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

March 26, 2019

REVENUE MEMORANDUM CIRCULAR NO. 44-2019

SUBJECT: BIR Service Delivery Channel Strategies

TO: All Revenue Officials and Employees and Others Concerned

I. BACKGROUND

Republic Act (RA) No. 11032, otherwise known as the "Ease of Doing Business and Efficient Government Service Delivery Act of 2018" has been signed into law by President Rodrigo R. Duterte on May 28, 2018, amending the Anti-Red Tape Act of 2007. It aims to cut down bureaucratic red tape in government transactions, and speed up the processing of applications for business licenses, clearances, permits, certifications or authorizations, among others.

The Bureau of Internal Revenue (BIR), in compliance with the provisions of RA No. 11032, has instituted measures that aim to make it easier for taxpayers to comply with the existing tax laws and regulations. With the growing popularity of social media and the proliferation of mobile devices, the BIR has to continue exploring the use of various service delivery channels to make it responsive to the changing needs of its stakeholders, particularly the taxpayers.

II. OBJECTIVE

This Circular is being issued to present the BIR's Service Delivery Channel Strategies, together with the various service delivery channels and initiatives to improve taxpayers' satisfaction with the Bureau's delivery of its services.

III. SERVICE DELIVERY CHANNEL STRATEGIES

1. The BIR has provided **self-service facilities** to taxpayers to make tax information accessible to them and to make tax compliance easier and more convenient for them.

Said self-service facilities are the BIR Website (www.bir.gov.ph) and BIR social media accounts (Facebook, Twitter, Google+ and YouTube), which shall contain frequently asked information on the documentary requirements and procedures related to getting a Taxpayer Identification Number (TIN), business registration, filing a tax return and payment of taxes, among others.

Other self-service facilities made available to taxpayers are the BIR's Electronic Filing and Payment System (eFPS) and Electronic BIR Forms (eBIRForms), which have been developed to provide taxpayers (with internet access) other alternative modes to file their tax returns and pay their taxes.

Another option which taxpayers can use in their tax return preparation/filing and payment of taxes are the tax solutions developed by third party providers that passed the Bureau's certification process using the Electronic Tax Software Provider Certification (eTSPCert) System.

2. To supplement the information gathered by taxpayers from the BIR's self-service facilities (BIR Website and social media accounts), taxpayers can also attend the **tax seminars/briefings and dialogues/consultations** being conducted by the National Office and regional/district office personnel. If they want to raise their queries by telephone or e-mail, taxpayers can call the Customer Assistance Division (formerly called **BIR Contact Center**).

3. **Printed tax information materials** are also being prepared and distributed during the conduct of seminars/briefings and posted in the BIR Website and bulletin boards.

4. In case of written requests for information, the BIR has issued its **Freedom of Information (FOI) Manual** to define the rules and procedures to be followed by the designated BIR frontline personnel whenever a request for access to information is received by them.

5. **Taxpayer Service Counters** and **eLounges** are made available in the Bureau's Revenue District Offices and in the National Office wherein standards are in place to support the delivery of fast, efficient and responsive service to taxpayers, in compliance with the government's thrust to promote "Ease of Doing Business" in the country.

IV. SERVICE DELIVERY CHANNELS

1. *Making Tax Information Accessible to the Taxpaying Public*

In order to inform taxpayers about tax updates and their tax obligations, an enhanced **BIR Website** (www.bir.gov.ph) has been launched in August 2014 containing more information that are frequently asked by taxpayers, such as requirements in registering a business, filing tax returns and payment of taxes.

The BIR Website is a self-service facility available for access 24/7. Taxpayers are advised to visit first the BIR Website to check the documentary requirements for their transaction (whether to register or to file tax returns, etc.) before going to the BIR district offices. In case of clarifications, taxpayers can call the Customer Assistance Division (formerly **BIR Contact Center**) so they will be properly advised on what to do, what to bring, etc. before going to the district offices. This will lessen taxpayer's inconvenience of going back and forth in BIR offices and, at the same time, reduce the transaction time in the RDOs.

The BIR has issued Revenue Memorandum Order (RMO) No. 31-2014 on August 26, 2014 to prescribe the policies and guidelines in the regular updating of the BIR Website's content by the Bureau's Content Managers. Over the years, new content/information have been added in the BIR Website to take into account the passage of new laws (i.e. TRAIN Law, Data Privacy Act, etc.) and information requirements of other government offices (i.e. Financial Reports and Accountability Reports for the Transparency Seal required by DBM, COA, etc.).

Another communication channel which the BIR has tapped to supplement its information dissemination efforts is the social media. With the issuance of RMO No. 24-2018 on May 24, 2018, the Bureau has established and maintained **social media accounts in Facebook, Twitter, YouTube and Google+**. Said accounts shall contain the following information drawn from the BIR Website: i) Daily Tax Reminders; ii) Monthly Tax Calendars; iii) selected revenue issuances; iv) Advisories; v) BIR News; vi) tax campaign videos; and vii) Job Openings.

The information accessed by taxpayers from the BIR Website/social media accounts and Customer Assistance Division (BIR Contact Center) are further explained/clarified by the National Office and regional/district office personnel through their regular conduct of **tax seminars/briefings and dialogues/consultations**.

Printed tax information materials, such as flyers/primers are also made available for distribution during the conduct of seminars/briefings and posted in bulletin boards. BIR newsletters and media releases are also regularly prepared and released via electronic media (e-mail and BIR Website) to inform all stakeholders of the Bureau about updates and developments in tax administration (i.e. new policies, projects/programs, events, etc.).

2. ***Responding to Requests for Information***

In order to closely monitor the time taken to respond to written requests for information, the BIR has released on September 22, 2017 its **People's Freedom of Information (FOI) Manual** with the issuance of Revenue Memorandum Circular (RMC) No. 75-2017.

The issuance of the Bureau's FOI Manual is in compliance with the directive of Executive Order (EO) No. 2, s.2016 to "operationalize in the Executive Branch the people's constitutional right to information and the state policies of full public disclosure and transparency in the public service". The said Manual defines the rules and procedures to be followed when a request for access to information is received by the BIR.

As provided in the BIR FOI Manual, there shall be an FOI Receiving Officer, with a rank not lower than Revenue Officer IV or its equivalent, who shall serve as the initial point of contact to the public on FOI requests in the following BIR offices that regularly render "frontline services".

BIR Frontline Offices
a. All Regional Offices and all its Divisions, except Administrative Divisions and Document Processing Division (DPD) (for Regions with DPD) b. All Revenue District Offices c. All Divisions under Large Taxpayers Service, except LT Document Processing and Quality Assurance Division and LT Performance Monitoring & Programs Division d. Public Information and Education Division e. Accounts Receivable Monitoring Division f. Collection Programs Division g. Miscellaneous Operations Monitoring Division h. Law and Legislative Division i. International Tax Affairs Division j. Appellate Division k. National Investigation Division l. Audit Information, Tax Exemption and Incentives Division m. VAT Credit Audit Division

Section 11 of the FOI Manual requires that the FOI Receiving Officers must keep a record of all FOI requests received by him/her and shall make a monthly inventory thereof.

The BIR likewise issued Revenue Memorandum Order No. 45-2018 on October 2, 2018 to prescribe the guidelines in the submission of the Agency Information Inventory, FOI Registry and FOI Summary Reports prescribed under FOI Memorandum Circular (FOI-MC) No. 1 s. 2018 issued by the Presidential Communications Operations Office.

To ensure full compliance with Executive Order (EO) No. 2, s.2016, the BIR has also issued RMC No. 82-2018 to identify the Bureau's FOI Receiving Offices and their respective Receiving Officers and specify the FOI Request Process Flowchart and FOI List of Exceptions.

While providing for access to information, the BIR shall likewise afford full protection to a person's right to privacy by ensuring that personal information, particularly sensitive personal information in its custody or under its control, is disclosed only as permitted by existing laws. For this purpose, the BIR shall provide reasonable security arrangements against unauthorized access, leaks or premature disclosure of said personal information.

3. ***Standardization of Delivery of Frontline Services***

In compliance with the requirements of "Ease of Doing Business and Efficient Government Service Delivery Act of 2018", the BIR has implemented several measures to support the delivery of fast, efficient and responsive service to taxpayers.

a. Single Window Approach and New Business Registrants Counter

To facilitate the registration of new businesses, the BIR has issued RMO No. 19-2018 on April 25, 2018. Per said RMO, the Single Window approach was implemented by the Revenue District Offices (RDOs) in the receiving of applications/documents required for the registration of new businesses, and in the releasing of Certificates of Registration (COR) and Authorities to Print (ATP) receipts/invoices.

For this purpose, a special lane called the New Business Registrants Counter (NBRC) was established in every RDO, which is manned by a New Business Registrant Officer (NBRO) who will exclusively cater to new business registrants. The RDO may establish more than one NBRC to accommodate voluminous applications for registration of new business; Provided, that the new business registrant shall only transact with and receive the certificates and permits in the same counter where his/her application is submitted (in compliance with the Single Window Policy).

To minimize the inconvenience of going to Authorized Agent Banks (AABs) for the payment of the business Registration Fee, the BIR has assigned a Revenue Collection Officer (RCO) in the Client Support Section who will accept the registrants' payment of Registration Fee, Documentary Stamp, Certification Fee and penalty for late registration. The RCO shall issue electronic Official Receipt (OR)/Revenue Official Receipt (ROR) to the taxpayer-registrant using the Mobile Revenue Collection Office System (MRCOS), or manual OR/ROR in case of unavailability or malfunction of the MRCOS facility.

With the said setup, business registrants do not have to go from one counter to another to submit their documents, pay their Registration Fee and get their COR and ATP, which are requirements to start their business operation.

After receipt of their COR and ATP, new business registrants can immediately start their business operations while waiting for the printing or delivery of their receipts/invoices by their chosen BIR-accredited printer. This was prescribed under Revenue Memorandum Circular (RMC) No. 28-2019 issued by the BIR on February 26, 2019. Said Circular allowed new business registrants to buy and use BIR Printed Receipt/Invoice (BPR/BPI) for a period of fifteen (15) days from the date of registration with the BIR.

The registration of the Books of Accounts is also no longer a pre-requisite to start business operation. Per RMC No. 29-2019, issued by the Bureau also on February 26, 2019, the manual Books of Accounts is allowed to be registered before the deadline for filing of the business'

1st Quarterly Income Tax Return or before the filing of annual Income Tax Return, whichever comes earlier.

b. Fast Lane for One-Time Transactions

The BIR has issued RMC No. 43-2018 on May 28, 2018 directing the ONETT Team in all Revenue District Offices to establish a Fast Lane for the processing of simple One-Time Transactions (ONETT).

The Fast Lane will cater to individual taxpayers and corporations filing Capital Gains Tax or Donor's Tax returns with only one (1) Deed of Sale/Exchange/Donation involving one (1) to three (3) properties. The said ONETT transactions shall be processed and the corresponding Electronic Certificate Authorizing Registration (eCAR) shall be issued/released within three (3) working days from submission of complete documentary requirements by the taxpayer.

Said documentary requirements include a Certificate from the Authorized Agent Bank that can be secured immediately by the taxpayer after cash payment of taxes has been made.

The matrix below shows the processing time of ONETT for the issuance of eCAR by the BIR, which was circularized through the issuance of RMC No. 48-2018 on May 30, 2018:

Transaction	**Processing Time from the Submission of Complete Documentary Requirements (in working days)**
Individual taxpayer/Corporation with One (1) Deed of Sale/Exchange/Donation:	
a. One (1) to Three (3) properties	3 days
b. Four (4) to Ten (10) properties	5 days
c. Eleven (11) to Fifty (50) properties	10 days
d. More than Fifty (50) properties	20 days
Real Estate Developer – One (1) Deed of Sale/Exchange involving Multiple Properties:	
a. One (1) to Ten (10) properties	5 days
b. Eleven (11) to Fifty (50) properties	10 days
c. More than Fifty (50) properties	20 days

c. BIR Citizen's Charter

To make the delivery of frontline services faster and more efficient, the BIR has streamlined its business processes and requirements by reducing the number of signatories, processing time, and number of documentary requirements in all its frontline services. The streamlined business processes and requirements are contained in the BIR Citizens Charter, which is posted in the BIR Website.

The BIR Citizens Charter provides taxpayers with a quick glimpse of the BIR - its Vision, Mission and Core Values as well as information on BIR offices nationwide, specially their contact information. Most importantly, the Charter provides taxpayers with an easy reference on the various frontline services and standards governing the BIR's delivery of services to ensure uniformity, correctness, consistency, fairness, and a level-playing field in the enumerated services for all those who transact with the BIR.

All applications or requests submitted shall be acted upon by the assigned officer or employee within the prescribed processing time stated in the Citizen's Charter, which shall not be longer than three (3) working days, in the case of simple transactions, and seven (7) working days, in the case of complex transactions, from the date the request and/or complete application or request was received.

A Matrix of BIR Frontline Services is attached as Annex A of this Circular.

d. <u>ISO Certification for Business Registration Process</u>

To improve the delivery of frontline services to the taxpaying public, the BIR has embarked on a project for the development and installation of a Quality Management System (QMS) for its business registration process (Individual/Non-Individual) certifiable to the International Organization for Standardization (ISO) 9001:2008.

The ISO-QMS Project was initially implemented on a pilot run in 2010 at two (2) RDOs, namely: RD 40-Cubao and RD 43B-West Pasig, both under Revenue Region (RR 7) No. 7-Quezon City. On October 3, 2011, the Certification Body of TUV SUD Asia Pacific TUV SUD Group conferred ISO 9001:2008 Certification on the two district offices. The certification was expanded and conferred on March 17, 2014 to RR 7's five (5) more RDOs, namely: RD Nos. 38-North Quezon City, 39-South Quezon City, 42-San Juan, 43A-East Pasig and 46-Cainta, Rizal.

On January 11, 2016, RR 7-Quezon City passed the re-certification audit and was again conferred ISO 9001:2008 Certification. This time, all ten (10) RDOs under RR 7's jurisdiction passed the rigid third-party audit, including new additions, RD 28-Novaliches, RD 41-Mandaluyong City and RD 45-Marikina City.

The ISO (re-)certification covers a Quality Management System for the Business Registration Processes of RR 7 and all its district offices that included Primary Registration (i.e. Application, Issuance and Cancellation of Taxpayer Identification Number, Application and Issuance of Certificate of Registration, Registration Update) and Secondary Registration processes (Application and Issuance of Authority to Print Receipts/Invoices, Cash Register/Point-of-Sale Machine Permits, Permit to Use Computerized Accounting System and Registration of Books of Accounts).

In August 2018, all RDOs and support offices under RR 7 have upgraded their ISO Certification from ISO 9001:2008 to ISO 9001:2015 Quality Management System with NO NON-COMPLIANCE. Before the year 2018 ends, two (2) RDOs under RR 9A-CaBaMiRo (RDO No. 58-Batangas City and RDO No. 54B-West Cavite) also obtained ISO 9001:2015 Certification.

The BIR will continue to work on the ISO Certification of the business registration process of its other regional and district offices to institutionalize and standardize the delivery of quality service to taxpayers.

4. ***<u>Tax Filing and Payment Systems</u>***

To make it convenient for taxpayers to file their tax returns and pay their taxes, electronic filing and payment facilities were introduced by the BIR since August 2001.

The **Electronic Filing and Payment System (eFPS)** allows taxpayers to electronically process and transmit their tax return information, including attachments and taxes due thereon, to the government over the internet through the BIR Website (www.bir.gov.ph). It was developed to provide taxpayers with an alternative mode of preparing and filing tax returns that is easier and more convenient.

Taxpayers can avail of paperless tax filing experience and can pay their taxes online through the convenience of an internet banking service via debit from their enrolled bank account. Taxpayer can file and pay for their taxes anytime, anywhere as long as he/she is using a computer with an internet connection.

Over the years, the number of taxpayers availing the services of the Bureau’s Electronic Filing and Payment System (eFPS) have increased dramatically brought about by the issuance of several Revenue Regulations mandating certain groups of taxpayers to file their tax returns and pay the corresponding taxes via the eFPS.

The use of eFPS is mandatory to Taxpayer Account Management Program (TAMP) taxpayers; those required to secure the BIR-ICC and BIR-BCC; National Government Agencies; Licensed Local Contractors; Enterprises enjoying fiscal incentives (PEZA, BOI, etc.); Top 5,000 Individual Taxpayers; Corporations with paid-up capital stock of ₱10 million and above; Corporations with complete Computerized Accounting System; Procuring Government Agencies with respect to withholding of VAT and Percentage Taxes; Government Bidders; Large Taxpayers; Top 20,000 Private Corporations; and Insurance companies and stockbrokers.

Because of the increase in the number of eFPS users, the BIR developed the **Electronic BIR Forms (eBIRForms)** in 2015 primarily to provide taxpayers with an alternative mode of preparing and filing returns electronically.

The Offline eBIRForms is a tax preparation software that allows users to directly encode data, validate, edit, save, delete, view and print the tax returns. It is a package application covering 37 BIR Forms comprised of Income Tax Returns, Excise Tax Forms, VAT Forms, Withholding Tax Forms, DST Forms, Percentage Tax Forms, One Time Transactions (ONETT) Forms and Payment Forms.

Taxpayers and Accredited Tax Agents will be able to fill-up tax returns offline and submit it to the BIR through the internet. The use of eBIRForms is mandatory for accredited tax agents/practitioners and their clients; accredited printers of principal and supplementary receipts and invoices; One-Time Transaction (ONETT) taxpayers who are classified as real estate dealers/developers, those who are considered as habitually engaged in the sale of real property and regular taxpayers already covered; those filing a "No Payment" return; Government-Owned or -Controlled Corporations; Local Government Units except Barangays; Cooperatives registered with the National Electrification Administration; and Local Water Utilities Administrations.

On December 6, 2018, the BIR, in partnership with and support from the United States Agency for International Development (USAID), has launched the **Electronic Tax Software Provider Certification (eTSPCert) System** to provide taxpayers with additional options for electronic tax return preparation, filing and/or payment using a software developed by a third party provider that passed the Bureau's certification process.

The eTSPCert System is a web-based system that provides Tax Software Providers (TSPs) with a facility which they can use to submit online their application for certification of their tax solution for electronic tax return filing and/or payment. Through the said system, the BIR can determine whether the software being used by the TSPs are compliant with the Bureau's data structure requirements.

Submission of documentary requirements in the eTSPCert System is done electronically, with automated validation of relevant taxpayer-applicant information and end-to-end online processing (zero contact), in compliance with the "Ease of Doing Business" policy of the government.

To ensure that the software being used by the TSPs are compliant with the BIR's data structure requirements, the BIR has issued Revenue Memorandum Circular (RMC) No. 98-2018 on December 5, 2018 mandating that tax filing and/or payment solutions developed by the TSPs are tested first and certified using the eTSPCert System that can be accessed in the BIR website (www.bir.gov.ph).

With the issuance of RMC No. 98-2018, taxpayers availing of the services of the TSP who have complied with the required BIR certifications are considered compliant with the mandate to use the eBIRForms facility.

5. ***Establishment of eLounge in Revenue District Offices***

The eLounge is a facility where taxpayers can access BIR eServices in the Regional and District Offices. It is similar to an internet café, equipped with computers through which the internet can be accessed. As of 2017, there are one hundred fifteen (115) eLounge facilities available in Revenue District Offices (RDOs) nationwide.

By making tax information accessible to the taxpaying public (thru the BIR Website, BIR social media accounts, tax seminars and dialogues, etc.), coupled with providing taxpayers with several options for tax return preparation, filing and/or payment and the standardization of delivery of frontline services (thru streamlining of the Bureau's processes and documentary requirements), the BIR hopes to encourage voluntary compliance of taxpayers.

All revenue officials, employees, and others concerned are hereby enjoined to give this Circular as wide a publicity as possible.

(Original Signed)
CAESAR R. DULAY
Commissioner of Internal Revenue

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