

**[BIR REVENUE MEMORANDUM ORDER NO. 19-97,
April 18, 1997]**

**PRESCRIBING THE POLICIES AND PROCEDURES TO IMPLEMENT
REVENUE REGULATIONS NO. 4-97 PRESCRIBING THE
ACCEPTABLE MODES OF PAYMENT OF INTERNAL REVENUE
TAXES AND REQUIRING THE ENROLLMENT OF TAXPAYERS WITH
ACCREDITED AGENT BANKS**

I

OBJECTIVES

This Order is issued to:

1. Promulgate the policies and procedures to implement Revenue Regulations No. 4-97 prescribing the acceptable modes of payment and requiring the enrollment of taxpayers in Accredited. Agent Banks (AABs) where they intend to file tax returns and/or pay internal revenue taxes whether in computerized or non-computerized Revenue District Offices (RDOs).
2. Establish an effective system to ensure that tax payments are:
 - 2.1 Made only to-the agent bank duly accredited by the Bureau of Internal Revenue (BIR);
 - 2.2 Properly credited to the accounts of the taxpayer concerned;
 - 2.3. Remitted to the government in a timely and accurate manner.

II

DEFINITION OF TERMS

1. "Bank Debit System" refers to the system whereby a taxpayer, through a bank debit memo, authorizes withdrawals from his existing bank accounts for payment of his tax liabilities.
2. "Over-the-counter cash transaction" refers to payments of tax liabilities made usually in the form of paper bills or coins which are legal tender in the Philippines.
3. "Credit Facility with a Bank, a Credit Company or Similar Institution" refers to the provision of loaned funds by a financial institution to a person for the purpose of paying an obligation.

4. "Enrollment" refers to the process through which a taxpayer shall register with an AAB for the purpose of making tax payments under any of the four (4) acceptable modes of payment.
5. "Taxpayer Record Update (TRU)" refers to the program of the Bureau to update taxpayer registration records in line with the Integrated Tax System (ITS) using redesigned registration forms for different types of taxpayers.
6. "Tax Debit Memo (TDM)" refers to BIR Form No. 2311, issued by the BIR to a taxpayer, charging to the taxpayer's Tax Credit Certificate (TCC) an amount corresponding to the tax liability.
7. "Systems for Philippine Internal Revenue Information Technology (SPIRIT)" refers to the new computerized integrated tax systems of the BIR developed under the Philippine Tax Computerization Project and now part of the BIR Transformation Program.
8. "New Payment Control System (NPCS)" refers to the system of accepting internal revenue taxes thru the banking system in the AABs in the RDOs which are not yet computerized.
9. "Collection and Bank Reforms Reconciliation Tax Reform/Payment System (CBR)" refers to the new system of accepting tax payment within the SPIRIT which replaced NPCS in computerized RDOs.
10. "Home RDO" refers to the RDO having jurisdiction over the-taxpayer's domicile or legal residence, principal office or place of business, where the taxpayer is required to register under the TRU program.

III

POLICIES

1. Acceptable Modes of Payment:

The following shall be the acceptable modes for the payment of internal revenue taxes to Accredited Agent Banks (AABs):

- a) Bank debit system
 - b) Over-the-counter cash transactions
 - c) Credit facility
 - d) Tax Debit Memo (TDM)
2. Checks payable to BIR in payment of taxes shall no longer be acceptable beginning May 1, 1997, except in remote areas where there are no Accredited Agent Banks.
3. Every person intending to pay any kind of internal revenue tax to an AAB is required to enroll in said AAB located within his Home RDO. For convenience, a taxpayer may enroll in one or more AABs within the said Home RDO. However, enrollment in a particular AAB shall only be done once. Taxpayers are not required

to maintain a minimum balance in the bank account for tax payment purposes.

4. Over-the-counter cash transactions requires enrollment but does not require opening of bank accounts.

5. AABs are required to accept exempt tax returns as well as taxable returns where no payment is made by the taxpayer. In cases where no payments are made, the words "NO PAYMENT RECEIVED" shall be stamped on the taxable return filed and accepted.

6. Taxpayers shall continue to secure TDMs from the BIR charged against their TCCs issued in accordance with the provision of RMO 20-91. AABs should not accept TCCs and shall accept only TDMs issued by the BIR attached to the tax return.

7. The AABs shall continue to prepare collection reports and submit the same to the BIR in accordance with Revenue Memorandum Order Nos. 29-91, 1-93, and 61-94, and Revenue Regulations No. 15-94, amended by Revenue Regulations No. 13-96 under the New Payment Control System (NPCS) for non-computerized RDOs. Likewise, the reporting requirements pursuant to CBR Bank Advisory Bulletin Nos. 96-1 up to 97-02 shall be observed for the computerized RDOs.

IV

PROCEDURES

A. Taxpayers

1. Enrollment

1.1 Secure from the AAB its prescribed enrollment form.

1.2 Submit to the AAB the duly accomplished enrollment form in two copies, together with a xerox copy of the TRU Form duly stamped "RECEIVED" by the BIR.

1.3 Keep the duplicate copy of the duly accomplished enrollment form submitted to the AAB.

1.4 For convenience, a taxpayer may enroll in one or more AABs located within the jurisdiction of the Home RDO; however enrollment shall be done once only in a particular AAB.

2. Filing of Tax Returns and Payment of Taxes:

2.1 File duly accomplished tax returns with the AAB where the taxpayer is enrolled.

2.2 For payment through bank debit system submit a written instruction to the AAB to debit an amount equivalent to the tax payable, receive the machine-validated return and copy of bank debit advice.

2.3 For over-the-counter cash transactions, tender cash payment, receive the machine-validated return and the AAB official receipt for the amount paid.