REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

October 28, 2019

REVENUE MEMORANDUM ORDER NO. 56-2019

SUBJECT : Amending Certain Provisions of Revenue Memorandum Order No. 36 -2016

TO : All Internal Revenue Officials, Employees and Others Concerned

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I. BACKGROUND

On June 27, 2016, Revenue Memorandum Order (RMO) No. 36-2016 was issued prescribing the policies and procedures in the decentralization of recording of internal revenue taxes thru Authorized Agent Banks (AABs), Special Allotment Release Order (SARO) and Direct Crediting to all Regional Finance Divisions (RFDs).

However, It has been observed that despite the issuance of the said RMO, the total monthly recorded collection figures in the BIR's Books of Accounts are still not reconciled with the total tax collections recorded in the Books of the Bureau of the Treasury (BTr) due to failure and/or delayed submission of the required Reports on Validated Collection for Booking in the Collection Books and documents such as Journal Entry Vouchers (JEVs), necessary in the recording of collections and adjustments, by the concerned offices to the Revenue Accounting Division (RAD) and RFDs.

In order to address these problems, this Order is hereby issued to amend certain policies and procedures in the recording and reporting of internal revenue taxes collected by the Revenue Regions (RRs) of this Bureau.

II. OBJECTIVES

This Order is hereby issued to:

1. Prescribe the uniform policies and guidelines in the initial recording of internal revenue taxes collected by the concerned revenue offices in the National Office (NO) and Regional Offices (RO) – Collection Books;

2. Define the duties and responsibilities of all concerned revenue offices to ensure that all tax collections are timely and accurately recorded in the NO and RO Collection Books; and

3. Prescribe the reportorial requirements to facilitate the recording and reconciliation of internal revenue tax collections.

III. POLICIES

A. For purposes of fair presentation of the internal revenue tax collections in the Bureau's financial statements, the RAD and RFDs shall record initially the tax collections in the Collection Books based on the following collection reports and data of the RAD:

Channel of Payments/ Adjustments on Collections	Name of Report/Document	Source	Section Responsible	Deadline
Thru Authorized Agent Banks (AABs)	Report on Consolidated Reports of Daily Collection (CRDCs) Per Bank and Per RDO For Initial Booking in the NO/RO - Collection Books (Annex A) a) For 1-15 collection b) For 1-31 collection	Validated Consolidated Reports of Daily Collection (CRDCs) submitted/ transmitted by the Authorized Agent Bank-Head Offices (AAB-HOs) as *reconciled* with the List of Remittance (LOR) provided by Bangko Sentral ng Pilipinas (BSP)	Collection Reporting and Reconciliation Section (CRRS) , RAD	On or before the 25th day of the month On or before the 15th day of the following month
Thru Electronic Tax Remittance Advice (eTRAs)	Weekly Validated Withholding Tax Collection Report of National Government Agencies Thru eTRA For Initial Booking in the NO/RO - Collection Books (Annex B)	Validated Withholding Tax Collection Report of National Government Agencies Thru eTRA generated from EFPS	CRRS, RAD	Every Tuesday of the following week
Thru Special Allotment Release Order (SARO)	Special Allotment Release Order	Copy of SARO, Agency JEV and BTr JEV provided by concerned agencies	CRRS, RAD	Within two days upon receipt of complete documents
Thru Direct Crediting (DC)	a. Credit Advice for checkless paments b. BSP-LOR for Banks Own-tax Liability c. BTr JEV for other Direct Crediting	Copy of Credit Advice, other documents and BTr JEV provided by concerned agencies	CRRS, RAD	Within two days upon receipt of complete documents

Thru Revenue Collection Officers (RCOs)	Statement of Report of Collections and Deposits (SRCD) (Annex K of RMO 36-2016) Report of Collections and Deposits (RCD) with Deposit Slips Statement of Report of Collections and Deposits generated thru MRCOS *(In case the SRCD is not yet available/ submitted by the concerned RCOs/RDO)*	Weekly Validated Report of Collections and Deposits Validated Revenue Official Receipts (ROR)/ Official Receipts (OR) and Deposit Slips	Collection Section, RDOs	On or before the deadline prescribed under existing policies and guidelines
"Transfer-out" Collections	Validated Transfer Out Collection Report For Initial Booking in the NO/RO - Collection Books (Annex C)	Periodic Transfer Out Collection Report (Annex A of RMO 36-2016) of the Information System Group	CRRS, RAD	On or before the 3rd day upon receipt of the data/report
"Transfer-in" Collections	Validated Transfer In Collection Report For Initial Booking in the NO/RO - Collection Books (Annex D)	Periodic Transfer In Collection Report (Annex A of RMO 36-2016) of the Information System Group	CRRS, RAD	On or before the 3rd day upon receipt of the data/report

B. All the necessary adjustments and reclassification on the recorded collections shall be performed by the RFDs once the concerned offices submitted the required collection reports pursuant under RMO No. 36-2016 and to effect the correct tax types or the Unified Accounts Code Structure (UACS) of the Bureau's tax collections.

C. All disputed transfer-out revenue tax collections shall be subject to the submission of the proper documentation as well as approval of the Regional Director if the transfer is within the regional office before recording in the Regional Office – Collection Books (RO – Collection Books). The approval of the Assistant Commissioner, Collection Service is required if the affected office is outside the jurisdiction of the regional office. The RFDs shall provide the RAD copies of the JEVs issued together with the supporting documents pertaining to adjustments made on disputed transfer-out revenue tax collections within the jurisdiction of the regional office.

D. The RAD shall provide RFDs a report on dishonored checks reported by the AABs on a monthly basis. This report shall be the basis of the RFDs in requiring the concerned Revenue District Offices (RDOs) and Regional Collection Divisions (RCDs) the immediate submission of the corresponding BIR Form 12.58 Report, as well as the photo copy of the dishonored checks, as basis in the recording of adjustments of collections in RO – Collection Books.

E. The recording of collections thru RCOs by the RFDs shall be based on the Report of Collections and Deposits being submitted by the RCOs. In cases where the RCOs failed to submit such reports necessary for the recording of collections and deposits, RFDs shall utilize the use of the reports available in the Mobile Revenue Collection Officers System (MRCOS) facility as basis for initial recording. The necessary adjustments and reclassifications, if there's any, shall be made upon submission of the concerned RCOs of the prescribed reports together with the supporting documents.

F. The Bookkeeping Section (RAD-BS) of the RAD shall provide RFDs, whenever available, data on deposits provided by Authorized Government Depository Banks (AGDBs) within their respective jurisdiction. This will serve as other source of information on their collections thru RCOs, and eventually the basis of recording of collections in RO-Collection Books in cases where the Report of Collections and Deposits by the RCOs and the collection reports in MRCOS are unavailable.

G. The RFDs shall reconcile all the reported and recorded deposits made by all the RCOs under their respective jurisdiction against the data provided by the RAD. Accordingly, any discrepancies noted by the said office shall be coordinated with the concerned RDOs and RCOs for validation. RFDs shall notify the RAD-BS for any discrepancies that requires intervention of the Bureau's National Office. These discrepancies noted for resolution and if necessary, for coordination with the concerned BIR office, AGDB Head Office and the BTr for eventual solution on the matter.

H. One of the sources of discrepancies in RCO collections are dishonored checks. To facilitate the reconciliation, the RAD shall provide the RFDs with any information gathered from the AGDBs relative to the dishonored checks or any adjustments/ reversal made in relation to the deposits made by the RCOs. The RFDs shall identify the concerned RCOs affected by the Dishonored Checks Report provided by the AGDBs.

   The same information shall also be provided by the RAD to Collection Performance and Monitoring Division, in charge in the monitoring of the performance of the RCOs , so that the proper action and coordination can be undertaken.

I. The RFDs shall submit, on a monthly basis, a Reconciliation Report per Channel of Payment (Annex E-H) relative to the discrepancies noted between the Reported Collection per Collection Performance vs Recorded Collection per Financial Performance. Such Reconciliation Report should fully account and explain the discrepancies between the transmitted collection data of the RAD as compared with revenues reflected in the financial statement. The said report shall be submitted by the RFDs on the last day of the following month (i.e. the deadline of submission of reconciliation report for the month of June is on the 31st of July).

IV. Transitory Provisions

The RAD shall provide and transmit to the concerned RFDs a Summary of Collections by Channel of Payments (Annex I - O) for the period January to October, 2019. Accordingly, the RFDs shall compare the collections reflected in the said summary versus the amount recorded in the their respective Regional Collection Books and shall undertake all the necessary adjustments to address any variances discovered such as unrecorded, twice taken up, unsupported and erroneously taken up collections.

IV. REPEALING CLAUSE

All existing revenue issuances or portions thereof inconsistent with the provisions of this Order are hereby repealed, modified and/or amended accordingly.

V. EFFECTIVITY

This Order shall take effect immediately.

CAESAR R. DULAY
Commissioner of Internal Revenue

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BUREAU OF INTERNAL REVENUE
RECEIVED
2:30 P.M.
NOV 28 2019
RECORDS MGT. DIVISION