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

August 15, 2008

REVENUE REGULATIONS NO. 11-2008

SUBJECT: CONSOLIDATED REVENUE REGULATIONS ON PRIMARY REGISTRATION, ITS UPDATES, AND CANCELLATION

TO : ALL INTERNAL REVENUE OFFICERS AND OTHERS CONCERNED

SECTION 1. SCOPE. – Pursuant to Section 244 of the 1997 National Internal Revenue Code (Code), as amended, in relation to Chapter II of Title IX specifically Section 236 of the same Code, these Regulations are hereby promulgated in order to consolidate and update all existing revenue regulations relative to primary registration, particularly on the following:

(a) Registration, updates and cancellation procedures;

(b) Documentary requirements;

(c) Registration forms;

(d) Annual Registration fee;

(e) Certification fee; and

(f) Penalties for registration-related violations.

SEC. 2. DEFINITION OF TERMS. – For purposes of these Regulations, the following words and/or phrases shall be defined as follows:

(A) "PRIMARY REGISTRATION" shall mean the process by which a person, whether an individual, including estates and trusts, or a corporation and other juridical entities, upon application and full compliance with the registration requirements prescribed in these Regulations, is registered with and consequently included in the registration database of the Bureau of Internal Revenue (BIR).

Primary registration may involve one or two stages depending on the purpose of the taxpayer applying for registration.

The initial stage in the primary registration process involves the application and the issuance of the Taxpayer Identification Number (TIN). All persons who are subject to any internal revenue tax or required to render a return, statement, or other document as required by the provisions of the Code, as amended; or who have been mandated by other laws to secure TIN for the execution of certain documents must undergo this stage.

The second stage is the subsequent registration of the employment, business, profession and/or undertaking which the person, natural or juridical, intends to pursue on account of which he/it is expected to regularly file tax returns, pay taxes and fees prescribed for by the Code, as amended.

(B) "UPDATES" shall mean the process by which the information supplied during the primary registration process are changed either upon taxpayer's or BIR's initiative.

(C) "CANCELLATION" shall mean the process by which the information pertaining to primary registration of a taxpayer is tagged as "cancelled" but nevertheless remains as part of the BIR's registration database.

(D) "TAXPAYER IDENTIFICATION NUMBER" (TIN) shall pertain to the reference index number issued and assigned by the BIR to each and every person registered in its database. In all of the business and/or personal transactions of the registered person whether these be with government offices or otherwise, this reference index number is required to be indicated.

The TIN comprises of a 9 to 13 digit numeric code where the first 9 digits is the TIN proper and the last 4 digits is the branch code (in case of business entities).

(E) "COMMENCEMENT OF BUSINESS" - in the case of pursuit of business or practice of profession, shall be reckoned from the day when the first sale transaction occurred or within thirty (30) days from the day Mayor's Permit/Professional Tax Receipt (PTR) is issued, whichever comes earlier, by the particular Local Government Unit (LGU) where the taxpayer is intending to hold its business transactions.

(F) "HEAD OFFICE (HO)" refers to the declared specific or identifiable principal place/head office of business as stated in the Articles of Incorporation/Articles of Partnership/Department of Trade and Industry Certificate of Registration, as the case maybe, or, in the absence thereof, the place where the complete books of accounts are kept. It is one which occupies a fixed place of business, whether rented or owned, regardless of whether or not the product/services being sold are actually located or displayed thereat. For persons who conduct business in a nomadic or roving manner, such as peddlers, mobile stores operators, etc., their place of residence shall be considered as the head office.

(G) "BRANCH" means a separate or distinct establishment or place of business where sales transactions are conducted independently from the head office, which branch, like the HO, needs to be registered in the Revenue District Office (RDO) having jurisdiction over its physical location and is subject to the payment of Registration Fee (RF). For purposes of these regulations, branch shall include the following:

(1) Sales outlet or establishment covered by one business/trade name situated in one location or building;

(2) Every line of business of an individual covered by a separate business name approved by DTI even though situated in one and the same location;

(3) Facility with administrative office ;

(4) Each franchise/Certificate of Public Convenience (CPC) which the transportation operator owns or operates, regardless of the number of units under each franchise/CPC;

(5) Real properties for lease with administrative office;

(6) Each "exit/entry" gate, regardless of the number of booths accepting toll fees thereat;

(7) Unmanned sales outlets/service equipments such as automated vending machines (AVMs), automated ticket dispensing machines, automated teller machines (ATMs), and the like;

(8) Mobile store/stall/booth/kiosk which do not maintain a fixed place of business.;

(9) Other separate or distinct establishments which conduct sales transactions independent of the HO .

In consonance with the above enumerations, it is to be clarified that different lines of business engaged in by a person located in a single place shall not be considered a branch if they are under one single "business name". Moreover, temporary makeshift stalls/booths/kiosks/ AVMs/ATMs, set up by business establishments which are already registered with the BIR, for the mere purpose of participating in trade exhibit to showcase their products for a limited period of less than one month shall not be considered as a branch, but will be required to secure a permit from the RDO having jurisdiction over the place where it shall be conducted.

It should be noted however that before a person can register a branch or facility, it should have registered first its Head Office. Moreover, branch and facility situated abroad of a domestic corporation or resident citizen shall be registered with the RDO having jurisdiction over the HO.

(H) "SEPARATE OR DISTINCT ESTABLISHMENT" shall refer to an establishment where business transactions occur at a place other than where the head office is located. Nevertheless, the same shall likewise refer to any of the various lines of business pursued by a taxpayer which are operated and conducted at the same address and are

individually covered with business trade names secured from the Department of Trade and Industry (DTI) notwithstanding the fact that such undertakings are owned by one and the same person and/or individual.

In such a case, said "separate or distinct establishment" shall be treated as a branch as defined in item (G) above whereby RF of P500 shall be imposed.

Example : Ms. G is engaged in various lines of business under the following business trade names which are all located at Rm. 501 M. Building, M. dela Fuente Street, Sampaloc, Manila:

		TIN
(1)	GV Internet Café	135-536-536-0000
(2)	LSM Computer Supplies	135-536-536-0001
(3)	RV Bookkeeping Services	135-536-536-0002
(4)	JRR Janitorial Services	135-536-536-0003

All of the above businesses have secured DTI-approved business trade names. The first business registered by Ms. G was the GV Internet Café for which she was issued TIN 135-536-536-0000. In this case, said Internet Café shall be considered as the head office while the three subsequent registered businesses shall be considered as the branches which shall be assigned each with 4-digit extension branch code as illustrated above.

In the above example, each of the said businesses owned by Ms. G shall be imposed with RF of P500.

If Ms. G decides to put up another Internet Café in Quezon City, such internet café shall be considered as another branch and therefore, shall be assigned a branch code of "0004" and be required to pay another RF.

The above illustration shall also apply to an individual who earns income from the simultaneous practice of different professions/undertakings. However, if the said various professions/undertakings pursued by one and the same individual are of such a type that will not require the registration of DTI-approved business trade name, and conducted in the same business place or location, only one registration may be required to cover all the pursuits, otherwise, each of the professions/undertakings shall be treated as a separate or distinct establishment.

(I) "FACILITY" – may include but not limited to place of production, warehouse, storage place, garage, bus terminal, or real property for lease, which is required to be registered as a facility in a revenue district office having jurisdiction over its physical location. Facility registration is not subject to payment of Registration Fee.

(J) "ADMINISTRATIVE OFFICE" shall refer to an office where records of sales and /or cash collections are kept which may form part of the head office or branch. When located in the facility, the latter becomes a branch for purposes of these regulations and therefore subject to annual registration fee. In the case of real properties for lease, garages, or bus terminals and other

similar establishments, this refers to the particular space or office set up in the area which does not only facilitate the expediency of operations conducted thereat, including the maintenance and upkeep of the premises, but which, in certain instances, also functions as the cashier to which all revenues generated thereat are remitted on periodic basis or also maintains records of transactions on a limited scale.

(K) "MIXED INCOME EARNER" shall refer to a compensation-earner, who at the same time is engaged in business or practice of profession.

(L) "MARGINAL INCOME EARNER" shall refer to those individuals whose business do not realize gross sales or receipts exceeding P100,000 in any 12-month period.

SEC. 3. INITIAL STAGE OF PRIMARY REGISTRATION: APPLICATION AND ISSUANCE OF TAXPAYER IDENTIFICATION NUMBER (TIN). -

(A) General Rules in the Application and Issuance of TIN. -

(1) This reference index number, once assigned to a particular taxpayer, is non-transferable;

(2) In case of natural persons, the TIN, once assigned, stays with the taxpayer permanently regardless of the cessation and cancellation of business registration with the BIR. Nevertheless, for juridical persons, the TIN is cancelled at the time of the dissolution, merger or consolidation resulting to termination of their corporate existence through the eventual cancellation of their registration with the BIR;

(3) Only one TIN shall be assigned to the taxpayer. Once assigned with a TIN, a taxpayer is precluded from applying for another TIN. Multiple TIN acquisition shall be subject to the penalty prescribed under Section 20 of these regulations;

(4) A TIN for the estate of a deceased person under judicial settlement and/or a trust under an irrevocable trust agreement shall be secured separate from the TIN of the deceased person and/or trustee;

(5) Except for banks with both Regular Banking Unit (RBU) and with Foreign Currency Deposit Unit (FCDU) that are assigned with different TINs, there should never be an instance when a taxpayer can be a holder of multiple TINs;

(6) Neither should there be an instance where two or several taxpayers are holders of just one identical TIN;

(7) Once a TIN is assigned to the person, the BIR shall likewise issue such person a TIN card at the very same time the TIN is supplied to the taxpayer. However, this policy shall not apply if the TIN is secured on a venue other than the revenue district offices;

(8) Issuance of TIN card for the first time shall be free of charge, but subject to the provisions of Section 3 (D) of these regulations;

(9) Minors who are earning and who are under the circumstances prescribed under Executive Order No. 98 shall be supplied with TIN.

(10) Upon submission of Notice of Death and the Death Certificate of the decedent, the BIR shall immediately tag as "cancelled" the TIN of the said decedent and proceed with the processing and issuance of the TIN of the estate. The new TIN shall be used in the filing of the estate tax return of the decedent, as well as in the filing of other tax returns if the estate is under judicial settlement. In case the decedent is engaged in business, the TIN of decedent shall only be cancelled upon submission of notice of death and short-term income tax return covering the period January 1 to the date of his death. The said return shall be filed within sixty (60) days from the date of death, unless the heirs/authorized representative/administrator/executor shall request for an extension to file the same, but not to exceed six months or April 15 of the following year, whichever is earlier.

(11) In case of business combinations, the TIN of the dissolved juridical persons shall be tagged as "cancelled". If one of the parties survived, its TIN must be retained, however, if a new corporation shall be established, a new TIN shall be issued to such new juridical entity.

(B) Persons Who Are Required or Who May Secure TIN. -

(1) Every person subject to any national internal revenue tax namely: income tax, estate and donor's taxes, value-added tax, percentage tax, excise tax, and documentary stamp tax, including its branches (for purposes of securing branch code);

(2) Any person who, although exempt from the imposition of the taxes imposed under the Code, as amended, is nevertheless required to withhold taxes on account of his/its income payments made to taxable individuals or entities;

(3) Pursuant to Section 236(J) of the Code, as amended, any person required under the authority of said Code, as amended, to make, render or file a return, statement or other document whereby he/it is required to indicate his/its TIN in such return, statement or document filed with the BIR for his/its proper identification for tax purposes, and which he/it shall indicate in certain documents, such as, but not limited to the following:

a) Sugar quedans, refined sugar release order or similar instruments to reflect the TIN of the owner or seller of the sugar;
b) Domestic bills of lading to reflect the TINs of the ships and consignees of commercial value shipment;
c) Documents to be registered with the Registry of Deeds or Assessor's Office, to reflect the TINs of persons who are parties to the real property transactions;
d) Registration certificates of transportation equipment by land, sea or air, to reflect the TINs of owners;
e) Documents to be filed or registered with the Securities and Exchange Commission(SEC);
f) Building construction permits to reflect the TINs of owners and contractors of buildings and civil works;

g) Application to open bank account and application for loan with banks, financial institutions and other financial intermediaries;
h) Application for Mayor's Permit;
i) Application for business license with the Department of Trade and Industry (DTI);
j) Other documents such as the following:
   i) Official receipts, invoices and vouchers required to be issued by persons engaged in business, non-governmental organizations, including non-stock, non-profit organizations or foundations;
   ii) Application for franchise from the Land Transportation and Franchising Regulatory Board (LTFRB), Maritime Industry Authority (MARINA) and other government regulatory authorities;
   iii) Application for accreditation with the Department of Education (DepEd), Commission on Higher Education (CHED) and other agencies;
   iv) Application for tax exemption and registration as donee institution;
   v) Application for tax clearance from internal revenue tax liabilities;
   vi) Application for business or travel passport with the Department of Foreign Affairs (DFA) of persons who are gainfully employed;
   vii) Application for Community Tax Certificate with a local government unit of persons who are gainfully employed;
   viii) Bid forms for government contracts;
   ix) Such other documents similar to any of the above or as may hereafter be required.

(4) Any person required to secure TIN by reason of the provisions of Executive Order No. 98. - As prescribed by this law, persons, whether natural or juridical, dealing with all government agencies and instrumentalities, including Government-Owned and/or Controlled Corporations (GOCCs), and all Local Government Units (LGUs), are thereby required to incorporate the Taxpayer Identification Number (TIN) in all forms, permits, licenses, clearances, official papers and documents which they secure from these government agencies, instrumentalities, including GOCCs and LGUs.

However, diplomatic missions and international organizations, as identified by the DFA, together with their accredited foreign personnel, which, pursuant to Executive Order No. 31, are exempted from the requirements of the TIN when they apply for any government permit, license, clearance, official paper or document, it shall be sufficient that their request for above-named documentation is accompanied by the corresponding endorsement of the DFA, which shall include the official identity card issued by the Office of Protocol of the Department, for the purpose of establishing the bona fides of such entities and individuals.

(C) BIR Form, Basic Information, Documentary Requirements, Other Modes and Venue in Securing TIN. -

(1) **BIR Form and Basic Information Required.** - The TIN shall be applied by filling out the "Application for TIN" form to be prescribed by the BIR. The same must be filled out in two (2) copies, properly labeled and indicated thereon the specific purpose of the copy,

i.e., "taxpayer's copy" and "BIR's copy" and signed by the applicant himself for individual applicants, or by the duly authorized representative in the case of non-individual applicants. In addition to the other information that may be required to be filled out by certain applicants, the following basic information are mandatory to be filled out:

(a) **In case of individual taxpayers** :

(i) Name (i.e., surname, middle name and first name);
(ii) Residence address;
(iii) Date of birth; and
(iv) Purpose of applying TIN.

(b) **In case of juridical persons** :

(i) Name;
(ii) Registered Address;
(iii) Date of Registration with appropriate Regulatory Agencies;
(iv) Purpose of applying TIN.

(2) **Documentary Requirements. -** The accomplished Application for TIN forms must be submitted to the concerned RDO indicated in Subsection (4) hereof, together with the photocopy of the following documents:

(a) **Individual** - Birth certificate or any identification card that will show the applicant's complete name, address, proof of birth and signature, such as, but not limited to driver's license, Professional Regulation Commission (PRC) identification card and/or passport. If applicant is a married woman, a marriage contract shall be required;

(b) **Non-individual - In addition to the submission of the proof of authority given to the duly authorized representative, the following shall likewise be required:**

b.1 Corporation/Partnership — SEC Certificate and Articles of Incorporation or Articles of Partnership, as the case may be;
b.2 Cooperatives – Cooperative Development Authority (CDA) Registration and Articles of Cooperations;
b.3 Homeowners' Association – Certificate of Registration issued by Housing and Land Use Regulatory Board (HLURB);
b.4 Government Agencies/Instrumentalities, LGUs, GOCCs - Unit or Agency's Charter;
b.5 Estate under Judicial Settlement - Death certificate of the decedent;
b.6 Irrevocable Trust - Trust Agreement.

(c) **Additional requirements for transactions involving the following:**

(c.1) Sale, Assignment, Mortgage, Purchase and/or Disposal of shares of stock and/or real estate properties — Deed of Sale/Deed of Assignment/Mortgage Document, whichever is applicable;
(c.2) Donation of properties — Deed of Donation;
(c.3) Transfer of properties by succession - Deed of the Extrajudicial Settlement of the Estate/Judicial Settlement of Estate, death certificate of the decedent;
(c.4) Claim of winnings — Certification from Awarding Company/Person;
(c.5) Registration of vehicle — Cash Invoice or Official Receipt for brand new vehicle; Deed of Sale or Certificate of Registration (COR) with LTO, in case of second-hand vehicle.

(3) **Securing of TIN through Other Facilities/Agencies.** - While the application and issuance of TIN is generally made through the concerned RDO, the same, upon certain circumstances provided for by existing rules and regulations, may be obtained either through the e-TIN/e-Reg facility made available in the BIR website, or through the SEC or through other facilities/agencies as may be heretofore made available.

Applicants whose TINs have been secured through the e-TIN/e-Reg facility and are required to undergo the second stage of registration (e.g., employee, persons to engage in business/practice of profession), are no longer required to fill out the Application for TIN forms. Instead, a printed copy of the "System Confirmation Page", which is the proof of e-TIN registration, together with the documentary requirements prescribed above, including documents needed in the second stage registration, must be submitted to the concerned RDO. However, if these applicants are those not required to proceed with the second stage registration, the submission of the "System Confirmation Page" to the concerned RDO shall be made at the time they want to be issued a TIN card. The concerned RDO shall only issue the TIN card upon submission of the documents prescribed above in order to check the correctness of the information supplied in the system.

In the case of taxable and/or non-taxable corporations/partnerships (including GOCCs), which upon registration with the SEC has already been assigned with a TIN, the filling out of the Application for TIN is likewise dispensed with. Nevertheless, the articles of incorporation, together with the SEC registration wherein the supplied TIN is indicated, as well as proof of authority given to its authorized representative must still be submitted to the concerned RDO during the second stage of registration (registration of business).

(4) **Venue.** - The submission of the duly accomplished Application for TIN forms as discussed in Subsection (1), in relation to Subsection (3) above, and/or the submission of the documentary requirements prescribed under Subsection (2) above shall be made with the following:

(a) **Self-employed individuals, professionals, estates and trusts and their branches** - RDO having jurisdiction over the place where the head office and branch is located, respectively. In the case of those who conduct business transactions in a nomadic or roving manner, such as peddlers, mobile stores operators, privilege-store owners and the like, the venue for securing TIN shall be the RDO having

jurisdiction over the place of residence of such sellers of goods/services. In the case of branch with no fixed business location, the TIN shall likewise be secured with the RDO having jurisdiction over the place of residence/HO;

(b) **Corporations, partnerships, cooperatives, associations (whether taxable or non-taxable), and its branches and facilities** - RDO having jurisdiction over the place where the HO or branch or facility is located. In the case of branch with no fixed business location or of branch of domestic corporation or resident citizen located abroad, the TIN shall likewise be secured and the registration fee paid with the RDO having jurisdiction over the principal place of business/HO;

(c) **Employees** - RDO having jurisdiction over the place of office of the employer where such employee is expected to report for work (i.e., if the employee is expected to report for work at the branch office of the employer, the documentary requirements must be submitted with the RDO having jurisdiction over the branch office). However, for employees of large taxpayers and corporations included under the Taxpayer Account Management Program (TAMP), their employers shall be responsible to secure the employees' TIN through the use of e-TIN/e-Reg facility. Employers, other than large taxpayers or TAMP corporations, may secure the TIN of their employees, either through e-TIN/e-Reg facilities or through the RDO having jurisdiction over the employer. Employee with concurrent multiple employment shall secure TIN at the RDO having jurisdiction over his principal/main employer. Principal or main employer is the employer to whom the said employee renders his services for most of his time during the taxable year. It does not necessarily pertain to that employer from whom the employee receives a higher salary/pay. Accordingly, between an employer who gives an individual a higher salary for a part-time job and an employer who pays the same individual lesser compensation for an employment on full-time basis, the latter is considered as the principal/main employer;

(d) **Government agencies and instrumentalities (GAIs), GOCCs, LGUs** - RDO having jurisdiction over the place where the principal office is located;

(e) **Estate** - RDO having jurisdiction over the residence of the decedent. In the case of a non-resident decedent, the estate shall be registered with the RDO where the executor or administrator is registered: Provided, however, That in case such executor or administrator is not registered, registration of the estate shall be made with and the Taxpayer Identification Number (TIN) supplied by the RDO having jurisdiction over the legal residence of the executor or administrator;

(f) **Donation** - RDO having jurisdiction over the residence of the donor;

(g) **Sale of Real Property** - RDO having jurisdiction over the real property subject to the provisions of Revenue Regulations No. 4-2008 with respect to real estate transactions where seller is classified as large taxpayers under RR 1-98;

(h) **Sale of Shares of Stock** - RDO having jurisdiction over the address of the seller for shares of stock not traded in the Stock Exchange. In the case of listed shares, the venue shall be with the RDO having jurisdiction over the place where the particular Local Stock Exchange is located;

(i) **Non-resident applicants** - RDO 39, South, Quezon City;

(j) **Other applicants** (i.e., applicants under E.O. 98) - RDO having jurisdiction over the residence of the applicant.

Once a TIN has been issued to the persons identified in items (a) to (d) above, the second stage in the registration process shall immediately proceed following the provisions enunciated by Section 4 hereof.

With respect to applicants, whose purpose of securing TIN is not to pursue any activity or undertaking that would require the filing of tax returns and payment of taxes on a periodic basis but are merely obtaining TIN for the purpose of executing one-time transactions (i.e., settlement of estate, donation, sale of real property/shares of stock) or for compliance with the mandate prescribed by certain laws to indicate the TIN unto certain documents, the registration process stops at the initial stage.

As to those applicants securing TIN on account of one-time transactions, it is mandatory that the "Application for TIN" form be accomplished by providing not only the basic information required in Subsection (1) above, but also the particular tax types to which they are liable to pay on a one-time basis. The appropriate tax returns (i.e., estate tax return, donor's tax return, capital gains tax return, documentary stamp tax return) shall then be filed and the taxes due thereon paid in accordance with the existing rules and regulations.

(D) Issuance of TIN Card. – Once application is approved and a TIN is assigned, the corresponding TIN card shall be issued. The same must be processed and released to the applicant within the same day the complete documentary requirements as prescribed in Item C (2) above have been submitted to the concerned RDO. The TIN Card shall contain the serial number of the TIN card, name of the applicant, the TIN numeric code, registered address, birth date/date of incorporation, date of issue, signature of the Commissioner and signature of individual applicant/duly authorized representative (in case of juridical persons). For individual, a box/space for his picture shall be provided.

The cost and the processing of the TIN Card shall **not** be charged and collected from the taxpayer/applicant. However, in case of subsequent issuance upon taxpayer's request, due to loss or damage, a one-hundred (P100.00) peso-fee shall be collected to cover cost of reprinting. Such TIN Card shall reflect the same TIN numeric code and other information as indicated in the previously issued card to said taxpayer.

SEC. 4. SECOND STAGE OF PRIMARY REGISTRATION: REGISTRATION OF EMPLOYMENT, BUSINESS, AND OTHER UNDERTAKINGS. – To complete the

registration requirement pursuant to Section 236 (A) of the Code, as amended, the following persons are required to proceed to the second stage of primary registration:

(a) Employees;
(b) Self-employed individuals, professionals, estates and trusts, and their branches or facilities, if any;
(c) Corporations, partnerships, cooperatives, associations (whether taxable or non-taxable) and their branches and facilities, if any; and
(d) GAIs, GOCCs, LGUs, and their branches and faciltities, if any

This stage pertains to the subsequent registration of relevant information of persons enumerated above through the accomplishment of prescribed registration form, together with the submission of the required documents.

Except for employees and facilities, it is the stage where the registrants are required to:

1. pay registration fee, if applicable;
2. secure Certificate of Registration (COR);
3. get "Ask for Receipt" notice, if applicable; and
4. attend the taxpayer's initial briefing to be conducted by the BIR for new registrants in order to apprise them of their rights and duties/responsibilities.

SEC. 5. WHEN TO PROCEED TO THE SECOND STAGE OF PRIMARY REGISTRATION. - Every person subject to any internal revenue tax, which is expected to be paid periodically, shall proceed to this stage to complete its registration with the BIR:

(A) Employees: Within ten (10) days from date of employment -

This applies to individuals who are registering with the BIR for the first time by reason of employment.

The submission of the fully-accomplished registration forms to BIR may either be done by the employer or the employee. However, in the case of employees of large taxpayers/TAMP corporations, whose TINs were secured through the latter, the prescribed registration form for employment shall likewise be submitted through the employer. In case of failure to register in accordance with the herein prescribed time, the person required to submit the prescribed registration form to BIR shall be imposed a penalty for such violation as prescribed in these regulations.

(B) Self-employed individuals, professionals, estate and trusts and their branches, if any; branches of corporations: On or before the commencement of business -

Commencement of business shall be reckoned as defined in Section 2 hereof. A person shall be considered to have violated this provision when he proceeded to this stage after the lapse of thirty (30) working days from the day the corresponding Mayor's Permit/PTR is

issued to the taxpayer by the concerned LGU or have had its sales transaction prior to its registration.

(C) Corporations (Taxable or Non-taxable): Before payment of any tax due -

In the case of corporations where documentary stamp tax (DST) is required to be paid on the original issuance of shares of stock to the shareholders or subscription of shares of stock, within five (5) days after the close of the month when any taxable transaction occurred, such corporations must proceed to the second stage of registration.

Example: ABC corporation was issued the SEC Certificate of Registration on June 2, 2008. Immediately thereafter, it secured TIN with the BIR. It has a subscribed capital stock of P1,000,000 and therefore required to pay DST of P5,000 on or before July 5, 2008. In this case, the second stage BIR registration shall be done on or before payment of DST due. If it failed to register on or before July 5, 2008, it shall be considered late in registration, thus, subject to penalty.

(D) Partnerships, Associations, Cooperatives, Government Agencies and instrumentalities: Before or upon filing of any applicable tax return, statement or declaration as required by the Code, as amended -

Example: A General Professional Partnership (GPP) was issued TIN on May 2, 2008. The following day it paid its advance office rental amounting to P20,000.00 where an amount of P1,000.00 was withheld and must be remitted to the BIR on or before June 10, 2008. Under this scenario, the GPP must register with the prescribed RDO on or before the due date for the remittance of the tax that was withheld.

Notwithstanding the above provisions, any person is not precluded from proceeding with this stage right after securing the TIN, provided the requirements are fully complied with.

For those persons not covered by Subsections (A) to (D) above but who, under certain circumstances are required to file a return, statement or declaration where the registration with the BIR is required, compliance with the provisions prescribed with Section 3 (Initial Stage of Primary Registration: Application and Issuance of TIN) of these Regulations is tantamount to the observance of the registration requirement prescribed by Section 236 (A) of the Code.

In any case, the Commissioner of Internal Revenue may, for administrative and meritorious reasons, deny or revoke any application for registration.

SEC. 6. WHERE TO FILE PRESCRIBED REGISTRATION FORM. –
The prescribed application for registration shall be filed with the same RDO as provided in Section 3(C)(4) of these Regulations. However, for individuals who were previously issued TIN under EO 98, ONETT or due to employment, and will engage in the practice of profession or sole proprietorship, the submission of the prescribed registration update form shall be with the RDO having jurisdiction over the place of business/principal office. If the RDO having jurisdiction over the business is different from the RDO that previously issued the TIN, the TIN shall be

transferred by the old RDO to the new RDO upon request of the latter or the taxpayer. Afterwhich, all updates on taxpayer's information shall be filed with the new RDO.

In the case of registration of facility, the registration form shall be filed with the RDO having jurisdiction over its physical location, using facility code.

SEC. 7. BIR FORMS AND ADDITIONAL DOCUMENTARY REQUIREMENTS. - The registration forms shall generally contain the taxpayer's name, TIN, SEC/CDA/DTI/HLURB Registration Number, date of registration, registered address, taxpayer type, tax types, business style, place of residence (for individual), line of business, and such other information as may be required by the Commissioner in the form prescribed therefor to be filled out in two (2) copies, properly labeled and indicated thereon the specific purpose of the copy, i.e., "taxpayer's copy" and "BIR's copy".

These forms shall be submitted together with the required documents, namely:

(a) In the case of self-employed individuals, mixed income earners, professionals, estates and trusts -Form to be prescribed by the BIR, together with the submission of the following:

(a.1) **For self –employed, professionals, mixed income earners** – Photocopy of:
- (a.1.1) Mayor's Business Permit/PTR issued by the LGU;
- (a. 1.2) Lease Contract, if applicable;
- (a.1.3) DTI Certificate of Registration of Business Name, if a business trade name shall be used;
- (a.1.4) Certificate of Authority if Barangay Micro Business Enterprises (BMBE) registered-entity, if applicable;
- (a.1.5) Proof of Registration/Permit to Operate with Board of Investment (BOI)/ Board of Investment for Autonomous Region for Muslim Mindanao (BOI-ARMM), Philippine Export Zone Authority (PEZA), Bases Conversion Development Authority (BCDA) & Subic Bay Metropolitan Authority (SBMA), if applicable;
- (a.1.6) Franchise Agreement, if applicable;
- (a.1.7) Sworn Statement of Capital, if applicable;
- (a.1.8) Working Permit for non-resident;
- (a.1.9) Waiver of husband to claim additional exemption, if applicable;
- (a.1.10) Marriage Contract, if applicable; and
- (a.1.11) Birth Certificates of declared dependents, if applicable.

(a.2) **For Trust** - In addition to the requirements under a.1 (1 to 7), photocopy of the trust agreement;

(a.3) **For Estate (under judicial settlement)** - In addition to the requirements under a.1 (1 to 7), photocopy of the Death Certificate of the deceased.

(b) In the case of individuals earning purely compensation income (local employment) BIR Form to be prescribed by the BIR, together with the following attachments:

(b.1) Birth Certificate of declared dependents, if any;

(b.2) Waiver of husband on his right to claim additional exemptions, if wife will claim; and
(b.3) Marriage Contract, if applicable.

If the husband wants to reacquire from his wife the privilege of claiming the additional exemption for the dependent children, he shall execute a cancellation of the previously-executed waiver of the privilege to claim additional exemptions in favor of the wife, which Notice of Cancellation of Waiver of the Privilege of Claiming the Additional Exemptions shall be filed separately, together with the registration update form, with the RDOs having jurisdiction over the registration of the husband and of the wife.

(c) In the case of corporations/partnerships (taxable/non-taxable) including GAIs and LGUs – The Form to be prescribed by the BIR shall be accomplished and submitted together with the photocopy of the following:

(c.1) **For corporations/partnerships -**
- (c.1.1) Copy of SEC Registration and Articles of Incorporation/Articles of Partnerships, as the case maybe;
- (c.1.2) DTI Registration of business trade name, if applicable;
- (c.1.3) Lease Contract, if applicable;
- (c.1.4) Certificate of Authority, if BMBE-registered entity;
- (c.1.5) Franchise Agreement, if applicable;
- (c.1.6) License to Do Business in the Philippines, in case of resident foreign corporation;
- (c.1.7) Proof of Registration/Permit to Operate with BOI, SBMA, BCDA, PEZA, if applicable.

(c.2) **For GAIs and LGUs -** Copy of the Unit or Agency's Charter;
(c.3) **For Cooperatives -** Copy of CDA Certificate of Registration.

(d) In the case of registration of branch/facility:

(d.1) Copy of the COR of the head office;
(d.2) Mayor's Permit;
(d.3) DTI Certificate, if applicable; and
(d.4) Lease Contract, if applicable.

SEC. 8. CERTIFICATE OF REGISTRATION (COR). -

(A) Persons Entitled to the Issuance of COR. - The COR shall only be issued to individuals engaged in business or the practice of profession and to juridical persons (whether taxable or exempt) by the Revenue District Officer (RDO) concerned (i.e., RDO of head office/branch/facility) upon compliance with the requirements for registration. Issuance of COR, whether upon registration or upon update of taxpayer's information, is not subject to the payment of Certification Fee, unless the taxpayer requested for a certified copy of said COR, in which case, the same shall be subject to the payment of Certification Fee imposed by Sec. 15 hereof.

(B) Persons Not Covered by the Issuance of the COR. - Employees, one-time taxpayers, and/or persons who have secured TIN under EO 98 with the BIR shall not be issued a COR.

(C) Information Contained in the COR. - The COR shall contain information pertinent but not limited to the following:

1. Name of the taxpayer;
2. Registered/Residence Address;
3. Business Trade Name;
4. Taxpayer Type;
5. RDO Code;
6. TIN including the Branch Code extension number;
7. Date of registration and generation/issuance of COR;
8. Particular Tax Types which the taxpayer is required to file returns/pay taxes due thereon, if any and the particular tax rate (0% or 12%) if subject to VAT;
9. Particular tax incentives granted and the line of business for which the tax incentive has been granted and the period covered by such tax incentive, if applicable;
10. Registration Certificate Number with the SEC, DTI, CDA, BOI, SBMA, CDA, BCBA, or any other applicable government agency under which the entity/association has accredited itself in order to avail of certain tax incentives or preferential tax rates;
11. Line of Business and its Philippine Standard Industry Code (PSIC) including the Philippine Central Product Classification (PCPC) for the classification standards of goods and/or services for sale. If the line of business per PSIC Table is "unclassified", specify the description of the specific line of business;
12. Name of RDO/approving officer; and
13. Date of signing/approval.

In the meantime that enhancements are being undertaken to boost the capability of the registration system, information enumerated above which are not currently included in the data contained in the systems-generated COR shall be manually typed or stamped unto said COR and signed by the RDO or his authorized representative.

(D) Issuance of COR to Head Office, Branch and Facility. - Each head office, branch or facility shall be issued with a COR within eight (8) working hours from receipt of application and complete requirements.

(E) Posting of COR. - Persons mentioned in Subsection (A) above shall post or exhibit its/his COR and duly validated Registration Fee Return at a conspicuous place in its/his principal place of business and at each branch and/or facility in a way that is clearly and easily visible to the public.

SEC. 9. DENIAL OF APPLICATION FOR TIN AND/OR REGISTRATION. - The Commissioner may deny any application for TIN and/or registration, including updates thereto, for any of the following reasons:

(a) Deliberate misrepresentation or omission by the taxpayer of material facts in the application;

(b) Non-submission by the taxpayer of material supporting documents required of him by the BIR;

(c) The filing of the application is on its face erroneous or fraudulent;

(d) The taxpayer applying for TIN already has a previously issued TIN.

In the event of denial by the Commissioner of Internal Revenue of an application for TIN/registration, including updates thereto, the taxpayer applicant must be advised in writing of the denial of his application and the grounds thereof.

SEC. 10. ANNUAL REGISTRATION FEE (RF). - An annual registration fee (RF) in the amount of Five Hundred Pesos (P500.00) for every separate or distinct establishment or place of business shall be paid upon registration and every year thereafter on or before January 31 by every person subject to any internal revenue tax.

However, the following shall be exempt from the imposition of annual registration fee:

(1) Cooperatives duly registered with the CDA;
(2) Individuals earning purely compensation income whether locally or abroad;
(3) Overseas Workers;
(4) GAIs, in the discharge of their governmental functions;
(5) Marginal Income Earners;
(6) LGUs, in the discharge of their governmental functions;
(7) Tax exempt persons such as those enumerated under Section 30 of the Code, as amended, in pursuance of tax-exempt activities;
(8) Non-stock/non-profit organizations not engaged in business;
(9) Persons subject to tax under one-time transactions; and
(10) Facility/ies where no sales transactions occur.

The exemption from the payment of RF by GAIs, LGUs, non-stock/non-profit organizations and other tax-exempt entities is predicated on the notion that their undertakings/endeavors are not directed nor intended to generate income/profit. Thus, any profit-oriented activity pursued by a GAIs, LGUs and/or tax-exempt entity which already partakes the nature of an activity similar to those undertaken by those engaged in business shall be treated as an activity in pursuance of a business for which the payment of annual registration fee must be imposed.

The imposition of annual registration fee shall likewise apply in cases where part of the activities or undertakings conducted in a facility of the business involve sales transactions regardless of the frequency of the occurrence thereof. Sales transactions need not be conducted on a regular basis. Thus, even if the warehouse or place of production is predominantly used for storage, warehouse or production purposes, a single conduct of sale consummated thereat is enough to warrant the imposition of the annual registration fee thereon.

The registration fee shall be paid to an Authorized Agent Bank (AAB) located with the RDO, or to the Revenue Collection Officer, or duly authorized Treasurer of the City or Municipality where each place of business or branch is registered, subject to the Electronic Filing and Payment System (EFPS) rules and regulations, if applicable.

The annual registration fee shall be paid in its full amount. Registration occurring during the interim period of the initial year shall be imposed with the same full amount of P500 as registration fee.

When any individual who has paid the RF dies, and the same business is continued by the person or persons interested in his estate, no additional payment shall be required for the residue of the term of which the tax was paid: Provided, however, that the person or persons interested in the estate should, within thirty (30) days from the death of the decedent, submit to the concerned RDO inventories of goods or stocks had at the time of such death. This requirement shall also be applicable in the case of transfer of ownership or change of name of the business establishment.

SEC. 11. REQUIREMENT FOR THE REGISTRATION OF EACH TYPE OF INTERNAL REVENUE TAX. - Every person who is required to register with the BIR under Section 4 of these Regulations, shall register each type of internal revenue tax for which he/it is obligated, file a return, pay taxes due thereon, and update such record of any changes in the registration information in accordance with Section 13 hereof.

Generally, registration of tax types/fees by a business entity would consist of the following internal revenue taxes/fees:

(a) Income tax;
(b) VAT and/or percentage tax;
(c) Withholding tax on compensation;
(d) Creditable withholding tax at source on certain income payments;
(e) Final withholding tax on certain income payments;
(f) Documentary stamp tax;
(g) Excise tax; and
(h) Annual registration fee.

The nature of the business to which the taxpayer belongs should be taken into consideration in determining the type of taxes that should be registered.

In order to avoid the generation of invalid "stop-filer" cases in the BIR's database, in the registration of type of internal revenue tax, only those taxes that the taxpayer is expected to periodically pay should be registered.

The registration of income tax as a tax type does not automatically carry with it the registration of VAT and/or percentage tax as a tax type. An example of this is the seller of agricultural food products. Such seller although subject to income tax is exempt from the imposition of either VAT or percentage tax, pursuant to the provisions of Section 109 of the Code, as amended.

For those enjoying income tax holidays, or exemption from other taxes for a certain limited period of time, as granted pursuant to special laws, the types of the taxes the taxpayer is exempt from paying on account thereof shall not be included in the registration of tax types he is obligated to pay for the meantime that the exemption period is effective. However, such exemption period must be noted and upon the expiration thereof, it shall be the duty of the RDO to automatically update the registered tax types of the taxpayer. The taxpayer must be duly informed in writing of such update made.

For purposes of determining what business tax type (i.e., whether VAT or other percentage taxes) is applicable to the nature of the business activity of the taxpayer, the following rules shall apply:

(A) VAT Registration in General. - Any person who, in the course of trade or business, sells, barters, exchanges goods or properties, or engages in the sale of services subject to VAT imposed in Secs. 106 and 108 of the Code, as amended, shall register the VAT tax type with the RDO having jurisdiction over the head office.

(B) Mandatory VAT Registration. - Any person who, in the course of trade or business, sells, barters or exchanges goods or properties or engages in the sale or exchange of services shall be liable to register the VAT tax type if:

(B.1) His gross sales or receipts for the past twelve (12) months, other than those that are exempt under Sec. 109 (1) (A) to (U) of the Code, as amended, have exceeded One million five hundred thousand pesos (P1,500,000.00); or

(B.2) There are reasonable grounds to believe that his gross sales or receipts for the next twelve (12) months, other than those that are exempt under Sec. 109 (1)(A) to (U) of the Code, as amended, will exceed One million five hundred thousand pesos (P1,500,000.00).

Every person who becomes liable to VAT under paragraph (B) of this section shall register with the RDO which has jurisdiction over the head office of that person. If he fails to register, he shall be liable to pay the output tax under Secs. 106 and/or 108 of the Code, as amended, as if he were a VAT-registered person, but without the benefit of input tax credits for the period in which he was not properly registered.

Moreover, franchise grantees of radio and television broadcasting, whose gross annual receipt for the preceding calendar year exceeded P10,000,000.00, shall register as VAT taxpayer within thirty (30) days from the end of the taxable year.

(C) Non-VAT Registration. - The following are not required to register the VAT tax type:

(C.1) Those persons subject to other percentage taxes under Title V of the Code, as amended;

(C.2) Those whose transactions are VAT-exempt as enumerated under Sec. 109 of the Code, as amended;

(C.3) Marginal Income Earners as herein defined.

(D) Optional Registration of Value-added Tax of VAT-Exempt Person.-

(D.1) Any person who is VAT-exempt under Sec. 109(1)(V) of the Code, as amended, i.e., sale or lease of goods or properties or the performance of services other than the transactions mentioned in Sec. 109(1)(A) to (U) of the Code, as amended, the gross annual sales and/or receipts do not exceed the amount of One million five hundred thousand pesos (P1,500,000.00) not otherwise required to register for VAT may elect to be VAT-registered by registering with the RDO that has jurisdiction over the head office of that person

(D.2) Any person who is VAT-registered but enters into transactions which are exempt from VAT (mixed transactions) may opt that the VAT apply to his transactions which would have been exempt under Sec. 109(1) of the Code, as amended.

(D.3) Franchise grantees of radio and/or television broadcasting whose annual gross receipts of the preceding year do not exceed Ten million pesos (P10,000,000.00) derived from the business covered by the law granting the franchise may opt for VAT registration. This option, once exercised, shall be irrevocable.

Any person who elects to register under these subsections (D.1) and (D.2) above shall not be allowed to cancel his registration for the next three (3) years.

The above-stated taxpayers may apply for VAT registration not later than ten (10) days before the beginning of the taxable quarter and shall pay the registration fee prescribed by Sec.10 hereof, unless they have already paid at the beginning of the year. In any case, the Commissioner of Internal Revenue may, for administrative reason deny any application for registration. Once registered as a VAT person, the taxpayer shall be liable to output tax and be entitled to input tax credit beginning on the first day of the month following registration.

In the case of documentary stamp tax, this tax type shall only be registered in respect to those taxpayers who are expected to be liable to the payment thereof on a periodic basis.

Insurance companies and banks are examples of industry whereby the payment of documentary stamp tax is periodically expected in the ordinary course of their business, hence, in addition to income tax, VAT and/or percentage tax, withholding tax (creditable and final), the tax type of documentary stamp tax should likewise be registered.

The registration of the tax type of excise tax shall only be applicable to those taxpayers subject to it pursuant to Title VI of the Code, as amended.

The tax types to be registered for the National Government Agencies (NGAs) and/or LGUs shall only be those pertinent to withholding taxes. The same holds true for certain tax-exempt entities, provided that the same, including the NGAs, LGUs are not engaged in any profit-oriented activity. Otherwise, the tax types applicable to the profit-oriented activity shall likewise be registered.

With respect to those business entities with branch/es, the rules on the registration of tax types as provided hereunder shall be observed:

(a) **Income tax** - Registration shall be with the Head Office only;
(b) **VAT** - Registration shall be with the Head Office only;
(c) **Percentage tax** - Taxpayer has the option to register the tax type in the head office where only one consolidated percentage tax return pertinent to all the sales of the branches are reported; or to register the tax type not only in the head office but in the respective branches as well, where filing of percentage tax returns and payment of percentage taxes are done separately by the head office and the branches;
(d) **Withholding tax on compensation** - Taxpayer similar to item (c) above, has the option to register the tax type in each and every branch or to just register such tax type in its head office;
(e) **Creditable withholding tax at source on certain income payments** - Taxpayer similar to item (c) above, has the option to register the tax type in each and every branch or to just register such tax type only in respect to its head office;
(f) **Final withholding tax on certain income payments** - Taxpayer similar to item (c) above, has the option to register the tax type in the head office as well as in each and every branch or to just register such tax type only in respect to its head office;
(g) **Documentary stamp tax** - Taxpayer similar to item (c) above, has the option to register the tax type in head office as well as in each and every branch or to just register such tax type only in respect to its head office;
(h) **Excise tax** - Taxpayer similar to item (c) above, has the option to register the tax type in head office as well as in each and every branch or to just register such tax type only in respect to its head office;
(i) **Annual registration fee** - to be registered in head office and in all the branches, facilities with sales transaction.

However, in case the taxpayer is a large taxpayer, the above rules giving the taxpayer the option to register the tax type in the branch/es shall not apply since existing rules and regulations prescribe that large taxpayers file tax returns and pay tax due thereon, through EFPS facilities, if applicable; otherwise, filing shall be done manually but, in all instances, reflecting the RDO Code under the Large Taxpayers Service. VAT, Percentage Tax, Income Tax and withholding taxes are required to be filed on consolidated basis, while excise tax and documentary stamp tax can be filed not on consolidated basis, provided filing and payment must still be made following the aforesaid rules. In the case of payment of RF, it can also be paid

through EFPS, provided, the payment form must reflect the actual RDO having jurisdiction over the physical location of the respective branches.

SEC. 12. TRANSFER OF REGISTRATION. - In case a registered person decides to transfer his registration, place of business or his head office or branches, it shall be his duty to inform the RDO where he is registered by filing the prescribed BIR Form specifying therein the Revenue District Office where he is intending to transfer.

(A) Transfer of Registration (TIN Records).- The transfer of registration (TIN records) of persons registering pursuant to Section 4 hereof who secured TIN in an RDO other than the RDO where the principal place of business/practice of profession shall be conducted, shall be initiated by the RDO where he/it is registering its business/practice of profession (e.g., individuals who secured TIN due to one-time transactions, E.O. 98, etc.). In case of transfer of registration of individuals earning purely compensation income due to change of employer, it shall be the responsibility of the RDO having jurisdiction of the new employer to effect the transfer of employee's registration.

(B) Transfer of Business Registration. - Taxpayer requesting for transfer shall file the Application for Update Form with the old RDO, copy-furnished the new RDO. It shall be the duty of the old RDO to transfer the accountabilities of the taxpayer to the new RDO where he is transferring. However, the old RDO can still institute collection on concluded audit cases at the time of transfer of registration. Moreover, said old RDO is still duty-bound to terminate audit cases that are prescribing within six (6) months from the date of transfer. The filing of tax returns and payment of taxes to the new RDO shall commence at the time the transfer is effected by the old RDO. Both the new and the old RDO shall be responsible in notifying the taxpayer concerned that the transfer of registration has already been effected.

(C)Request for Transfer of Business Registration During the Interim Period - Transfer of head office of taxpayers engaged in business during the interim period shall only be officially effected in the records of the BIR by the end of the year. This is in order not to distort the respective collection goals of the affected RDO brought about by such transfer. Under this circumstance, the taxpayer may be allowed to physically transfer its business to the intended RDO, however, the filing of its returns and payment of taxes in the new RDO shall still bear the RDO Code of the old RDO until the end of the year and without imposition of any surcharge for "wrong-venue filing of return". Should the old RDO allow the transfer by effecting the transfer during the interim period as requested by the taxpayer, he is barred from citing such transfer as an excuse for the shortfall in collections. COR, Sales Invoice/Official Receipt (SI/OR) used in the old business location can still be used in the new business location (new address is stamped on it) until a new COR and Authority to Print (ATP) is secured with the new RDO, without penalty, provided the taxpayer can show a copy of duly received form for update filed with the old RDO. In case the SI/OR was consumed prior to effecting the transfer of registration in the Bureau's registration database, the taxpayer may request from the new RDO the issuance of manual ATP by presenting a copy of the filed Application for Update Form bearing the request for transfer as well as the copy of the last ATP issued by the old RDO until such time that a new system-generated ATP is secured from the new RDO. Attachments to the tax returns, such as Summary Lists of Sales and Purchases (SLSP), Monthly Alphalist of Payees (MAP), Summary Alphalist of Withholding Taxes (SAWT), and other reports which can not be submitted

electronically to the old RDO should be submitted to the proposed new RDO, provided the taxpayer can show to the new RDO that it has a pending request/application for transfer of registration. The new RDO shall validate the contents of submitted files in soft copy and ensure that these are forwarded to the RDC having jurisdiction over the new RDO.

However, request for transfer of registration of branch/facility, which has no registered tax types in the RDO where it is registered, shall immediately be effected by the concerned old RDO.

(D) **Transfer of Registration of Employees of Transferring Employers** .- Registration of employees of the transferring employers shall simultaneously be transferred to the new RDO once the transfer of registration of the employer is effected. Should the employer hire new employees in its new location, the policies herein provided for the registration of employees shall apply, regardless of whether or not the employer's transfer of registration has already been effected.

SEC. 13. OTHER REGISTRATION UPDATES. - Any person registered in accordance with Section 4 hereof shall, whenever applicable, update his registration information with the RDO where he is registered using BIR Form to be prescribed by the BIR.

Instances where taxpayer shall update his/its registration information:

a.) A person's business has become exempt in accordance with Sec.109 (1) of the Code, as amended;

b) A change in the nature of the business itself from sale of taxable goods and/or services to exempt sales of goods and/or services;

c) A person whose transactions are exempt from VAT who voluntarily registered under VAT system, who after the lapse of three years after his registration, applies for cancellation of his registration as such. However, the optional registration as a VAT taxpayer of a franchise grantee of radio and/or television broadcasting whose gross receipts for the preceding year did not exceed P10,000,000.00 shall not be revocable;

d) A VAT-registered person whose gross sales or receipts for three consecutive years did not exceed P1,500,000.00 beginning July 1, 2005, which amount shall be adjusted to its present value every three years using the Consumer Price Index, as published by the NSO. Upon updating his registration, the taxpayer shall become liable to the percentage tax imposed in Sec. 116 of the Code. A short period return for the remaining period that he was VAT-registered shall be filed within twenty five (25) days from the date of cancellation of his registration; and

e) Any other changes/updates in registration information previously supplied, including cancellation or change in any tax types.

SEC. 14. CANCELLATION OF REGISTRATION. – The cancellation of registration may either pertain to cancellation of business registration and/or TIN. The cancellation of

business registration shall not automatically cancel the TIN of the person TIN is cancelled upon:

a) Death of an individual;
b) Dissolution, merger or consolidation of juridical person;
c) Discovery of a taxpayer having multiple TINs; and
d) Payment of estate tax by the heirs, administrator or executor (TIN of the Estate). However, in case of additional properties uncovered after payment of estate tax, the TIN previously issued for such estate shall be re-activated in order to facilitate the filing of the amended estate tax return and shall be cancelled upon full settlement of the tax liabilities of the estate.

Whereas, the cancellation of business registration may be granted on the following instances:

a) Closure/Cessation of business operation;
b) Dissolution of corporation/partnership;
c) Merger/Consolidation;
d) Death of an individual.

Cancellation of business registration due to any of the above instances requires the filing of a notice of closure or cessation of business to the RDO where registered, by accomplishing the prescribed registration updates form. Upon filing of the duly-accomplished form, the taxpayer is required to submit a list of ending inventory of goods, supplies, including capital goods; and an inventory/list of unused sales invoices/official receipts (SI/OR) and all other unutilized accounting forms (e.g., vouchers, debit/credit memos, delivery receipts, purchase orders, etc.). The unused sales invoices/official receipts and all other unutilized accounting forms shall be physically submitted to the RDO where the head office (HO) is registered or where the Authority to Print (ATP) was secured. The taxpayer shall also surrender all business notices and permits as well as the COR for cancellation. In case of cancellation of a branch, the submission of the unused SI/OR for destruction shall be done with the BIR office where the ATP was issued.

The RDO, upon receipt of the notice, registration update, inventory list of goods, inventory list of unused sales invoices/official receipts/other accounting forms, and the unused sales invoices/official receipts and all other unutilized accounting forms, shall:

a) "End date" the tax types of the taxpayer;
b) Destruct, in the presence of the taxpayer or his authorized representative, the unutilized SI/ORs and other accounting forms by cutting them crosswise and lengthwise at the middle thereof so that the same shall be divided into four (4), ensuring that the same will no longer be used as originally intended; and
c) Return to taxpayer the destructed SI/ORs and other accounting forms for burning and/or proper disposition.

In case of merger or consolidation, the above rules shall also apply to the dissolved entity (HO and branches). However, where the registered branches of the dissolved entity now become

branches of the surviving entity, it shall be the responsibility of the surviving entity's head office to provide them with SI/ORs for their use while the new set of SI/ORs (with the new name and TIN of the branch) is in process. In this case, the HO shall ask the BIR office, where HO is registered, for a permit for this purpose.

The RDO of the HO of the dissolved entity shall inform all the other RDOs, where the branches are registered, of the closure/cessation of the business. Likewise, the RDO of the head office shall submit a monthly report on cessation or closure of business to the Taxpayer Assistance Service, Attn: Chief, Taxpayer Service Programs Monitoring Division (TSPMD), for the issuance of Revenue Memorandum Circular (RMC) circularizing the names of taxpayers who have ceased business operations for the month.

Generally, the cancellation of HO registration shall result to the cancellation of business registration of the branch. This is true if branches are using same trade name being used by the HO, otherwise, the taxpayer shall file an application for update, making one of its/his existing branches to be the HO. If the location of the branch selected to be the HO is under a different RDO, the rule on transfer of registration shall apply.

All taxpayers who filed for cancellation of registration due to closure/cessation or termination of business shall be subjected to immediate investigation by the BIR office concerned to determine the taxpayer's tax liabilities. The immediate investigation of the BIR shall not be done if it involves cancellation of business of a person's registered branch.

SEC. 15. CERTIFICATION FEE. - Any request for certification that may be requested by a taxpayer from the RDO where he is registered on matters relating to his registration shall be charged with a fee in an amount not exceeding one hundred pesos (P100.00), in addition to the documentary stamp tax imposed under Section 188 of the Code, as amended.

The Certification Fee shall be collected on per document and/or per set basis regardless of the number of pages of such document/set. Thus, if a taxpayer would request for a certified true copy of his Certificate of Registration and his properly filled out BIR Registration Form filed with the BIR, he would then have to pay a total amount of P200.00 of certificate fee since his request pertains to two types of document. Moreover, if he would request for additional two more sets of certified true copies of his Certificate of Registration, an additional payment of P200.00 for certification fee shall be paid.

SEC. 16. MANDATORY CONDUCT OF TAX BRIEFINGS ON NEWLY REGISTERED TAXPAYERS AND ISSUANCE OF BASIC REGISTRATION INFORMATION FLYERS/LEAFLETS. - It shall be the duty of the RDOs to conduct tax briefings upon those taxpayers newly registered in their respective districts. Basic or fundamental rules on taxation as well as taxpayers' rights and obligations must be relayed to taxpayers in the simplest of terms for easy understanding and comprehension. Flyers or leaflets for this purpose shall be provided. Tax updates shall likewise be periodically held in order that taxpayers are kept abreast of the changes in the tax rules and regulations.

SEC. 17. BIR REGISTRATION FORMS. – All existing BIR registration forms shall be enhanced and updated with the view of simplifying the information fields and standardizing the data/encoding format and/or abbreviations for easy and effective upload to the Registration System Database.

SEC. 18. MAINTENANCE OF RECORDS. – The respective RDOs shall be responsible in the maintenance of records and documents submitted by taxpayers during primary registration and requests for updates, in such a manner that will facilitate easy access to them when needed.

Such records/documents must be preserved until the time the BIR by then has improved its information technology systems and expanded the storage capacity of its data warehouse to such a level that is capable of capturing and storing not only data but also scanned images of documents submitted by taxpayers which can be retrieved and printed upon need or request.

SEC. 19. SINGLE DATABASE REGISTRATION SYSTEM. - All efforts and endeavors in the improvement and enhancement of systems and policies must be geared towards the development of a clean and accurate registration data kept and maintained only under a single data warehouse.

SEC. 20. PENALTY PROVISION. – The following violations related to primary registration shall be penalized as follows:

a) Failure to register (those who are found unregistered during Tax Compliance Verification Drive) - Subject to the penalties under prevailing revenue issuances;

b) Late Registration (those who are voluntary registering, but beyond the prescribed period as indicated in these regulations) – Compromise penalty of P1,000, in addition to the unpaid RF and penalties due thereon for the years the person is already operating;

c) Late payment of annual registration fee - subject to 25% surcharge and 20% interest and P200 penalty;

d) Failure to register a branch or facility – subject to penalty of P1,000 per unregistered branch or facility;

e) Acquisition of Multiple TIN - aside from the criminal liability that may be imposed, P1,000 for every TIN acquired in excess of one;

f) Failure to and/or erroneous supply of information - P1,000 for every error/omission, but not to exceed P25,000;

g) In case of erroneous encoding of material information, the RDO personnel who committed the error shall be liable to a penalty of P1,000/error.

Any violation of the provisions of these regulations shall be subject to penalties provided in Sections 254 and 275, and other pertinent provisions of the Code, as amended.

SEC. 21. REPEALING CLAUSE. - All existing rules, regulations and other issuances or portions thereof inconsistent with the provisions of these Regulations are hereby modified, repealed or revoked accordingly except those rules that would necessitate registration system enhancement when the modified rules shall take effect only upon availability of the enhanced system.

SEC. 22. TRANSITORY PROVISION. – Portions of these Regulations which can be implemented immediately given the present capabilities of the registration system shall strictly be complied with upon the effectivity of these Regulations.

Nevertheless, for provisions hereof which can only be implemented as the enhancements are put in place in the registration database, transitory procedures shall be provided in a separate revenue memorandum order/s to be issued for the purpose. Pending issuance of transitory procedures, existing rules and procedures that are still implementable can be observed or followed, in the meantime.

SEC. 23. EFFECTIVITY CLAUSE. - These Regulations shall take effect after fifteen (15) days following complete publication in a newspaper of general circulation.

(Original Signed)
MARGARITO B. TEVES
Secretary of Finance

Recommending Approval:

(Original Signed)
LILIAN B. HEFTI
Commissioner of Internal Revenue