

**[BIR REVENUE MEMORANDUM ORDER NO. 41-94,
May 20, 1994]**

**MODIFIED PROCEDURES IN THE REGISTRATION OF VALUE-
ADDED TAX (VAT), NON-VAT, AND EXCISE TAXPAYERS,
WITHHOLDING AGENTS BRANCH(ES) WHETHER OR NOT FILING
OF RETURN IS REQUIRED OR PAYMENT OF TAX IS DUE AND
STORAGE PLACES/PREMISES WHERE INVENTORY OF GOODS
FOR SALE OR FOR USE IN BUSINESS ARE KEPT, AND
CANCELLATION OF REGISTRATION THEREOF.**

I
Objectives

This Order is issued to:

- A. Establish modified procedures in the registration of VAT, Non-VAT and Excise Taxpayers, Withholding Agents, Branch(es) whether or not filing of return is required or payment of tax is due, and the cancellation of registration thereof.
- B. Establish guidelines and procedures in the registration of place/premises where inventory of goods for sale or for use in business are kept and the cancellation of registration thereof.
- C. Prescribe the use of a uniform. Application for Registration (BIR Form No. 1556-A, Annex A), Certificate of Registration (BIR Form No. 1556, Annex B), Application for Cancellation of Registration (BIR Form No. 1557, Annex C) and Annual Registration Fee Return (BIR Form No. 1558, Annex D).

II
Policies

- A. *Registration* - 1. The taxpayer shall be required to file only one Application for Registration (BIR Form No. 1556- A) as VAT, Non-VAT, Excise Taxpayer and Withholding Agent, and this shall constitute as having complied with the registration of Business Name, this being automatically included in the above application.
- 2. All taxpayers and its branches, storage places and each place of production for excise taxpayers, who are required to register shall file an Application for Registration with the Revenue District Office (RDO) having jurisdiction over the principal place of business, branch, place of production or storage, as the case maybe.
- 3. A VAT person who maintains a head or main office and branches in different places shall register his VAT activity with the RDO which has jurisdiction over the place where the main or head office is located. However, the issuance of the

certificate of registration shall be issued by the RDO where such branches are located.

4. Each branch is required to accomplish separate Applications for Registration even if located within the same RDO, and a separate Certificate of Registration shall be issued for each.

5. The annual registration fee of ONE THOUSAND PESOS (P1,000.00) shall be paid for every separate or distinct establishment or place of business using Annual Registration Fee Return. However, a taxpayer who is engaged in both VAT and Non-Vat activity shall pay an annual registration fee of ONE THOUSAND PESOS (P1,000.00) each.

6. Non-stock, non-profit organizations and associations, under Section 26 of the National Internal Revenue Code, as amended (NIRC), not engaged in trade or business, shall be required to register but shall remain exempt from the payment of annual registration fee. The exemption from the payment of registration fee shall not apply if such taxpayer/registrant is engaged in taxable activities.

7. Any subsequent major change in the original registration (such as change of registration from VAT to Non-Vat or vice-versa, change in the organizational form, and other similar changes shall be effected by accomplishing the Application for Cancellation of Registration and pay the registration fee, if applicable. However, any minor changes in the original registration (such as change of address within the same RDO, typographical errors, and etc.) which may not necessitate cancellation of the registration shall be effected by accomplishing the Registration Change Form (Annex E).*

8. The Certificate of Registration shall only be issued after an ocular inspection of the business premises of taxpayer has been conducted by a Revenue Officer and duly approved by the Revenue District Officer concerned, in addition to other requirements for registration prescribed under this Memorandum Order.

9. Warehouses/Storage places where business transactions are conducted shall, for purposes of registration, be considered as a branch liable to the annual registration fee. However, if no business transactions are conducted thereat, it is still required to register but shall be exempted from the payment of registration fee.

Warehouses/Storage places within the premises of the home office or branch are not required to register.

10. Taxpayers who are required to register their storage place/premises where inventory of goods for sale or for use in business are kept prescribed under Revenue Regulations 5-94 shall likewise register their books of inventory upon approval and release of the Certificate of Registration.

11. Taxpayers registering their business at any time of the year shall pay the full annual registration fee of ONE THOUSAND PESOS (P1,000.00).

12. All applications for registration shall be assigned for ocular inspection within twenty-four (24) hours from receipt and the corresponding ocular inspection report shall be submitted within three (3) days from date of assignment.

13. The RDO shall maintain separate logbooks for all applications for registration received (Annex F) and all approved applications (Annex G).

B. *Cancellation* - 1. The cancellation for registration shall be effected only after compliance with all the cancellation procedures prescribed in this Memorandum Order.

2. The RDO shall maintain separate logbooks of all Applications for Cancellation of Registration (Annex H)* and all approved Application for Cancellation of Registration (Annex I).*

3. All applications for cancellation of registration due to closure/cessation or termination of business shall be subjected to immediate investigation by the concerned RDO to determine the taxpayer's tax liabilities.

III

Who, What, When and Where to Register

A. The following taxpayers, withholding agents, storage places, and each of the branches, if any, are required to register:

1. *For VAT Registration*

1.1 *Mandatory* - Every person who, in the course of trade or business, sells, barter, exchanges, leases goods or properties or renders services subject to VAT, is required to register as a VAT taxpayer if the aggregate amount of his actual or expected gross sales and/or gross receipts exceeds FIVE HUNDRED THOUSAND PESOS (P500,000.00) for any 12-month period.

1.2 *Optional* - Any of the following persons may, at their option, apply for VAT Registration:

1.2.1. Seller of goods, properties or services whose taxable sale or gross receipts do not exceed FIVE HUNDRED THOUSAND PESOS (P500,000.00) for any 12-month period;

1.2.2. Export seller of agricultural and marine food products in their original state;

1.2.3. Export seller of fertilizers, seeds, seedlings and fingerlings; fish and poultry feeds, including ingredients, whether locally produced or imported, used in the manufacture of finished feeds.

1.2.4. Export seller of non-food agricultural, marine and forest products in their original state by the primary producer or owner of the land where the same are produced;

1.2.5. Export seller of cotton and cotton seeds in their original state;
and

1.2.6. Export seller of copra.

Once the option has been made, the registrant shall be liable for the value-added tax but shall also be entitled to tax credit and/or refund.

2. *For Non-VAT Registration* - 2.1. VAT-exempt person under Section 103 of the NIRC who did not opt to register as VAT taxpayer;

2.2. Persons subject to other percentage taxes mentioned in *Section 112* of the NIRC;

2.3. Persons engaged in trade or business, or exercise of profession, other than those subject to VAT and other percentage taxes under Title V of the Tax Code; and

2.4. Non-stock, non-profit organizations and associations not engaged in trade or business.

3. *For Withholding Agent Registration* - 3.1. Any employer who pays or expects to pay any one employee the amount of P9,000.00 or more a year or P750.00 monthly as compensation, pursuant to Revenue Regulations No. 6-82, as amended by Revenue Regulations Nos. 12-86 and 4-93.

3.2. One who is not an employer (whether individual or juridical), who pays or expects to pay income payments subject to the expanded withholding tax and final taxes;

3.3. All government offices, including government-owned or controlled corporations, as well as provincial, city and municipal barangay government;

3.4. A branch office of any of the above offices (1, 2 & 3), having disposal and custody of payments subject to withholding tax.

4. *For Excise Tax Registration* - Any of the following persons who are engaged in the manufacture/production/ importation/exportation of articles subject to Excise Tax.

4.1. Manufacturer of cigarettes and other tobacco products;

4.2. Importer of tobacco products;

4.3. Whole-leaf tobacco buying agents/wholesale tobacco dealer (L-3 permit);

4.4. Producer/manufacturer, repacker, wholesale dealer or importer of alcohol/alcohol products;

4.5. Producer/importer of cinematographic films;

4.6. Manufacturer/assembler of automobiles;

4.7. Manufacturer/producer of mineral, mineral products and quarry resources; and

4.8. Manufacturer/producer/seller of non-essential goods.

4.9. Manufacturer/producer of petroleum products.

5. For registration of place/premises where inventory of goods for sale or for use in business are kept.

Any taxpayer who sells goods in the course of his trade or business shall register the

place/premises where his inventory of goods for sale or for use in business are kept.

6. *For registration of Branch Office* - Every branch of a taxpayer whether or not filing of return is required or payment of tax is due shall register.

B. The Application for Registration shall be filed before commencement of business or production or qualification as a withholding agent. In the case of storage places, the application shall be filed within thirty (30) days from the date the aforesaid premises has been used for storage.

It shall be filed with the following:

1. *For VAT Registration* - With the RDO having jurisdiction over the principal place of business;

2. *For Non-Vat Registration* - With RDO having jurisdiction over the principal place of business or the branch at the option of the taxpayer;

3. *For Withholding Agents Registration* - With the RDO having jurisdiction over the principal place of business and/or the branch having custody and disposal of payments subject to withholding tax;

4. *For Excise Tax Registration* - Each and every place of production of excise taxpayer shall be registered before the actual operation in the RDO where the place of production is located;

5. *For registration of Branch Office where no filing of return or where no tax is due* - Each branch office shall be registered with the RDO where the branch office is located; and

6. *For storage place/premises where inventory of goods for sale or for use in business are kept* - With the RDO having the jurisdiction over the place where such storage place/premises is located.

IV Procedures

A. *Registration* - Hereunder is the modified procedure for registration of taxpayers:

1. Revenue District Office (RDO) - All applications for registration shall be filed with the Registration and Regulatory Unit (RRU) of the RDO in triplicate to be distributed as follows:

Original	- Information Systems and Operations Service (ISOS)
Duplicate	- RDO File Copy
Triplicate	- Taxpayer

1.1. Receive in three (3) copies duly accomplished Application for Registration (BIR Form 1556-A) together with the following documents: