REVENUE MEMORANDUM ORDER NO. 25-2001 issued October 23, 2001 clarifies the procedures on the receipt, processing, control, transmittal and collection of returned/dishonored checks received through Accredited Agents Banks (AABs).

Dishonored checks received by the AABs, whether under a computerized or non-computerized Revenue District Office (RDO), shall be submitted to the RDO having jurisdiction over the receiving AAB branch and the Large Taxpayers Service/Large Taxpayer District Office, as the case may be.

Penalties shall be imposed on the AABs for receiving checks which were dishonored due to the following:

1) accommodation check;
2) stale check;
3) post-dated check;
4) unsigned check; and
5) out-of-town check.

Checks which were dishonored due to "Account Closed" shall be forwarded to the Legal Division of the Regional Office or to the Legal Service of the National Office for filing of a court case against the taxpayer for violation of the Anti-Bouncing Check Law.

Dishonored check cases shall not be the subject of any compromise settlement.