REVENUE MEMORANDUM ORDER NO. 54-2000 issued December 6, 2000 prescribes the guidelines and procedures for the conduct of surveillance on the business operations of any person, in order to establish a prima facie basis for the assessment of internal revenue tax liabilities.

The Order will cover the following persons: 1) those perceived to be not declaring their correct income, sales or receipts; 2) those who failed to issue official receipts and invoices or have issued unregistered official receipts/invoices or found to be in possession of unregistered invoices/official receipts, including unregistered cash register machines and point of sale machines; 3) those who failed to file returns/forms/statements at the time prescribed by law or who willfully or otherwise file fraudulent returns/forms/statements; and 4) those who failed to register with the BIR.

All surveillance activities will be covered by Mission Orders to be requisitioned by authorized revenue officials. The surveillance activities will be conducted by at least two (2) officers comprised of Revenue Officers - (Assessment/Excise), Intelligence Officers and Special Investigators. The findings of the surveillance activities may be used as the basis for assessing taxes for the other months or quarters of the same or different taxable years, and such assessment will be deemed prima facie correct.