

[BIR REVENUE MEMORANDUM CIRCULAR NO. 56-2008, July 25, 2008]

PROCEDURE ON THE HANDLING OF TAXPAYER'S APPLICATION FOR CANCELLATION OF BUSINESS REGISTRATION, AND WARNING ON THE USE OF OFFICIAL RECEIPTS/SALES INVOICES OF DISSOLVED BUSINESSES FOR PURPOSES OF CLAIMING INPUT TAXES

Clarified hereunder is the procedure on the handling of application for cancellation of business registration thru the filing of a "Notice of Closure or Cessation of Business" to the District Office (RDO) where registered, by accomplishing the prescribed registration updates form. The application shall be granted whenever a taxpayer decides to voluntarily close shop, when a partnership/corporation decides to dissolve, in cases of merger or consolidation resulting to the dissolution of the absorbed entity/ies, or upon the death of the individual doing business under a sole proprietorship.

Upon filing of the duly accomplished "Notice of Closure or Cessation of Business the taxpayer shall -

(a) Submit to the Bureau of Internal Revenue (BIR) the following list for evaluation:

- 1 List of Inventory of Goods, Supplies and Capital Goods;
- 2 List of Unused Sales Invoice, Official Receipts and Other Accounting Forms;
- 3 List of Certificates, Permits, Notices, etc. issued to the taxpayer by the BIR.

and, upon effectivity of the closure or cessation of business,

(b) Physically submit and/or surrender to the RDO where the taxpayer is registered or where the Authority to Print (ATP) is secured, all unused Sales Invoices, Official Receipts and other accounting forms, for destruction.

Likewise, all BIR-issued Notices, Permits, Certificate of Registration, etc. shall be surrendered for cancellation. Where a taxpayer operates its business by maintaining a Head Office and branches, the place where the taxpayer is registered, for purposes of the physical submission herein required, is the place where the Head Office is registered.

Upon surrender of the unused Sales Invoice, Official Receipts and Other Accounting Forms by the taxpayer to the BIR personnel, said BIR personnel, in the presence of the taxpayer, shall destroy said documents by cutting them lengthwise and crosswise at the middle of the document and converting one sheet into four pieces such that the documents can no longer be used for the same purpose it was