

## **[ REVENUE MEMORANDUM CIRCULAR NO. 57-2015, October 06, 2015 ]**

### **SUBMISSION OF INVENTORY LIST AND OTHER REPORTING REQUIREMENTS**

*Adopted: 21 July 2015  
Date Filed: 06 October 2015*

#### **BACKGROUND:**

Pursuant to Section 6 (H) of the Tax Code of 1997, as amended, the Commissioner may prescribe additional procedural or documentary requirements for tax administration and enforcement. This Circular is therefore issued to provide guidance on how financial accounting information, in addition to the annual inventory list required to be filed under Section 13 of Revenue Regulations No. V-1, should be reported to the Bureau. This is in line with the Bureau's objective of implementing an expanded and improved landscape of accounting information reporting that seeks to provide reliable data and to maximize the quality and adequacy of such data for better monitoring and analysis.

#### **SECTION 1. SCOPE AND COVERAGE**

This Circular aims to consistently apply the data requirements across different sectors with the peculiarity of the industry where the taxpayers belong directing the volume of reporting. Hence, the additional reports or schedules to be submitted and filed with the annual inventory list shall cover companies maintaining /inventory of stock-in-trade, raw materials, goods in process, supplies and other goods such as manufacturing, wholesaling, distributing/ retailing sectors including real estate dealers/developers, service companies, e.g., construction companies, building contractors, etc. It bears stressing that the data/information contained in the said schedules/lists should be reconciled with the amount declared in the financial statements and annual income tax returns.

#### **SECTION 2. PRESCRIBED FORMAT AND DEADLINE FOR SUBMISSION**

All taxpayers with tangible asset-rich balance sheets, often with at least half of their total assets in working capital assets, e.g.. accounts receivable and inventory, shall submit, in addition to the annual inventory list, schedules/lists prescribed herein, in hard and soft copies, using the format as shown in Annex "A" (for manufacturing / merchandising or retail company); Annexes "B" and "B-1" (for real estate company) and Annex "C" (for construction industry). Taxpayers not belonging to the above-described industries shall adopt the herein prescribed format that is applicable to their existing inventory.

The soft copies of the inventory list including other applicable schedules shall be stored/saved in Digital Versatile Disk-Recordable (DVD-R) properly labeled and submitted, together with a notarized certification, as shown in Annex "D" hereof, duly signed by the authorized representative of the taxpayer certifying that the data/information contained in the DVD-R are true and correct.

For initial filing using the herein prescribed format, the schedules and inventory list shall be submitted on or before September 30, 2015 covering ending inventory as of December 31, 2014, and thereafter every 30th day following the close of the taxable year (depending on the accounting period adopted by the taxpayer) as enunciated under Section 13 of Revenue Regulations No. V-1, otherwise known as the Bookkeeping Regulations, which

provides for the filing of an annual inventory of stocks-in-trade, raw materials, goods in process, supplies and other goods not later than thirty (30) days following the close of the taxable year, to wit:

"Sec. 13. Records of Inventories: - Persons required by law to pay internal revenue taxes on business shall keep, in addition to the other books and records prescribed in these regulations, a book of inventories, in which they shall record in detail the quantity, description, unit and total cost of every item in their stocks-in-trade, materials, supplies and other goods found in their premises, of their establishments as the time they start business and at the close of the calendar year or accounting period. The inventory at the beginning shall be made and submitted to the Commissioner of Internal Revenue, if the place of business is in Manila, or to the Deputy