



TMAP TAX UPDATES

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The issuance of a Preliminary Assessment Notice is mandatory in nature for being part of the taxpayer's substantial and procedural due process.

Monza SPV-AMC ("Asset Management Co."), Inc. v. Commissioner of Internal Revenue, CTA Case No. 9153, April 15, 2019

The petitioner received the Preliminary Assessment Notice ("PAN") on January 8, 2015. Hence, petitioner has until January 23, 2015 to respond to the PAN. However, the Final Assessment Notice was already issued on January 14, 2015 or six days after petitioner received the PAN. Consequently, there was a failure to strictly comply with the requirements laid down by law and its own rules and regulations which is a denial of petitioner's right to due process. Consequently, the assessment is void.

That the petitioner received the FAN on February 4, 2015, or after it has filed its reply to the PAN does not denigrate from the fact that it was deprived of due process.

Audit made by revenue officers not specifically named in the Letters of Authority are not allowed making any resulting assessments void.

Commissioner of Internal Revenue, v. Wellington Investment & Manufacturing Corporation, CTA EB Case No. 1773, April 11, 2019.

In determining the validity of assessments, a review of the revenue officer's authority to conduct the audit which resulted to the assessment is related to the issue of the validity of assessment. In this case, the Commissioner of Internal Revenue ("CIR") presented as witnesses revenue officers not specifically included in the Letter of Authority to conduct the audit and examination. Hence, the assessment is void for lack of LOA.

The date of receipt of the taxpayer of the Waiver of the Statute of Limitations need not be indicated in the second and third copies thereof for it to be valid.

SM Residences Corp. v. The Commissioner of Internal Revenue, CTA Case No. 9395, April 10, 2019

One of the requisites of a valid Waiver is that it must be executed in three copies: the original copy to be attached to the docket of the case, the second copy for the taxpayer and the third copy for the Office accepting the waiver. The fact of receipt of the waiver is only required in the original copy, and not on the second and third copies of the waiver. Moreover, the date of receipt of the waiver by the CIR is not a requirement for the validity thereof.

The 120-day period for the CIR to take action is reckoned from the time the administrative claim was filed, not on the submission of additional documents.

Kodec Precision, Inc. v. The Commissioner of Internal Revenue, CTA EB Case No. 1762, April 8, 2019

Granting that petitioner submitted additional documents on May 9, 2016, the same was of no moment as it was done long before the filing of the administrative claim for refund on November 29, 2016. Under RMC No. 54-2014 and jurisprudence, such submission cannot be considered for the purpose of counting the 120-day period for the CIR to take action. In fact, RMC No. 54-2014 forbids the taxpayer from submitting additional supporting documents after the filing of an administrative claim.

The CIR has authority to determine an entity's entitlement to the five percent (5%) preferential tax rate incentive under R.A. No. 7916.

AGM Packaging System Ltd. Corp., v. The Commissioner of Internal Revenue, CTA EB Case No. 1734, March 29, 2019

The power and duty to assess internal revenue taxes are lodged with the CIR pursuant to Sections 2 and 6 of the National Internal Revenue Code ("NIRC") of 1997, as confirmed by Revenue Regulations ("RR") No. 01-00, as amended by RR No. 27-02. Consequently, the CIR has authority to determine whether or not a PEZA-registered entity paid the proper tax due, more so considering the tax incentives given to it by virtue of its PEZA Registration. Finally, it has been held that compromise penalty is applicable only in the settlement of criminal liability. Considering that the case is merely civil in nature, compromise penalty may not be imposed against the petitioner.

The reckoning period to file an administrative claim for refund is upon the last payment of installment.

Linde Philippines, Inc. v. The Commissioner of Internal Revenue, CTA Case No. 8783, March 28, 2019

Basic is the rule that when the tax is paid in installments, the prescriptive period of two (2) years should be counted from the date of the final payment. This rule proceeds from the theory that, in contemplation of tax laws, there is no payment until the whole or entire tax liability is completely paid.

A letter requesting for the reduction, waiver or abatement of the interest and compromise penalty is a request for reconsideration, not a request for reinvestigation. Hence, the prescriptive period to collect was not tolled.

Linde Philippines, Inc. v. The Commissioner of Internal Revenue, CTA Case No. 8783, March 28, 2019

It must be emphasized that the petitioner requested the reduction, waiver or abatement of the 2003 deficiency interest for the late payment of DST in its letters. The said letter is devoid of any fact that would establish that petitioner sought for extensions of time to pay or requested for reinvestigation.

The period to file a Petition for Review before the Court of Appeals is within 30 days from the lapse of the 120-day period for the CIR to act on the refund which runs from the filing of the administrative claim for refund absent any directive from the CIR requiring the submission of additional supporting documents.

In this case, petitioner, after filing its administrative application for VAT refund, already attached therewith VAT returns for the 3rd and 4th quarters of taxable year 2011. Thereafter, petitioner no longer submitted additional documents to support its claim within the 120-day period from the submission of its administrative claim. Notably, the CIR did not require petitioner to submit the same. Absent any proof that petitioner submitted additional supporting documents, as required by the CIR after filing of the claims, the 120-day period is reckoned from the filing of the said administrative claims.

The rule that the counting of the 120-day period is to begin from the submission of the complete documents cannot be applied if the submission of such documents is required after the lapse of the 120-day period. In this case, when the CIR issued the LOA and First Notice requesting petitioner to present additional supporting documents, the 120-day period within which the CIR could act on petitioner's claim for refund had already expired. By that time, petitioner should have deemed CIR's inaction as denial of its administrative claim and elevated the matter to the CTA.

Draft Guidelines on the Revival of Corporations expiring before the enactment of Republic Act No. 11232, or the Revised Corporation Code of the Philippines

The Securities and Exchange Commission ("SEC") is yet to issue the official guidelines on the revival of corporations whose term expired before the enactment of the Revised Corporation Code of the Philippines ("Revised Corporation Code").

The SEC, however, issued a Notice to all interested parties on April 8, 2019 (a) disclosing the proposed SEC Memorandum Circular on the Guidelines on the Revival of Expired Corporations ("Draft Guidelines") pursuant to Section 11 of the Revised Corporation Code; and (b) inviting interested parties to submit their views, comments and inputs on or before April 26, 2019.

On the draft guidelines, the SEC required expired corporations intending to revive its corporate existence to file a Verified Petition for Revival ("Petition for Revival"), in accordance with the SEC Rules of Procedure. The Verified Petition must:

- a) Be signed by the (i) majority of the board of directors ("BOD") (or trustees, for non-stock corporation), (ii) the corporate secretary; and (iii) the corporate treasurer;
- b) Contain the following statements:
 - a. That the revival of the petitioner's corporate term was approved by at least two-thirds (2/3) of the outstanding capital stock (or members, for non-stock corporation);
 - b. If there has been a change in the composition of the stockholders (or members) since the expiration of the petitioner's corporate term, a Reconciliation of the changes in the composition from the date of the term expiration up to the date of stockholders' (or members') approval of the resolution to file the Petition for Revival, or the date of the BOD's (or trustees') approval of the Petition for Revival, whichever is later;

- c. If there has been a change in the composition of the board of directors (or trustees) and officers since the expiration of the corporate term, that the undersigned are the duly elected directors (or trustees) and officers of the petitioner;
 - d. That, as of the date of filing of the Petition for Revival, there is no intra-corporate controversy; and
 - e. That no third persons or government agency will be prejudiced by the revival of the petitioners' corporate term.
- c) Refer to the following supporting documents and be filed with the following supporting documents:
- a. The Certificate of Incorporation and Articles of Incorporation ("AOI") pertaining to the Petition for Revival;
 - b. Certificate of Amendment of AOI and Amended AOI pertaining to the Petition for Revival, if applicable;
 - c. General Information Sheet ("GIS") of the petitioner as of the date of expiration of its corporate term;
 - d. If there has been a change in the composition of the stockholders (or members) since the expiration of the corporate term, the GIS of the petitioner as of the date of stockholders' (or members') approval of the resolution to file the Petition for Revival, or the date of the BOD's (or trustees) approval of the Petition for Revival, whichever is later;
 - e. Audited Financial Statements, as of, and for the year immediately preceding, the date of expiration of its corporate term;
 - f. Statement of Assets, Liabilities and Equity, or Balance Sheet as of the date of filing of the Petitioner for Revival as certified under oath by either the President, or the Treasurer of the petition;
 - g. SEC Company Registration and Monitoring Department ("CRMD") Monitoring Clearance;
 - h. Tax Clearance Certificate, or a Certification from the Bureau of Internal Revenue ("BIR"), or its Revenue District Office ("RDO"), that the petitioner has no listed tax liability, as of the date of expiration of its corporate existence;
 - i. Photocopy/ies of the official receipt/s for the payment of the petition fee and filing fee; and
 - j. A favorable recommendation of the appropriate government agency.¹

The Petition for Revival may be filed at the CRMD, SEC Satellite Officers, or at any SEC Extension Office upon payment of:

- a) Petition Fee – ₱3,030.00; and
- b) Filing Fee based on the present authorized capital stock (for stock corporations) pursuant to SEC Memorandum Circular No. 3, series of 2017.

Upon proper showing, the SEC *En Banc* shall approve the Petition for Revival and issue a Certificate of Revival of Corporate Existence ("COR"), together with all the

¹ For banks, banking and quasi-banking institutions, pre-need, insurance and trust companies, non-stock savings and loan associations, pawnshops, corporations engaged in money service business, and other financial intermediaries. Otherwise, the Petition for Revival cannot be approved.

rights and privileges under the petitioner's Certificate of Incorporation and subject to all of its duties, debts and liabilities existing prior to the revival of the petitioner.

As a general rule, the COR shall provide for a perpetual term of existence unless a specific corporate term is stated in the Petition for Revival.

The following corporations cannot be revived:

- a) Corporations whose Certificate of Registration ("COR") has been revoked and whose corporate term has expired, for reasons or causes other than the non-filing of reports² shall not be allowed to revive its corporate existence;
- b) Expired or dissolved corporations which already availed of re-registration, in accordance with Memorandum Circular No. 6, Series of 2015).³

A corporation whose COR has been suspended and whose corporate term has expired may revive its corporate existence provided:

- a) It must file the petition Petition to Lift its Suspended Status which may be incorporated in its Petition to Revive; and
- b) It must settle the corresponding penalties, thereof.

A revived corporation whose COR was issued after the two-year period to comply, as provided in Section 185 of the Revised Corporation Code, and whose Certificate of Incorporation was issued pursuant to the laws and rules prior to the RCC, shall be given of not more than two years from the issuance of COR to comply with the provisions of the Revised Corporation Code.

Approval of House Bill No. 7694 or the proposed "Tax-Free Travel for Senior Citizens and Persons with Disabilities Act."

The House Committee on Tourism, chaired by Rep. Corazon Nuñez-Malanyaon, approved House Bill No. 7694 or the proposed "Tax-Free Travel for Senior Citizens and Persons with Disabilities ('PWD') Act," which seeks to exempt them from the imposition of travel tax.

Rep. Greg Gasataya stressed that these individuals are the most likely to require special medical intervention that may be better acquired in other countries. Currently, as provided by Presidential Decree 1183, the travel tax in the country for economy class at present amounts to the following:

- a) ₱1,620 for the full travel tax;
- b) ₱810 for the Standard Reduced Travel Tax; and
- c) ₱300 for the Privileged Reduced Tax for OFW dependents.

Meanwhile, the travel tax for first class passengers are as follows:

- a) ₱2,700 for the full rate amount;
- b) ₱1,350 for the Standard Reduced Rate; and

² E.g. General Information Sheet, and Audited Financial Statements

³ Guidelines on the Use of Corporate Names of Corporations with Dissolved and Revoked Certificates of Registration.

c) ₱400 for the Privileged Reduced Tax for OFW dependents.

BIR Revenue Regulations No. 3-2019

RR No. 3-2019 was issued on March 28, 2019 prescribing the use of the electronic Certificate Authorizing Registration system relative to transactions involving registration and transfer of real and personal properties pursuant to Section 5(B) of the National Internal Revenue Code (NIRC) of 1997, as amended, and in relation to Sections 58(E), 95 and 97 of the Same Code, viz:

SECTION. 1. SCOPE AND LIMITATION. - Pursuant to the provisions of Section 5(B) in relation to Sections 58(E), 95 and 97 of the NIRC of 1997, as amended, these Regulations shall prescribe the use of the eCAR System with barcode, the procedures and documentations that shall be followed by all parties involved in the registration and transfer of real properties and improvements, including shares of stock involved therein. The eCAR System with barcode in the meantime is limited to the use of BIR and LRA until such time that all LGUs, banks and other entities processing the transfer of properties are ready with their systems to link with the BIR eCAR System in the future.

SECTION. 3. - THE SYSTEM - ELECTRONIC CERTIFICATE AUTHORIZING REGISTRATION SYSTEM (eCAR System) - This replaces the manually prepared CAR. The eCAR system generates the eCAR with barcode which shall be printed on an accountable security paper as shown in Annex A for Real Properties and Annex B for Personal Properties.

The eCAR shall have a system generated Barcode Reference Number (BRN) printed below the barcode which may be encoded in case the latter is unreadable by the scanner used at the Register of Deeds (RD). A system-generated information, such as eCAR number, date of eCAR issuance, amount paid, date of payment and signature of the authorized signatory of eCAR shall be indicated or stamped on the reverse side of each page of the original copies of the transfer document, e.g., Deed of Sale, Deed of Exchange, Deed of Assignment, Deed of Donation, Deed of Extrajudicial Settlement of Estate, etc.

SECTION. 4. - ISSUANCE OF eCAR - There shall be issued one (1) eCAR per title in case of registered land and/ or improvement(s) and one (1) eCAR for each tax declaration in case of unregistered land and/ or improvement(s). A separate eCAR shall be issued for all personal properties.

SECTION. 5. VALIDITY OF eCAR - The eCAR shall have a validity period of five (5) years reckoned from date of issuance for purposes of presenting the same to the RD. Otherwise, the eCAR shall be deemed permanently expired and therefore of no force and effect. A new eCAR may thus be generated and issued upon request of the taxpayer for the reissuance of a new eCAR to replace the expired eCAR.

SECTION. 6. REVALIDATION - All manually-issued CARs that are either due for revalidation or has not been presented to the RD within the validity period and manually issued CARs with partial transfer of properties as prescribed in existing BIR issuances are considered expired manual CARs already and, as such, shall no

longer be valid for presentation to the RD. The said CARs shall be replaced with an eCAR by the concerned Revenue District Officer (RDO) or LT Division who issued the CAR upon presentation of the expired manual CAR.

SECTION. 7. EXCHANGE OF INFORMATION - Pursuant to Section 3 of Republic Act No. 10963 otherwise known as Tax Reform for Acceleration and Inclusion (TRAIN) Law, which amends Section 5 (B) of the National Internal Revenue Code of 1997 (NIRC), the Commissioner of Internal Revenue (CIR) is authorized to obtain on a regular basis both financial and nonfinancial information from persons and offices.

Accordingly, the BIR shall obtain any information related to the payment of taxes on all transfer of property made with the LRA and RDs.

SECTION. 8. REGISTRATION OF NEW OWNERSHIP OF REAL PROPERTIES

A.Register of Deeds

Pursuant to Section 5 of RR No. 24-2002 dated November 15, 2002 and Section 1 of Memorandum Order No. 233 dated December 11, 2006 issued by then President Gloria Macapagal-Arroyo as circularized in RMC No. 3-2007 dated January 15, 2007, no registration of any deed or instrument resulting in the transfer of ownership of real property shall be allowed by the RD unless the CIR or his duly authorized representative has issued the corresponding eCAR, that has been properly verified under the LRA-BIR eCAR Verification System. Accordingly, the RD shall inscribe on the newly issued TCT the following information:

1. eCAR Number;
2. Date of Issuance of eCAR;
3. RDO Number; and
4. Amount and Date of payment per tax type.

An eCAR duly issued by the BIR and retrieved by the RD from the LRA-BIR eCAR database, whether for taxable or tax-exempt transactions, shall be the basis for the RD to effect the transfer. eCARs not in the database are deemed spurious and not issued by the Bureau, hence, transfer of this property should not be effected.

For transactions involving estate or donor's tax on which the eCARs are issued by the Revenue District Office having jurisdiction over the place where the donor is domiciled at the time of donation or where the decedent is domiciled at the time of his death, the RDs who have jurisdiction over the property shall no longer require the eCAR to be authenticated or countersigned by the issuing district office. The provision herein shall also apply to non resident decedents/donors whose eCAR are issued by Revenue District Office No. 39 –South Quezon City.

B.Registration with Provincial, City or Municipal Assessors -

Pursuant to Section 113 of Presidential Decree No. 1529, no deed, conveyance, mortgage, lease or other voluntary instruments affecting unregistered land shall be valid except as between the parties thereto, unless such instrument shall have been registered in the book of Unregistered Property of the RD pursuant to Act No. 3344. Thus, no tax declaration shall be issued in the name of the new owner by the Provincial, City, Municipal Assessor's Office concerned unless proof is presented thereby that the said instrument had already been registered with the RD.

For both manual and automated processing of Tax Declaration, for titled and untitled real properties, pursuant to Office of the President's Administrative Order No. 186 dated July 31 2007, it shall be the duty of Provincial, City or Municipal Assessors to indicate at the back/ reverse side of the newly issued Tax Declaration the information contained in the eCAR:

1. eCAR Number;
2. Date of Issuance of eCAR;
3. Amount and Date of payment per tax type; and
4. Revenue District Office No.

The TIN of the transferee shall, however, be indicated on the face of the newly issued Tax Declaration.

Subsequent updates of the Tax Declaration without change in ownership shall require the carry-over of the information contained in the previous version of the Tax Declaration. Moreover, Provincial, City or Municipal Assessors shall be required to submit quarterly summary reports within 30 days after the el1d of the calendar quarter to the concerned Off ice of the Regional Director of the BIR cop y furnished the Assessment Performance Monitoring Division (APMD) of the BIR National Office, who shall cascade to the Revenue District Office having jurisdiction over the Province, City or Municipality of all transfers effected by its Office showing the following information:

1. Tax Declaration Number of New Tax Declaration Issued;
2. Tax Declaration Number of Tax Declaration Cancelled;
3. Transfer Certificate of Title (TCT) No. for titled properties;
4. eCAR. Number;
5. Date of Issuance of eCAR;
6. TIN of Transferor;
7. Name of Transferor;
8. TIN of the Transferee;
9. Name of the Transferee;
10. Area of the Real Property Transferred;
11. Location of the Real Property Transferred;
12. Classification of the Property Transferred indicating the specific area per classification in case of multiple classifications;
13. Type of Taxes Paid (Capital Gains Tax, Estate Tax, Donor's Tax, . . .);
14. Amount and Date of Payment per Tax Type;

15. Official Receipt Number/ Validation Number
16. Official Receipt Date/ Validation Date; and Remarks

BIR Revenue Memorandum Order No. 20-2019

RMO No. 20-2019 was issued on April 1, 2019 modification of alphanumeric tax code (ATC) for business income and income from profession in BIR form nos. 1701/1701a/1701q pursuant to the implementation of Republic Act (RA) no. 10963, also known as Tax Reform for Acceleration and Inclusion (TRAIN)

To facilitate the proper identification and monitoring of tax collection from Business Income and Income from Profession in BIR Forms Nos. 1701- Annual Income Tax Return Individuals (including Mixed Income Earner), Estates and Trusts; 1701A- Annual Income Tax Return Individuals Earning Income Purely from Business/Profession (Those under the graduated income tax rates with OSD as mode of deduction or those who opted to avail of the 8% flat income rate and 1701Q- Quarterly Income Tax Return for Individuals, Estates and Trusts, in connection with the implementation of RA No. 10963, the following ATCs were modified:

EXISTING (per ATC Handbook)					MODIFIED/ NEW
ATC	Description	Tax Rate	BIR Form No.	Legal Basis	BIR Form
II012	Business Income Graduated Income Tax Rates	Graduated Income Tax Rates	1701/1701Q	RA No. 10963	1701/1701A/1701Q
II014	Income from Profession- Graduated Income Tax Rates				
II015	Business Income - 8% Income Tax Rate	8% Income Tax Rate			
II017	Income from Profession - 8% Income Tax Rate				

BIR Revenue Memorandum Order No. 19-2019

RMO No. 19-2019 was issued by the Bureau of Internal Revenue on April 3, 2019 to Create an Alphanumeric Tax Code (ATC) for Tax Amnesty on Estate and Delinquencies Pursuant to the Implementation of Republic Act (RA) No. 11213, also known as "An Act Enhancing Revenue Administration and Collection by Granting an

Amnesty on All Unpaid Internal Revenue Taxes imposed by the National Government for Taxable Year 2017 and Prior Years with Respect to Estate Tax, Other Internal Revenue Taxes and Tax on Delinquencies.

This Order aimed to facilitate the proper identification and monitoring of tax collection from Estate Tax Amnesty and Tax Amnesty on Delinquencies, in connection with the implementation of RA No. 11213, the following ATCs are hereby created:

ATC	Description	Tax Rate	Legal Basis	b
MC320	Estate Tax Amnesty	6%	RA No. 11213	0621-EA
MC330	Tax Amnesty on Delinquencies	40% of the basic tax assessed 50% of the basic tax assessed 60% of the basic tax assessed 100% of the		0621-DA 2118-DA

BIR Revenue Regulations No. 4-2019

RR No. 4-2019 was issued by the Bureau of Internal Revenue on April 5, 2019 which provides for the Guidelines on the Processing of Tax Amnesty Application on Tax Delinquencies.

SECTION 3. COVERAGE. All persons, whether natural or juridical, with internal revenue tax liabilities covering taxable year 2017 and prior years, may avail of Tax Amnesty on Delinquencies within one (1) year from the effectivity of these Regulations, under any of the following instances:

- A. Delinquent Accounts as of the effectivity of these Regulations, including the following:
 - 1. Delinquent Accounts with application for compromise settlement either on the basis of (a) doubtful validity of the assessment or (b) financial incapacity of the taxpayer, whether the same was denied by or still pending with the Regional Evaluation Board (REB) or the National Evaluation Board (NEB), as the case may be, on or before the effectivity of these Regulations;
 - 2. Delinquent Withholding Tax liabilities arising from non-withholding of tax; and
 - 3. Delinquent Estate Tax liabilities.
- B. With pending criminal cases with the DOJ/Prosecutor's Office or the courts for tax evasion and other criminal offenses under Chapter II of Title X and Section 275 of the Tax Code, as amended, with or without assessments duly issued;

A. Delinquent accounts and assessments which have become final and executory	40% of the basic tax assessed
A. Tax cases subject of final and executory judgment by the courts	50% of the basic tax assessed
c. Pending criminal cases filed with the DOJ/Prosecutor's Office or the courts for tax evasion and other criminal offenses under Chapter II of Title X and Section 275 of the Tax Code, as amended	60% of the basic tax assessed
B. Withholding agents who withheld taxes but failed to remit the same to the Bureau	100% of the basic tax assessed

- C. With final and executory judgment by the courts on or before the effective ty of these Regulations; and
- D. Withholding tax liabilities of withholding agents arising from their failure to remit withheld taxes.

Section 4. TAX AMNESTY RATES. The tax amnesty rates shall be as follows:

The tax amnesty rate of one hundred percent (100%) provided in letter (D) shall apply in all cases of non-remittance of withholding taxes, even if the same shall fall under letters (A), (B) or (C) above.

In cases where the delinquent taxes have been the subject of application for compromise settlement pursuant to Section 204 of the Tax Code, whether denied or pending, the amount of payment shall be based on the net basic tax as certified by the concerned office following the procedure under Section 5(C) of these Regulations.

SECTION 5. MANNER OF AVAILMENT OF TAX AMNESTY ON TAX DELINQUENCIES. Any person, whether natural or juridical, who wishes to avail of the Tax Amnesty on Delinquencies shall file, within one (1) year from the effectivity of these Regulations, an application therefor in accordance with the procedures set forth below.

A. DOCUMENTARY REQUIREMENTS: The taxpayer shall submit the following:

1. Tax Amnesty Return (TAR) (BIR Form No.2118-DA, Annex "A"), completely and accurately accomplished and made under oath;
2. Acceptance Payment Form (APF) (BIR Form No. 0621-DA, Annex "B") duly validated by the Authorized Agent Banks (AABs) or APF duly stamped "received" vv ilil accompanying bank deposit slip duly validated by the concerned AABs or Revenue Official Receipt (ROR) issued by the Revenue Collection Officers (RCOs);
3. Certificate of Tax Delinquencies/Tax Liabilities issued by concerned BIR offices (Annex "C"); and
4. In case of applications under Section 3(A)(2) of these Regulations, a copy of the assessment found in the FAN/FDDA: *Provided that*, in cases of applications under Section 3(D), either delinquent account or not, with or without FAN/FDDA, the Preliminary Assessment Notice (PAN)/Notice for Informal Conference or equivalent document is sufficient.

B. PLACE OF FILING - The Tax Amnesty Return and other documentary requirements shall be filed with the following BIR offices:

Classification	Place of Filing
Non-Large Taxpayers	Revenue District Office (RDO) where applicant-taxpayer is registered
Large Taxpayers – Cebu or Davao	Large Taxpayers Division (LTD) Office where applicant-taxpayer is registered
Large taxpayers- Excise and Regular	Large Taxpayers Collection Enforcement Division (LTCED)

C. PROCEDURES -The taxpayer-applicant shall:

Step 1. Secure the Certificate of Delinquencies/Tax Liabilities from the concerned BIR Office as specified below:

Nature of Tax liabilities	Large Taxpayer	Non- Large Taxpayer
Delinquent tax cases, including withholding tax liabilities of withholding agents arising from failure to remit withheld taxes and those with pending or denied application for compromise settlement	Large Taxpayers Division (Cebu or Davao) Large Taxpayers Collection Enforcement Division (LTCED)	<p>a. Regional Collection Division – For taxpayer-applicants under the jurisdiction of Revenue Regions (RR) Nos. 5, 6,7 and 8 (Caloocan, Manila Quezon City and Makati respectively);</p> <p>b. Revenue District Office (RDO) where the taxpayer applicant is registered-For other taxpayer-applicants including RDO No. 36 (Puerto Princesa)</p>
Tax cases subject of final and executor judgment by the courts	Litigation/Prosecution Division of the National Office, which handled the case	<p>a. Legal Division of the Regional Office- For taxpayer – applicants under the jurisdiction of Revenue Regions RR) Nos. 5, 6,7 and 8 (Caloocan, Manila Quezon City and Makati respectively);</p> <p>b. Legal Division Regional Office or Litigation /Prosecution Division in the National Office which</p>

		handled the case- For taxpayer-applicants under the jurisdiction of Revenue Regions other than the RRs mentioned under (a) hereof.
Tax liabilities covered by pending criminal cases filed with the DOJ/Prosecutor's Office/Courts	Prosecution Division of the National Office	<p>a. Legal Division – For taxpayer-applicants under the jurisdiction of Revenue Regions RR) Nos. 5, 6,7 and 8 (Caloocan, Manila Quezon City and Makati respectively);</p> <p>b. Legal Division Regional Office or Litigation /Prosecution Division in the National Office which handled the case- For taxpayer-applicants under the jurisdiction of Revenue Regions other than the RRs mentioned under (a) hereof.</p>

Step 2. Present the duly accomplished TAR made under oath and APF, together with the other required documents, to the concerned RDO/LTD/LTCED for endorsement of the APF and pay the tax amnesty amount with the AABs or RCOs, whichever is applicable, by presenting the RDO/LTD/LTCED-endorsed or approved APF: *Provided*, that if no payment is required as in the case when assessment consists only of unpaid penalties due to either late filing or payment, the phrase "no payment required" shall be indicated in the APF.

Step 3. Submit/file immediately to the RDO/LTD/L TCED where the taxpayer is registered, in triplicate copies, the duly accomplished TAR, made under oath, together with the complete documentary requirements and proof of payment, which in no case shall be beyond the one (1) year availment period. The taxpayer/applicant shall be furnished with a copy, stamped as received, of said TAR and APF.

Availment of Tax Amnesty on Delinquencies shall be considered fully complied with upon completion of the above enumerated steps within the one (1) year

availment period.

SECTION 6. ISSUANCE OF AUTHORITY TO CANCEL ASSESSMENT (ATCA) AND LIFTING OF THE VALIDITY OF THE ISSUED NOTICES AND WARRANTS.

The Notice of Issuance of Authority to Cancel Assessment (NIATCA) shall be issued by the BIR to the taxpayer availing of the Tax Amnesty on Delinquencies within fifteen (15) calendar days from submission of the APF and TAR. Otherwise, the stamped-"received" duplicate copies of the APF and TAR shall be deemed as sufficient proof of availment.

Insofar as the tax delinquencies covered by the TAR is concerned, any notice, attachment and/or warrant of garnishment issued against the taxpayer by the concerned BIR office shall be set aside pursuant to the lifting of the said notices and warrants issued by the concerned BIR Office.

SECTION 7. REPORT TO OVERSIGHT COMMITTEE. Report to the Congressional Oversight Committee shall be submitted by the BIR within six (6) months after the one (1) year period of availment of the Tax Amnesty on Delinquencies.

SECTION 8. IMMUNITIES AND PRIVILEGES OF AVAILING TAX AMNESTY ON TAX DELINQUENCIES. The tax delinquency of those who avail of the Tax Amnesty on Delinquencies under these Regulations, upon full compliance with all the conditions set forth hereof, shall be considered settled, and the criminal case in connection therewith and its corresponding civil or administrative case, if applicable, shall be terminated. The taxpayer shall be immune from all suits or actions, including the payment of said delinquency or assessment, as well as additions thereto, and from all appurtenant civil, criminal and administrative cases, and penalties under the 1997 Tax Code, as amended, as such relate to the internal revenue taxes for taxable years that are subject of the tax amnesty availed of.

BIR Revenue Regulations No. 5-2019

RR No. 5-2019 was issued by the Bureau of Internal Revenue on April 12, 2019 to Implement the Tax Incentives Provisions of Republic Act No. 10771, Otherwise Known as the "Philippine Green Jobs Act of 2016."

SECTION 3. COVERAGE – Qualified business enterprise as defined in Section 2 of (a) these regulations duly certified by the Secretary of the Climate Change Commission or his duly authorized representative. As defined business enterprises refer to establishments engaged in the production, manufacturing processing, repacking, assembly or sale of goods and/or services, including service oriented enterprises. They shall include (1) self-employed or own-account workers; (2) micro, small and medium enterprises (MSMEs); and (3) community-based enterprises;

SECTION 4. TAX INCENTIVES. - A qualified business enterprise shall be entitled to a special deduction from the taxable income equivalent to fifty percent (50%) of the total expense for /skills training and research development expenses subject to the following conditions:

(1) That the deduction shall be availed of in the taxable year in which the expenses have been paid or incurred:

(2) That the taxpayer can substantiate the deduction with sufficient evidence, such as official receipts, delivery receipts and other adequate records -

(2.1) The amount of expenses being claimed as deduction;

(2.2) The direct connection or relation of the expenses incurred for skills training and research development of the business enterprise:

(3) Such special deductions shall be over and above the allowable and ordinary and necessary business deductions for said expenses under the Tax Code of 1997, as amended

SECTION 5. PROCEDURES FOR AVAILMENT OF TAX INCENTIVES.- In order to avail of the tax incentives provided under these Regulations qualified business enterprise shall:

- 1) Register or update its registration by submitting with the Revenue District Office, where the qualified business enterprise is registered the certification issued by the Climate Change Commission that the enterprise is qualified to avail the incentives
- 2) Upon filing the income tax returns annual information returns, furnish the Revenue District Officer of the place where the said qualified business enterprise is registered, the following:
 - a) A sworn list of total expenses paid or incurred for skills training and research development during the year;
 - b) A sworn list of the activities and/or projects undertaken by the institution and the cost of each undertaking indicating in particular where and how the expenses were paid or incurred.
 - c) A sworn declaration that the expenses paid or incurred for skills training research development has a direct connection or relation to the activities and/or projects of the business enterprise that generate and sustain green jobs.

SECTION 6- DATE AND PLACE OF FILING RETURNS

- (a) Time of Filing. - Claims for special deduction of 50% of the total expense for skills training and research development expenses by the qualified business enterprise shall be filed at the time of filing of the income tax returns.
- (b) Place of Filing. - The income tax return and/or the annual information return of the qualified business enterprise shall be filed in the Revenue District Office where the qualified business enterprise is registered.

BIR Revenue Memorandum Circular No. 48-2019

RR No. 48-2019 was issued on April 10, 2019 in relation to the mandatory re-application for registration of Cash Register Machines (CRMs), Point-of-Sale (POS) Machines, Special Purpose Machines (SPMs), and Other Sales Machines or Software with Permits to Use (PTUs) issued for the month of January 2019.

The circular is issued to amend the deadline for re-submission of applications via eAccReg System which will be **on or before May 31, 2019**.

BIR Revenue Memorandum Circular No. 49-2019

RR No. 49-2019 was issued on April 10, 2019 which decentralizes the accreditation of cash register machines (CRMS), point-of-sale (POS) machines, sales receipting software, and other sales machines generating receipts/ invoices at the National Office, Revenue Region and Revenue District Office levels.

It is aimed to improve the process of accreditation and to alleviate taxpayer-applicants from areas outside Metro Manila, from administrative costs incurred due to centralized operations. Similarly, the same is aligned with the current administration's policy on streamlining the frontline services in compliance with Republic Act (RA) No. 11032, otherwise known as "Ease of Doing Business and Efficient Government Service Delivery Act of 2018".

Thus, the NAB and AB shall have the following composition:

1. NATIONAL ACCREDITATION BOARD (NAB)

Head	:	Assistant Commissioner (ACIR), Client Support Service (CSS) – for Non-Large Taxpayers (Non-LTs) ACIR, Large Taxpayers Services (LTS) – for Large Taxpayers (LTs)
Co-Head	:	ACIR, Information Systems Development and Operations Service (ISDOS)
Members	:	<u>For Non-LTs</u> Head Revenue Executive Assistant (HREA), CSS

Head, Concerned Revenue Data Center (RDC)
Chief, Taxpayer Service Programs and
Monitoring

Division(TSPMD)

Chief, Law and Legislative Division
Section Chief, Programs Development and
Review Section (PDRS), TSPMD

For LTs

HREA, LT Programs and Compliance Group (LTPCG)
Head, National Office Data Center (NODC)
Chief, LT Assistance Division (LTAD)
Chief, Excise LT Regulatory Division
(ELTRD) Chief, LT District Office (LTDO) –
Cebu Chief, LT District Office (LTDO) –
Davao

NAB
Secretariat :

For Non-LTs

Staff, CSS
Representative(s) from PDRS, TSPMD

For LTs

Staff, Office of the ACIR, LTS
Staff, Office of the HREA,
LTPCG

2. LARGE TAXPAYERS ACCREDITATION BOARD (LTAB)

Head : HREA, LTPCG

Co-Head : Head, NODC

Members : Chief, Computer Operations Network and Engineering
Division
(CONED), NODC
Chief, Concerned LT Audit Division

LTAB
Secretariat : Staff, Office of the HREA, LTPCG

3. REGIONAL ACCREDITATION BOARD (RAB)

Head : Assistant Regional Director (ARD) of respective

RR Co-Head : Head, RDC of the respective RR

Members : Concerned Revenue District Officer (RDO) at the Revenue
District Office where the taxpayer-applicant is

registered

Chief, Assessment Division of the respective RR

Secretariat : Head, Client Support Unit (CSU) of the respective RR
Staff from Office of the Regional Director (RD) or Assistant
Regional Director

4. TECHNICAL WORKING GROUP (TWG)

4.1 REVENUE REGIONS (RRs)

Head : Concerned RDO at the Revenue District Office where
the taxpayer-applicant is registered

Asst. Head : Chief, CONED of the nearest RDC

Members : Chief, Assessment Section and/or his/her
Representative from the RDO where taxpayer-
applicant is registered
Chief, Client Support Section and/or his/her
Representative from the RDO where the taxpayer-
applicant is registered
Taxpayer Account Management Program (TAMP)
Officer and/or his/her Representative from
Assessment Section of RDO where the taxpayer-
applicant is registered
Representative from CONED or Facility
Management Division (FMD) of the RDC

TWG
Secretariat : Staff from Client Support Section where the RDO
where the taxpayer-applicant is registered as
determined by the Head, TWG

4.2 LARGE TAXPAYERS SERVICE (LTS)

4.2.1 LT REGULAR GROUP (RDOs No. 116, 125 and 126)

Head : Chief, LTAD

Asst. Head : Chief, CONED – NODC

Members : Chief, Assessment Section of the concerned LT
Audit Offices
TAMP Officer of the taxpayer-
applicant Representative from LTAD
Representative from CONED – NODC

TWG
Secretariat : Representative from LTAD

4.2.2 LT EXCISE GROUP (RDOs No. 121 and 124)

Head : Chief, ELTRD

Asst. Head : Chief, CONED – NODC

Members : Chief, Assessment Section of the concerned LT Audit Offices
TAMP Officer of the taxpayer-applicant
Representative from ELTRD
Representative from CONED – NODC

TWG
Secretariat : Representative from ELTRD

4.2.3 LT DISTRICT OFFICES (RDOs No. 123 and 127)

Head : Chief, LT District Office (LTDO)concerned

Asst. Head : Head, CONED—RDC Visayas or Mindanao

Members : Chief, Assessment Section of the concerned LT Audit Offices
TAMP Officer of the taxpayer-applicant
Chief, Client Support Section of the concerned LTDO
Representative from CONED—RDC Visayas or Mindanao

TWG
Secretariat : Staff from Client Support Section of the concerned LTDO

Further, the following are the general functions of the corresponding board/group:

1. **NAB** shall act as policy-making body pertaining to the standard policies, guidelines and/or procedures on the Accreditation of CRM, POS machines, Sales Receipting Software and other sales machines generating receipts/invoices, as may be required and/or as may be deemed necessary including resolutions of issues/concerns raised by the Accreditation Boards within their jurisdiction such as ACIR, LTS for Large Taxpayers and ACIR, CSS for Non-Large Taxpayers. A joint discussion may however be done to provide resolutions for common issues and concerns raised by both Large

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and Non-Large Taxpayers. Any resolution issued by either NAB-CSS or NAB-LTS may be adopted by the other, if such is applicable;

2. **LTAB/RAB** shall review, certify/approve, and/or deny applications for Accreditation of CRM, POS machines, Sales Receipting Software and other sales machines generating receipts/invoices under the name of taxpayer-applicants registered within their respective jurisdiction. They shall resolve/address issues within their respective area in accordance with existing issuances, fully document the facts, discussion and agreements/recommendation and submit report to the corresponding NAB through the Secretariat. In case of unresolved issues, elevate to the NAB issues/concerns with report/recommendation for further discussion and resolution;
3. **TWG** shall inspect and evaluate the CRM, POS machines, Sales Receipting Software and other sales machines generating receipts/invoices requiring the applicant to present the functionalities and/or features of the same in an actual system demonstration with the applicable conditions set forth under Revenue Regulations (RR) No. 11-2004, Revenue Memorandum Order (RMO) No. 10-2005 and RR No. 10-2015 as amended by RR No. 16-2018;

4. SECRETARIATS

- a. **NAB Secretariats:** The Secretariats from CSS and LTS shall separately accomplish the following:
 - i. Collate all the "Consolidated Monthly Reports on the Application for Accreditations Received" (Annex "B") submitted by LTAB and RAB Secretariats for monitoring purposes;
 - ii. Schedule a meeting for the discussion/resolution of issues/concerns raised by concerned Accreditation Board;
 - iii. Document and compile all resolutions addressed by the concerned National Accreditation Board; and
 - iv. Coordinate for joint discussion by NAB from CSS and LTS for issues/concerns which are common for both LTs and Non-LTs.
- b. **LTAB/RAB Secretariats:**
 - i. Receive and record transmitted reports from the TWG Secretariats;
 - ii. Consolidate and maintain database for the Receiving/Reference Control Number (RCN) for monitoring/reference purposes;

- iii. Validate completeness of documents received;
- iv. Schedule a meeting for review/approval of application by concerned members for resolution of issues/concerns, if any;
- v. Release the approval/denial of application; and
- vi. Consolidate the reports transmitted by TWG Secretariats and submit "Consolidated Monthly Report on the Application for Accreditations

Received" (Annex "B") to the NAB Secretariat on or before the 15th of the following month.

c. TWG Secretariats:

- i. Receive application from taxpayer-applicants;
- ii. Assign Receiving/Reference Control Number (RCN);
- iii. Schedule system demonstration/meeting for discussion of the application;
- iv. Facilitate the approval/signature of Accreditation Report by the TWG Head/Asst. Head and its Members;
- v. Submit Accreditation Report, whether approved or denied, including a soft copy of the report if the same was recommended for approval, to the LTAB/RAB Secretariat within one (1) day from the approval of the said report by TWG Head/Co-Head and its Members; and
- vi. Prepare and transmit Monthly Report on the Application for Accreditations Received (Annex "A") to the RAB/LTAB Secretariat showing the list of taxpayer-applicants, which shall be submitted on or before the 15th day of the following month.

All pending applications for accreditation of CRM, POS machines, Sales Receipting Software and other sales machines generating receipts/invoices that have undergone system demonstration as of the effectivity of this RMC shall be processed by the TWG and NAB pursuant to Revenue Special Order (RSO) No. 1-2017. However, applications that have not undergone any evaluation as of the effectivity of this Circular shall be turned over to the respective RAB for the conduct of proper evaluation. All applications for accreditation shall be filed by the taxpayer-user/supplier/developer/pseudo-supplier to the respective TWG that has jurisdiction over the Head Office of such taxpayer-applicant.

Apostille Convention

Starting May 14, 2019, the Department of Foreign Affairs (DFA)-Office of Consular Affairs will no longer issue Authentication Certificates from May 14, 2019. Instead the DFA will affix an Apostille to documents for use abroad as proof of authentication for use in Apostille-contracting parties.

After authentication by the DFA, there is no more need for authentication (legalization) by the concerned Foreign Embassies or Consulates General if the country or territory of destination of the authenticated document is already a member of the Apostille Convention,

Consequently, public documents executed in Apostille-contracting countries and territories (**except for Austria, Finland, Germany and Greece**) to be used in the Philippines no longer have to be authenticated by the Philippine Embassy or Consulate General once Apostolized.

In countries and territories which are not Apostille-contracting parties, the previous process of authentication applies.

Authentication fees will remain at ₱100 (regular) and ₱200 (expedited) per document.

The following states are parties to the Convention:

- | | |
|-----------------------|--|
| • Albania | • Bolivia |
| • Andorra | • Bosnia and Herzegovina |
| • Antigua and Barbuda | • Botswana |
| • Argentina | • Brazil |
| • Armenia | • Brunei Darussalam |
| • Australia | • Bulgaria |
| • Austria | • Burundi |
| • Azerbaijan | • Cape Verde |
| • Bahamas | • Chile |
| • Bahrain | • China, People's Republic of (Hong Kong & Macao Only) |
| • Barbados | • Colombia |
| • Belarus | |
| • Belgium | |
| • Belize | |

- Cook Islands
- Costa Rica
- Croatia
- Cyprus
- Czech Republic
- Denmark
- Dominica
- Dominican Republic
- Ecuador
- El Salvador
- Estonia
- Fiji
- Finland
- France
- Georgia
- Germany
- Greece
- Grenada
- Guatemala
- Guyana
- Honduras
- Hungary
- Iceland
- India
- Ireland
- Israel
- Italy
- Japan
- Kazakhstan
- Korea, Republic of
- Kosovo
- Kyrgyzstan
- Latvia
- Lesotho
- Liberia
- Liechtenstein
- Lithuania
- Luxembourg
- Malawi
- Malta
- Marshall Islands
- Mauritius
- Mexico
- Moldova, Republic of
- Monaco
- Mongolia
- Montenegro
- Morocco
- Namibia
- Netherlands
- New Zealand
- Nicaragua
- Niue
- North Macedonia, Republic of
- Norway
- Oman
- Panama
- Paraguay
- Peru
- Poland
- Portugal
- Romania
- Russian Federation

- Saint Kitts and Nevis
- Saint Lucia
- Saint Vincent and the Grenadines
- Samoa
- San Marino
- Sao Tome and Principe
- Serbia
- Seychelles
- Slovakia
- Slovenia
- South Africa
- Spain
- Suriname
- Swaziland
- Sweden
- Switzerland
- Tajikistan
- Tonga
- Trinidad and Tobago
- Tunisia
- Turkey
- Ukraine
- United Kingdom of Great Britain and Northern Ireland
- Uruguay
- Uzbekistan
- Vanuatu •
- Venezuela