REVENUE MEMORANDUM ORDER NO. 57-2000 issued December 26, 2000 prescribes the guidelines in the implementation of the administrative sanction of suspension and temporary closure of business.

The grounds for the suspension or temporary closure of business are the following: a) failure to issue receipt or invoices by a VAT-registered or registrable taxpayer; b) failure to file a value-added tax return; c) understatement of taxable sales or receipts by 30% or more of the correct amount in the case of a VAT-registered or registrable taxpayer; and d) failure to register.

No surveillance activities shall be conducted nor apprehension effected unless the same has been authorized by a mission order issued in accordance with the provisions of RMO No. 54-2000.

The recommendation for the suspension or temporary closure of business will have to be supported with documentary proof specified in the Order.