REPUBLIKA NG PILIPINAS
KAGAWARAN NG PANANALAPI
KAWANIHAN NG RENTAS INTERNAS

February 16, 2005

REVENUE REGULATIONS NO. 5-2005

SUBJECT : Monthly Submission of Sales Report and other Information Generated by Cash Register Machines (CRMs) and Point of Sales Machines (POS) and/or any Machine Sales Generating Receipt/Invoice Registered with the BIR

TO : All Internal Revenue Officials and Employees and Others Concerned

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1.0 BACKGROUND

A priority area of tax administration reform and modernization is the effective supervision and control of the issuance of receipts / invoices by a business establishment, whether through a manual process or through the use of CRMs, POS and similar machines.

The results of the nationwide Tax Compliance Verification Drives (TCVD) disclosed many machines/systems in use are non-compliant with the minimum requirements while a significant number are not even registered with the Bureau in violation of existing rules, orders and circulars. On the otherhand, some establishment visited complained of lack of clarity on the requirements of the Bureau for machines/systems as well as difficulty in complying with the registration requirements.

Accordingly, Revenue Regulations (RR) No. 11-2004 was issued allowing businesses to immediately make use of their CRMs/POS machines without prior authorization/permit from the BIR when the model/brand of the machine is among those accredited with the Bureau. What the owner/user simply needs to do is to register the machine(s) with the Bureau, in accordance with duly established registration procedures. Such registration may also be performed by the supplier of the machine, in behalf of the owner/user/taxpayer. Existing machines/systems with duly issued Permits but are not compliant with the minimum requirement of RR 11-2004 must endeavor to comply at earliest possible time.

In this regard, these Regulations are being promulgated in accordance with the provisions of Section 244 (in relation to Section 237 of the National Internal Revenue Code, as amended), Section 3 of RR No. 10-99, and as a supplemental Regulations to RR No. 11-2004 (which defines the minimum requirements for CRMs/POS and their accreditation/registration) and to allow

a selective implementation of the TCVD since those business complying with these two RR's can be exempted from the visitation.

2.0 COVERAGE

The policies, guidelines and reportorial requirements prescribed in these Regulations to all CRMs/POS machines, or any sales generating receipt/invoice machine classified as "stand alone" or linked to a Computerized System, including units used for training purposes, as well as back up and handheld machines that are used in business whether or not registered pursuant to RR No. 11-2004.

3.0 DEFINITION OF TERMS.

For purposes of these Regulations, the terms herein provided are defined as follows:

3.1 Monthly Sales – gross monthly sales per machine, as stored in the machine's non-volatile memory

3.2 Stand-Alone Machines – machines that can run independently and have the capability to store information from a non-volatile memory installed inside the machine.

3.3 Machine Identification Number (MIN) – the unique, system-generated control number issued by the BIR to the taxpayer through its Electronic Sales Reporting System (eSales), to acknowledge the enrollment of the machine into the facility. The MIN is issued to every machine enrolled into the eSales, and shall serve as the *permanent identification number* which the taxpayer shall cite in reporting his monthly sales from the enrolled machine.

3.4 Short Messaging System (SMS) – an electronic communications service for sending short text messages using mobile phones.

3.5 Electronic Mail (e-mail) – the transmission of messages using electronic files over the communication networks. This mode of transmission is efficient for transactions with voluminous information where files are submitted as an attachment.

3.6 Portal Facility – a secured web on-line single sign-on service facility where taxpayers with Internet access can lodge their enrollment and sales report.

3.7 Cloned Machine – a computer or device that functions exactly like another, better-known product. A machine without a specific/known brand.

3.8 Sales Report Number (SRN) – a system-generated number issued to taxpayers to confirm receipt of the sales report.

3.9 Roving Machine – CRM/POS machines controlled and managed by the Head Office and are transferred for use in any branch, as needed.

4.0 GENERAL PROVISIONS.

All business establishments are duty bound to submit on or before the 10th day of the month for each CRM/POS, the gross sales recorded at the end of the prior month and other information described in 4.2. Unless exempted for meritorious reason, business establishments must report thru any of the electronic channels described in 4.3. This means enrolling in the eSales following the procedure in 4.1.

4.1 ENROLLMENT FOR ELECTRONIC REPORTING (eSales). Enrollment is necessary to obtain Machine Identification Number (MIN) for each CRM/POS machine for which monthly sales report is to be made. The MIN is needed to be able to report as required in 4.2.1. Business establishments must enroll on or before *March 10, 2005* thru any of the alternative channels described below:

In enrolling, taxpayers shall provide the following information:

- 12-Digit Taxpayer Identification Number (TIN-Branch Code)
- Serial Number of the POS or CRM Machine as provided by the manufacturer or supplier of the machine and for cloned machines, the software license number shall be used.
- BIR issued Permit Number
- Permanent E-mail Address (for e-mail or Portal users only)

Data requirements will be the same regardless of the chosen channel. The BIR-eSales shall generate an MIN, which will serve as the permanent transaction number of each machine. This number is the unique identifier that shall be used by the taxpayer for purposes of reporting their monthly sales.

4.1.1 SMS Enrollment Format

Type

CRM<SPACE>**REG**<SPACE>**<TIN>*<SN>*<PN>**

where:

- **TIN** is the 12-Digit Taxpayer Identification Number
- **SN** is the Serial Number of the Machine
  - For POS, Serial Number shall refer to the Server Serial Number
  - For Software Solutions, Serial Number shall refer to the Software License Number
  - For HW/SW bundled solutions, Serial number of the machine shall prevail
- **PN** is the Permit Number issued by BIR

4.1.2 E-mail Enrollment Procedure

Only one permanent email address shall be used for CRM/POS Enrollment and Sales Reporting. The taxpayer shall download

from the BIR Portal the Excel file format (labeled **CRM REG)** which the taxpayer shall fill-out and send as a file attachment of the e-mail submission.

SEND:

To	:	crmpos@bir.gov.ph
From	:	taxpayer@company.com.ph
Subject	:	CRM REG
Attachment:		CRMReg(Name of Company).csv

4.1.3 Portal Enrollment Procedure

Only registered BIR Portal users can enter the CRM/POS Enrollment and Sales Reporting application. The Electronic Sales Reporting System (eSales) Home Page welcomes the user to the eSales. It contains the following links:

(1) **Enroll Machine**
(2) Report Sales
(3) View/Update Sales Report
(4) FAQ
(5) Logout to the System

A separate issuance will be issued to provide for detailed procedures and processes for enrollment.

4.2 REPORTING OF MONTHLY SALES. All business establishments with CRM/POS are duly bound to submit a monthly report for each CRM/POS as follows:

4.2.1 Data to be Reported

The Sales Report shall contain the following:

- MIN issued by the system at the time of enrollment
- Gross Monthly Sales (sales subject to VAT and Non-VAT) per machine as stored in the machine's non-volatile memory.

The breakdown of sales as to VAT and Non-VAT is required only when the same machine is used for VAT and Non-VAT transactions, and is capable of segregation. Otherwise, whatever is reflected in the machine as the monthly sales total shall be reported.

- The Month of the sales period being reported

- Serial number of the last Official Receipt/Invoice number issued for the month being reported

The mobile number/e-mail address used in the initial transaction (enrollment or first sales report submitted) will be considered as the permanent/default number/address of the taxpayer. In case of difference in the address from the e-mail against the Portal submitted address, the e-mail address used in reporting/enrolling shall prevail.

4.2.2 Machine with Zero Sales

All machines enrolled in the system with or without sales data shall be reported as prescribed in these Regulations unless cancelled.

4.2.3 Date of Reporting

The monthly sales per machine, shall be reported on or before the 10th calendar day of the following month using any of the required channels as described in Section 4.3.

4.2.4 Alternative Channels of Reporting

Taxpayers can choose from among the following channels of enrollment and sales reporting:

- Short Messaging System (SMS)
- Electronic Mail (e-mail)
- BIR Portal

4.2.5 Acknowledgement

A Sales Report Number (SRN) shall be issued by the system as a proof that BIR has received your sales report.

4.3 SALES REPORTING PROCEDURE

4.3.1 SMS Procedure

Business establishments with three or less machines are the ideal users of this facility.

Type :

CRM<SPACE>**SALES**<SPACE>**<MIN>*<MON_SALES>*<ER>**

where:

- **MIN** is the Machine Identification Number issued by the eSales

- **MON_SALES** refers to the sales transaction of the Month being reported and the amount of sales for the month. It shall follow the format
  Month digit=amount of sales,
  Where :
  Month digit = 1 for January, 2 for February and so on
  Amount of sales = Gross amount of sales for the month being reported
  Example :
  Sales report for the of March amounted to P800,000.00 shall be reported as :
  3=800000.00

- **ER** is the Last Official Receipt number issued for the month

In cases of multiple submissions, the most recent record submitted within month of sales reporting shall be considered as the final sales report. A corresponding Sales Report Number (SRN) will be issued to each reporting transaction which will uniquely identify each report.

4.3.2 E-mail Procedure

Only one permanent email address shall be used for CRM/POS Enrollment and Sales Reporting. The taxpayer shall download from the BIR Portal the Excel file format (labeled **CRM SALES)** which the taxpayer shall fill-out and send as a file attachment of the e-mail submission.

SEND:

To	:	crmpos@bir.gov.ph
From	:	taxpayer@company.com.ph
SUBJECT	:	CRM SALES
Attachment	:	CRMSales(Name of Company).csv

4.3.3 BIR Portal

Only registered BIR Portal users can enter the CRM/POS Enrollment and Sales Reporting application. Detailed procedure and system guide is published at the BIR Portal (www.my.bir.gov.ph).

The Electronic Sales Reporting System (eSales) Home Page welcomes the user to the eSales. It contains the following links:

(1) Enroll Machine
(2) **Report Sales**
(3) View/Update Sales Report
(4) FAQ

(5) Logout to the System

Taxpayers can request reports to esales@bir.gov.ph for the summary of their submitted monthly sales.

4.3.4 Manual Submission

Businesses shall endeavor to get themselves into any of the three (3) electronic channels above described. Should for meritorious reason an establishment is unable to report electronically, they may be allowed to make the report to the BIR Call Center in order that the electronic submission can be effected thereat.

A separate issuance will be issued to provide for detailed procedures and processes.

5.0 ROVING MACHINES

The sales generated from the roving machines are accounted for and shall be reported by the branch where the machine is used. Enrollment into the system shall be made prior to the use of the CRM/POS.

Once the roving machine has been used/enrolled by the branch into the system, a monthly sales report (with or without sales) shall be submitted unless cancelled.

6.0 REPLACEMENT OF LOST MACHINE IDENTIFICATION NUMBER (MIN)

In case the taxpayer forgets or misplaces the issued MIN(s), the taxpayer shall obtain the MIN through the BIR Contact Center at 981-8888.

7.0 CANCELLATION OF REGISTRATION.

The facility to cancel registration/enrollment of the POS/CRM/any sales machine will only be available in the BIR Portal. Cancellation of enrollment are only applicable to retired machines/software or those permanently transferring ownership from one taxpayer to another taxpayer.

8.0 PENALTY.

Any violation of the provisions of these Regulations shall be considered as sufficient grounds for the revocation of the taxpayer's permit to use CRM or POS machine and shall subject the concerned taxpayer to the penalty provided under Section 250 of the 1997 NIRC, as amended.

For this purpose, failure to submit sales report per machine shall constitute one failure.

Payment of penalty does not relieve the taxpayer from the submission of the monthly sales report. TCVD and other enforcement measure maybe be undertaken to compel taxpayer to fully comply with the Regulation.

9.0 TRANSITORY PROVISIONS.

During the transition period, the following guidelines shall be followed:

9.1 **Registration Update** – Establishments who failed to register the POS/CRM/Sales Receipt generating machine shall update their corresponding registration records with the concerned RDOs. An update of registration shall also apply to establishment who has not reported cancelled or abandoned sales generating receipt machines.

9.2 **Sales Report Update** - The January and February sales report shall be submitted as distinct and separate reports on or before March 10, 2005.

10.0 REPEALING CLAUSE.

Any revenue issuance inconsistent herewith is hereby amended, revoked, modified or repealed accordingly.

11.0 EFFECTIVITY CLAUSE.

These Regulations shall be effective after 15 days following publication in the newspaper of general circulation.

(Original Signed)
CESAR V. PURISIMA
Secretary of Finance

Recommending Approval:

(Original Signed)
GUILLERMO L. PARAYNO, JR.
Commissioner of Internal Revenue