REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

November 25, 2010

REVENUE REGULATIONS NO. 13-2010

SUBJECT: Late/Out-of-District Filing of Tax Returns

TO : All Internal Revenue Officers, Authorized Agents Banks, and Other Concerned

---

SECTION 1. BACKGROUND. The investigation and prosecution of individuals and/or entities engaged in tax fraud or tax evasion practices, and other criminal violations under the National Internal Revenue Code (NIRC), is a priority undertaking of the National Government. In support of this endeavour, and of the efforts of the Bureau of Internal Revenue to effectively carry out this mission, these Regulations are being issued to establish and implement more stringent policies and guidelines in the acceptance of late and out-of-district tax returns by the following:

- Authorized Agent Banks (AABs);
- Revenue Collection Officers (RCOs);
- Revenue District Offices (RDOs);
- Large Taxpayers District Offices (LTDOs); or,
- Large Taxpayers Divisions (LT Divisions).

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

a. Late Return – a tax return filed beyond the date prescribed under the NIRC and existing rules and regulations. Tax returns filed with check payments made by the taxpayer on the prescribed due date, but were received by the concerned AAB after the cut-off / clearing time and reported in the Batch Control Sheet (BCS) the following working day, shall not be considered as late returns / late payments.

b. Out-of-District Return – a tax return filed outside the jurisdiction of the RDO, LTDO or LT Division where the taxpayer is registered, or where the return is required to be filed under the NIRC and existing rules and regulations.

SECTION 3. NON-ACCEPTANCE OF OUT-OF-DISTRICT RETURNS. The following policies and guidelines shall be observed with respect to Out-of-District Returns:

a. As a general rule, all RCOs, AABs, RDOs, LTDOs and LT Divisions, and other internal revenue officers concerned, shall *not* accept Out-of-District Returns.

b. The following shall be considered as exceptions to the general rule on the non-acceptance of Out-of-District Returns:

b.1. In cases where an AAB, in the regular course of its operations, inadvertently or erroneously accepted an Out-of-District Return and the corresponding tax payment, the RDO/LTDO/LT Division receiving such return and payment shall, in no case, process or encode data from the Out-of-District Return. Rather, the RDO/LTDO/LT Division concerned shall segregate all such Out-of-District Returns and, within five (5) calendar days from receipt thereof from the AAB, transmit such returns to the proper RDO/LTDO/LT Division where the returns are required to be filed (and the tax payments made) under the NIRC and existing rules and regulations.

b.2. The rules on the non-acceptance of Out-of-District Returns notwithstanding, the policies for the filing of tax returns, and payment of the taxes due, for One-Time-Transactions involving Estate, Donor's, Capital Gains and Documentary Stamps Taxes, as provided under the pertinent revenue issuances, shall continue to be observed.

c. Out-of-District Returns filed by taxpayers and/or received by RDOs/LTDOs/LT Divisions/RCOs/AABs under circumstances other than those described in Section 3(b) shall constitute *prima facie* evidence that such returns are fraudulent or spurious. Receipt of such Out-of-District Returns shall subject the concerned Revenue District Officer/LTDO Head/LT Division Chief/RCO and other concerned revenue employees (if any) to disciplinary sanctions provided in Section 7 of these Regulations.

SECTION 4. ACCEPTANCE OF LATE TAX RETURNS. The following policies and guidelines shall be observed with respect to Late Returns:

a. In general, all RCOs, AABs, RDOs, LTDOs, LT Divisions, and other internal revenue officers concerned shall *not* accept any tax return filed, or taxes paid, beyond the deadline prescribed under the NIRC and existing revenue issuances, without the imposition of the applicable penalties pursuant to Section 248 and 249 of the NIRC, and RMO No. 19-2007.

b. Prior to the filing of a Late Return, the following guidelines must be observed:

b.1. The taxpayer must first submit a Late Return – whether "No Payment" or "With Payment" – to the proper RDO/LTDO/LT Division, for stamping of the words "LATE FILING", and for recording.

b.2. The Revenue District Officer/LTDO Head/LT Division Chief shall include to the Late Return a computation of the corresponding penalties.

b.3. No AAB or RCO shall accept a Late Return that has not been stamped with the qualifier "LATE FILING" and is not supported by a

computation of the corresponding penalties prepared by the concerned RDO/LTDO/LT Division.

c. A Late Return that was filed by a taxpayer, and received by an AAB/RCO/RDO/LTDO/LT Division, without prior observation of the guidelines prescribed in Section 4(b) above, shall constitute *prima facie* evidence that the Late Return is fraudulent or spurious. Receipt of such Late Returns shall subject the concerned Revenue District Officer/LTDO Head/LT Division Chief/RCO and other concerned revenue employees (if any) to disciplinary sanctions provided in Section 7 of these Regulations.

SECTION 5. PROCESSING OF RETURNS. The receiving, retrieving, processing, encoding and storage of Late Returns and Out-of-District Returns under Section 3(b) shall be carried out in observance of the guidelines and procedures established under RMO No. 32-2000.

The RDOs/LTDOs/LT Divisions shall be responsible for the proper monitoring, processing and storage of Out-of-District Returns and Late Returns filed within their jurisdictions.

SECTION 6. REPORTING REQUIRMENTS. The following reports shall be prepared and submitted to the Commissioner of Internal Revenue, every thirtieth (30th) day of the month.

a. All RDOs/LTDOs/LT Divisions shall prepare reports on Out-of-District Returns and Late Returns which they have received in accordance with these Regulations. The reports shall be prepared, under oath, in the formats prescribed as follows:

- Report of Out-of-District Returns Transmitted From AABs Under Revenue Regulations No. _____ (**Annex A**) for Out-of-District Returns received from AABs and subsequently transmitted to the proper RDO/LTDO/LT Division where the subject returns are required to be filed;
- Report of Out-of-District Returns Received From Other RDOs/LTDOs/LT Divisions Under Revenue Regulations No. _____ (**Annex B**) for Out-of-District Returns received by the proper RDO/LTDO/LT Division where the subject returns are required to be filed; and
- Report of Late Returns Filed/Received Under Revenue Regulations No. _____ (**Annex C**) for Late Returns filed with RDOs/LTDOs/LT Divisions.

b. In the event that no Out-of-District Returns/Late Returns were received, the RDO/LTDO/LT Division shall submit the reports prescribed above, indicating on the face of the concerned report that no Out-of-District Return/Late Return was received, together with the following additional reports, which must also be prepared under oath:

- Report of No Out-of-District Returns Received From AABs Under Revenue Regulations No. _____ (**Annex A-1**);
- Report of No Out-of-District Returns Received From Other RDOs/LTDOs/LT Divisions Under Revenue Regulations No. _____ (**Annex B-1**); and,
- Report of No Late Returns Filed/Received Under Revenue Regulations No. _____ (**Annex C-1**).

SECTION 7. SANCTIONS. Violations of the provisions of these Regulations will subject the erring revenue officials and employees to administrative disciplinary action under the Revised Code of Conduct for BIR Officials and Employees (hereinafter referred to as the "Code of Conduct"), as promulgated under RMO No. 53-2010.

a. The acceptance of Out-of-District Returns and Late Returns in violation of these Regulations will subject the concerned revenue officials and employees for Grave Misconduct that carries the penalty of Dismissal from the revenue service for the First Offense.

b. The failure to timely submit the reports required herein will subject the concerned revenue officials and employees for *Inefficiency and Incompetence in the Performance of Official Duties*, a Grave Offense that carries the penalty of Suspension for six (6) months and one (1) day to one (1) year, for the First Offense; and Dismissal from the revenue service, for the Second Offense.

c. The encoding and processing of Out-of-District Returns and Late Returns, in violation of the provisions of these Regulations, will subject the erring revenue officials and employees to the following disciplinary actions:
c.1. Section 12(D) (Integrity and Security of Official Documents and Information), for which the revenue official/employee can be charged with Gross Neglect of Duty; and/or,

c.2. Section 12(G) (Unauthorized Access to the Database/Unauthorized Alterations [Addition, Modification, Deletion] to System Objects and Files, Application, Data and Logs), for which the revenue official/employee can be charged with Grave Misconduct,

Both are Grave Offenses that carry the penalty of Dismissal from the revenue service for the First Offense.

In addition to the penalties prescribed in the Code of Conduct, in cases where there are Out-of-District Returns and/or Late Returns that were filed, but were not included in the reports submitted under these Regulations, that involve taxpayers with filed and/or pending cases/investigations, the erring Revenue District Officer/LTDO Head/LT Division Chief, and all concerned revenue officers and employees, shall be subject to the appropriate criminal charges, by being impleaded as principals by indispensable cooperation.

SECTION 8. TRANSITORY PROVISIONS. All RDOS/LTDOs/LT Divisions shall prepare an Inventory of all Out-of-District Returns in their custody/possession, or under the safekeeping of their internal revenue officers or staff, within ten (10) working days following the effectivity of these Regulations. The Inventory, which shall be prepared under oath, shall employ the format prescribed in **Annex D** of these Regulations.

SECTION 9. REPEALING CLAUSE. All existing rules, regulations and other issuances, or portions thereof, that are inconsistent with the provisions hereof are hereby modified, repealed or revoked accordingly. RMO No. 77-2010, on the Reportorial Requirements for Late/Out-of-District Returns, is hereby revoked.

SECTION 10. EFFECTIVITY CLAUSE. These Regulations shall take effect after fifteen (15) days following its publication in a newspaper of general circulation.

Approved by:

(Original Signed)
CESAR V. PURISIMA
Secretary of Finance

Recommending Approval:

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