

# [ PRESIDENTIAL DECREE NO. 308, October 09, 1973 ]

## **AMENDING THE APPROVED STAFFING PATTERN OF THE BUREAU OF INTERNAL REVENUE BY CREATING NEW DIVISIONS/UNITS THEREIN INCLUDING THE INCREASE OF POSITIONS IN THE EXAMINATION AND CLERICAL GROUPS AND PART IV, CHAPTER I, ARTICLE II, PARAGRAPHS 10 AND 11, OF THE INTEGRATED REORGANIZATION PLAN**

**WHEREAS**, under Presidential Decree No. 1, dated September 24, 1972, the Integrated Reorganization Plan was adopted and made part of the law of the land;

**WHEREAS**, pursuant to the Integrated Reorganization Plan, a staffing pattern was prepared for the Bureau of Internal Revenue which was subsequently approved by the Reorganization Commission through the Budget Commission; and

**WHEREAS**, there is an urgent need to create new divisions/units in the Bureau of Internal Revenue including the increase of positions in the examination and clerical groups therein and to amend Part IV; Chapter I, Article II, paragraphs 10 and 11, of the Integrated Reorganization Plan in order to effectively carry out the desired reorganization as envisioned in the Integrated Reorganization Plan;

**NOW, THEREFORE, I, FERDINAND E. MARCOS**, President of the Philippines, by virtue of the powers in me vested by the Constitution as Commander-in-Chief of all the Armed Forces of the Philippines, and pursuant to Proclamation No. 1081, dated September 21, 1972, and General Order No. 1, dated September 22, 1972, in order to effect the desired changes and reforms in the Bureau of Internal Revenue, do hereby order and decree the following:

**SECTION 1.** An Investment Incentives Division is hereby created under the Enforcement Service which shall handle and process all applications for tax exemptions of industries operating under the Board of Investments or such other special laws granting incentives to taxpayers, and tax problems arising out of the operations of the Export Processing. Zone Authority.

**SEC. 2.** A Security and Intelligence Unit is hereby created under the Office of the Commissioner of Internal Revenue to perform the following functions:

- a. To conduct a continuing background investigation on the suitability and fitness of applicants for BIR employment and employees already in the service;
- b. To provide physical security and safety measures for personnel, materials, installations and classified documents;
- c. To countercheck the printing, storage, distribution and accounting of all BIR accountable forms, strip stamps, regular and auxiliary labels, documentary and science stamps, official receipts and other similar forms as well as to make a periodic or random spot-checking of stocks and use of the same in the administrative units to which they were distributed and the places of business of the parties to which they were issued to effect strict compliance with existing provisions of decrees, laws, rules and regulations governing the same;
- d. To be on the lookout for and cause the arrest of impostors and tax evaders who falsify or simulate BIR accountable forms and other evidence of tax

payments for the purpose of committing extortion or violations of provisions of the National Internal Revenue Code and other special laws administered or enforced by the Bureau of Internal Revenue;

- e. To serve as a point of contact for coordination with members of the intelligence community;
- f. To initiate, coordinate and integrate all intelligence and security activities of the Central Office and the different regions, districts and other offices of the Bureau of Internal Revenue including the collation and evaluation of data relative thereto; and
- g. To perform other related functions.

**SEC. 3.** As an exception to Part IV, Chapter I, Article II, paragraphs 10 and 11, of the Integrated Reorganization Plan, a Revenue Attache Unit with clerical service is re-created in the Bureau of Internal Revenue which will be under the International Operations Division, Enforcement Service. These revenue attaches or revenue representatives, as the case may be, will be stationed in Honolulu, San Francisco, Los Angeles, Chicago, New York and Washington, United States of America; Bonn, West Germany; Vancouver and Toronto in Canada; Bangkok, Thailand; Madrid, Spain; Hong Kong and Tokyo, Japan, and such other countries as may need the services of attaches in the future. They will supervise and coordinate the work of revenue attaches assigned to important cities in the United States, Canada, Western Europe and in Asian countries where many Filipinos reside or have their place of business. The revenue attaches or representatives shall be in charge of the extension services of the Bureau of Internal Revenue abroad insofar as they relate to the business of Filipino citizens residing or doing business abroad; coordinate all foreign tax investigations and requests for information from foreign countries. The revenue attaches will be designated by the Commissioner of Internal Revenue from among qualified men in the Bureau of Internal Revenue in the foreign service establishments of the Philippines. Such internal revenue attaches shall be entitled to the same rates of cost of living, living quarters and clothing allowances and pay adjustments as those given officials and employees of similar rank in the foreign service of the Republic of the Philippines, to be paid out of the appropriation of the Bureau of Internal Revenue.

**SEC. 4.** A Seized and Forfeited Properties Section is hereby created under the Property Division, Administrative Service, to administer, under supervision, all seized and forfeited properties of delinquent taxpayers for the purpose of effecting better custody, control, sale and recording thereof.

**SEC. 5.** A Tax Fraud Division is hereby created under the Enforcement Service to administer the fraud investigation program of the Bureau; conduct investigation of all suspected violators of the National Internal Revenue Code and related statutes; attend to cases of tax violations for criminal prosecution; undertake surveillance and undercover work; gather, consolidate and interpret intelligence information relating to tax fraud matters from all available sources for appropriate action; and perform other related activities.

However, the criminal prosecution of violators of the National Internal Revenue Code and related statutes shall be undertaken by the Litigation Division which is under the Legal Service. The Litigation Division shall also represent the Commissioner before fiscals and other prosecutors in cases involving criminal prosecution of tax evaders and violators; and assist fiscals and other prosecutors in the successful prosecution of such criminal cases.