM to all departments of government (e.g., Department of Education, Department of Finance, etc.) expressed in numeric form.

2.12 **Return-** refers to the tax returns required to be filed by the NGAs which include, but not limited to, the following:

Tax Return	Description
BIR Form 1601-C	Monthly Remittance Return of Income Taxes Withheld on Compensation
BIR Form 1601-E	Monthly Remittance Return of Creditable Income Taxes Withheld (Expanded)[Except for transactions involving onerous transfer of real property classified as ordinary asset]
BIR Form 1601-F	Monthly Remittance Return of Final Income Taxes Withheld
BIR Form 1603	Quarterly Remittance Return of Final Income Taxes Withheld on Fringe Benefits Paid to Employees Other than Rank and File
BIR Form 1600	Monthly Remittance Return of Value-Added Tax and Other Percentage Taxes Withheld
BIR Form 1702	Annual Income Tax Return for Corporations, Partnerships and Other Non-Individual Taxpayers
BIR Form 1702Q	Annual Income Tax Return for Corporations, Partnerships and Other Non-Individual Taxpayers
BIR Form 2550M	Monthly Value-Added Tax Declaration
BIR Form 2550Q	Quarterly Value-Added Tax Return
BIR Form 2551M	Monthly Percentage Tax Return
BIR Form 2000	Documentary Stamp Tax Return

Section 3. ISSUANCE OF A NOTIFICATION LETTER. The Bureau of Internal Revenue (BIR) shall issue a Notification Letter (Annex "A") to all National Government Agencies, including their branches and extension offices located nationwide which have their own disbursement functions, to inform them that they are mandated to use the eFPS in filing the required returns and in paying the taxes due thereon.

Section 4. RESPONSIBILITY OF THE NATIONAL GOVERNMENT AGENCY'S HEAD OFFICE. The Head Office of the concerned NGA shall be responsible in providing the BIR with the list of all its branches/field or extension offices located nationwide which have their own disbursement functions, with information as to their respective business addresses, agency codes and taxpayer identification numbers (TINs).

Section 5. ENROLLMENT FOR SYSTEM USAGE. All NGAs notified thru the Notification Letter stated under Section 3 hereof shall enroll in the eTRA system by enrolling first with the BIR's eFPS facility in accordance with the detailed procedures provided under Annex "B" hereof. As part of the enrollment procedures, NGAs shall be required to submit to the Revenue District Office where they are registered the names of two (2) authorized officers designated to file the required tax returns pursuant to Section 52 (A) of the Tax Code (e.g., Head of Office and Chief Accountant/Disbursement Officer).

In addition, NGA shall also enroll with any authorized agent bank (AAB) where it intends to pay through the bank debit system, in cases of remittance of withheld taxes on funds not coming from the DBM or the payment of internal revenue taxes thru cash and not thru TRA.

Section 6. RETURNS COVERED BY ENROLLMENT. NGAs mandated to file electronically thru the issuance of the Notification Letter shall file their tax returns enumerated under Section 2.12 hereof via the eFPS, whether or not payment shall make use of eTRA.

Section 7. TIME OF FILING OF RETURN AND PAYMENT OF TAX DUE. The due dates for filing of tax returns are as follows:

BIR Form	Due Date for Filing
BIR Form 1601-C	On or before the 10th day following the month in which withholding was made, except for taxes withheld for the month of December of each year, which shall be filed on or before January 15 of the succeeding year.
BIR Form 1601-E	On or before the 10th day following the month in which withholding was made, except for taxes withheld for the month of December of each year, which shall be filed on or before January 15 of the succeeding year.
BIR Form 1601-F	On or before the 10th day following the month in which withholding was made, except for taxes withheld for the month of December of each year, which shall be filed on or before January 15 of the succeeding year.
BIR Form 1603	On or before the 10th day of the month following the quarter

	in which the withholding was made.
BIR Form 1600	On or before the 10th day of the month following the month in which withholding was made.
BIR Form 1702	On or before the 15th day of the fourth month following the close of the taxable year (calendar or fiscal)
BIR Form 1702Q	Within sixty (60) calendar days following the close of each of the first three (3) quarters of the taxable year (calendar or fiscal year)
BIR Form 2550M	On or before the 20th day after the close of the month
BIR Form 2550Q	On or before the 25th day after the close of the taxable quarter
BIR Form 2551M	On or before the 20th day after the close of the month
BIR Form 2000	On or before the 5th day after the close of the month when the transaction subject to DST occur.

The staggered filing of returns allowed for withholding agents/taxpayers enrolled in the eFPS facility of the Bureau shall not apply in the case of the NGAs. All tax returns must be electronically filed (e-filed) following due dates prescribed in the table under this Section. Payment of the tax due must also be made on the same day the return is e-filed by accomplishing on-line the Tax Remittance Advice (TRA).

The use of eTRA as payment is limited only to the NGAs' tax liabilities arising from the use of funds coming from the DBM. NGAs' tax liabilities arising from the use of funds other than those coming from DBM based on the NGAs Annual Budget as approved under the General Appropriation Act (GAA) must be paid using cash through the bank debit system of the AAB where the NGA shall enrol for this purpose. A separate tax return must be accomplished for these tax liabilities since a particular fund is required to have a separate branch code.

In the absence of a separate branch code of the fund, the NGA shall secure the same from the concerned Revenue District Office following existing procedures in registration.

Section 8. MANDATORY CONDUCT OF BRIEFING AND ATTENDANCE OF NOTIFIED NGA. The concerned Revenue District Office shall conduct the mandatory briefing to the concerned NGAs on the eTRA System. Notified NGAs are required to attend the said briefing on eTRA, which is a pre-requisite to enrollment in the eFPS.

Section 9. MANNER OF RECORDING TAX COLLECTIONS BY THE BUREAU OF TREASURY. The BIR, through its Information Systems Group, shall generate report of NGAs' remitted withheld taxes using TRA based on cut-off dates to be defined under a separate revenue issuance. The report generated shall be submitted by the Bureau's Revenue Accounting Division to the Bureau of Treasury (BTr) and shall be used by the latter in recording and crediting the same as BIR's tax collections.

Section 10. TRANSITORY PROVISION. For the pilot roll-out of the eTRA, the Withholding Tax Division shall conduct the eTRA briefing with the selected NGAs. All NGAs which will not be given Notification Letter as stated under Section 3 hereof shall continue to file

their tax returns manually by accomplishing the appropriate tax returns and attaching thereto the corresponding TRAs before having these documents received by the RDOs where the NGAs are registered. RDOs shall process these tax returns and report the collections thru TRAs following existing procedures.

Section 11. REPEALING CLAUSE. The provisions of any revenue regulations, memoranda or circulars or any other issuances inconsistent herewith are hereby repealed, modified or amended accordingly.

Section 12. EFFECTIVITY. These regulations shall take effect after fifteen (15) days following the publication in the Official Gazette or in a newspaper of general circulation.

(Original Signed)
CESAR V. PURISIMA
Secretary of Finance

Recommending Approval:

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

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