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

June 13, 2019

REVENUE MEMORANDUM ORDER NO. 45-2019

TO : **All Internal Revenue Officers and Others Concerned**

SUBJECT : **Accounts Receivable/Delinquent Accounts (AR/DAs) to be Reported in the Financial Statements**

In line with the continuous effort of the Bureau to provide both external and internal stakeholders with a reliable information for policy and decision making purposes, the term "Accounts Receivable / Delinquent Accounts (AR/DA)" as defined under Revenue Memorandum Order (RMO) No. 11-2014 is hereby amended to read as follows:

"ARDA" – refers to the amount of tax due from a taxpayer which was not paid within the time prescribed for its payment. It includes:

A. **Unpaid Revenues** which is composed of the following:

1. Dishonored check;

2. Validated unpaid tax due per tax returns filed by the taxpayer;

3. Validated unpaid second installment of income tax by individual taxpayers; and

4. Tax liabilities of taxpayers per final and executory decision of the Court.

B. **Unpaid Assessments** which become final and executory due to taxpayer's failure to do the following:

1. File valid protest within the prescribed period of thirty (30) days from its receipt. For this purpose, a valid protest is one which is filed within the time prescribed and it contains the factual and/or legal basis of the protest;

2. Submit the necessary documents to support request for re-investigation within sixty (60) days from the date of filing a valid protest;

3. Appeal the decision of the BIR either to the Commissioner's Office or Court of Tax Appeals within thirty (30) days from receipt of the decision denying the protest;

4. File a motion for reconsideration the decision of the Court favorable to the BIR or appeal the same to higher court within the prescribed time for its filing.

5. Update the BIR on the change of address or cancellation of business registration resulting to the non-receipt of the assessment notice that was delivered or served to the address as indicated in the Registration database in the Integrated Tax System.

AR/DA to be recorded in the NG Books of Accounts and to be reported in the Financial Statements as asset shall be the "Unpaid Revenues" that shall be reported by the Regional Collection Division (RCD)/ Large Taxpayers Division – Cebu/Davao and Large Taxpayers Collection Enforcement Division to their respective Finance Division for RCDs or to the Revenue Accounting Division for offices under the LTS. "Unpaid assessments", on the other hand shall not be recorded in the NG Books of Accounts and reported in the Financial Statements considering that the taxpayer can still invoke doubtful validity of the tax assessment at any stage of collection enforcement.

This Order shall take effect immediately.

CAESAR R. DULAY
Commissioner of Internal Revenue
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