REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

BUREAU OF INTERNAL REVENUE
RECORDS MGT. DIVISION
8:55 A.M.
JAN 31 2018
RECEIVED

Date 22 JAN 2018

REVENUE REGULATIONS NO. 7-2018

SUBJECT : Amending Certain Sections of Revenue Regulations No. 12-99, as Amended by Revenue Regulations No. 18-13, Relative to the Due Process Requirement in the Issuance of a Deficiency Tax Assessment

TO : All Internal Revenue Officers and Others Concerned

SECTION 1. Scope. — Pursuant to the provisions of Section 244, in relation to Section 245 of the National Internal Revenue Code of 1997 (Tax Code), as amended, these Regulations are hereby promulgated to amend provisions of Revenue Regulations (RR) No. 12-99, as amended by RR No. 18-13.

SECTION 2. Amendment. — Section 3 of RR 12-99, as amended by RR No. 13-18, is hereby amended by adding Section 3.1.1 providing for the preparation of a Notice of Informal Conference, thereby renumbering other provisions thereof, and prescribing other provisions for the assessment of tax liabilities. The pertinent provisions of Section 3 of RR 12-99 shall now read as follows:

> **"SECTION. 3. Due Process Requirement in the Issuance of a Deficiency Tax Assessment. —**
>
> 3.1 Mode of procedure in the issuance of a deficiency tax assessment:
>
> **3.1.1 Notice for Informal Conference.** — The Revenue Officer who audited the taxpayer's records shall, among others, state in his report whether or not the taxpayer agrees with his findings that the taxpayer is liable for deficiency tax or taxes. If the taxpayer is not amenable, based on the said Officer's submitted report of investigation, the taxpayer shall be informed, in writing, by the Revenue District Office or by the Special Investigation Division, as the case may be (in the case of Revenue Regional Offices) or by the Chief of Division concerned (in the case of the BIR National Office) of the discrepancy or discrepancies in the taxpayer's payment of his internal revenue taxes, for the purpose of "Informal

Conference," in order to afford the taxpayer with an opportunity to present his side of the case.

The Informal Conference shall in no case extend beyond thirty (30) days from receipt of the notice for informal conference. If it is found that the taxpayer is still liable for deficiency tax or taxes after presenting his side, and the taxpayer is not amenable, the Revenue District Officer or the Chief of the Special Investigation Division of the Revenue Regional Office, or the Chief of Division in the National Office, as the case may be, shall endorse the case within seven (7) days from the conclusion of the Informal Conference to the Assessment Division of the Revenue Regional Office or to the Commissioner or his duly authorized representative for issuance of a deficiency tax assessment.

Failure on the part of Revenue Officers to comply with the periods indicated herein shall be meted with penalty as provided by existing laws, rules and regulations."

SECTION 3. Repealing Clause. — Any rules and regulations or parts thereof inconsistent with the provisions of these Regulations are hereby repealed, amended, or modified accordingly.

SECTION 5. Effectivity. — The provisions of these Regulations shall take effect after fifteen (15) days following publication in any newspaper of general circulation.

000856

CARLOS G. DOMINGUEZ
Secretary of Finance
JAN 22 2018

Recommending Approval:

CAESAR R. DULAY
Commissioner of Internal Revenue
012550

BUREAU OF INTERNAL REVENUE
RECORDS MGT. DIVISION
8:55 A.M.
JAN 31 2018
RECEIVED