

**[BIR REVENUE MEMORANDUM ORDER NO. 36-92,
September 11, 1992]**

**MODIFIED OVERALL PROCEDURE IN THE REGISTRATION OF
NEW VAT AND NON-VAT TAXPAYERS**

**I
Objective**

This Order is issued to consolidate in a single issuance the procedures in the registration of VAT and Non-VAT taxpayers, incorporating all pertinent features/requirements prescribed under the New Payment Control System (NPCS).

**II
Highlights of the Modified Procedure**

1. The RDO shall conduct ocular inspection of the business premises of taxpayer/applicant applying for VAT and for Non-VAT Registration subject to 2% tax under Sec. 112 of the Tax Code, as part of evaluating said application.
2. Application for VAT/Non-VAT Registration (BIR Form No. 2550-1/2551-1), Annex A/B, is hereby revised to exclude the claim stub portion being issued to taxpayers. Said application shall now be required to be filed in three (3) copies, the triplicate of which shall be given to the taxpayer immediately after it has been recorded in the logbook.
3. The RDO shall maintain separate logbooks for the following:
 - a. applications received whether for VAT or for Non-VAT Registration (Annex C^{*})
 - b. approved applications for VAT Registration (Annex D^{*})
 - c. approved applications for Non-VAT Registration (Annex E^{*})
4. In case a taxpayer has no Taxpayer Identification Number (TIN) yet, the processing of the Application for VAT/Non-VAT Registration by RDO shall be done simultaneously with the processing of TIN by Computer and Information Systems Service (CISS), formerly RISSI.
5. Applications for VAT/Non-VAT Registration shall not be approved without the TIN.
6. Upon approval of the application for registration, the taxpayer shall no longer be issued the VAT or Non-VAT registration number previously furnished by CISS. The TIN replaces the VAT/Non-VAT Registration Number. Hence, the Registration Certificate and the sticker shall now reflect TIN - V for VAT or TIN - NV for Non-VAT.

7. All original copies of approved applications for VAT/Non-VAT Registration shall be forwarded to CISS to be used in updating the Master Files for VAT and Non-VAT Taxpayers.

III Procedures

Hereunder is the modified overall procedure in the registration of VAT/Non-VAT taxpayers:

A. Revenue District Office (RDO)

1. Receive in three (3) copies duly accomplished Application for VAT Registration (revised BIR Form No. 2550-1) or Application for Non-VAT Registration (revised BIR Form No. 2551-1) together with the following documents:

- a. Photocopy of DTI Certificate of Registration or Articles of Incorporation from SEC (for Corporation and Partnership)
- b. Sketch of Business Address
- c. Mayor's Permit and Municipal License
- d. Lease contract of place of business or other similar documents

2. If applicant is a transferee from another district, instruct applicant to file an Application for Transfer of Business to the RDO of his former place of business;

Note: Refer to RMO re: Processing of Application for Transfer of Business.

3. Check thoroughly the completeness and accuracy of all information reflected on the application as well as the required documents;

4. Require the applicant to present his TIN card; if taxpayer has no TIN yet:

- a. require him/her to fill-up an application form for TIN and forward immediately to CISS following the procedures provided for under RMO No. 23-91;
- b. Receive from CISS printed TIN ID Cards and/or pre-printed labels not later than fifteen (15) working days from date of transmittal of Application for TIN;
- c. Release TIN ID Card and/or pre-printed labels to applicant.

5. Stamp "RECEIVED" and date of receipt on the appropriate space on the lower right hand corner of BIR Form No. 2550-1/2551-1;

6. Record in the appropriate logbook, as provided for in Annex C, all applications received indicating therein the Date of Receipt, Name and Address of Applicant, Trade Name, TIN and Kind of Application;

7. Issue the triplicate copy of the application to taxpayer and instruct the same to come back not earlier than five (5) days from filing of the application to verify whether the application has been approved or not;

8. Determine whether the application for registration is for VAT or for Non-VAT;

8.1. For VAT Registration:

- a. Evaluate the application for VAT Registration in accordance with RMC 38-87;
- b. Conduct an ocular inspection of the business premises of the VAT taxpayer/applicant, as part of evaluating the application for VAT Registration and submit a report thereon within five (5) working days from the date of filing of the application, as prescribed under RMO No. 3-90, dated January 2, 1990;

8.2. For Non-VAT Registration:

a. Evaluate application for Non-VAT Registration in accordance with the following criteria:

- a.1 Persons subject to other percentage tax under Title V of the Tax Code, including those subject to 2% tax under Sec. 112 of the Tax Code;
- a.2 Persons subject to excise tax under Title VI of the Tax Code and who are not subject to VAT;
- a.3 VAT-exempt persons under Sec. 103(a), (b), (c) and (f) of the National Internal Revenue Code who did not opt to register as VAT taxpayers;
- a.4 Persons exempt from VAT under Sec. 103, other than those listed above;
- a.5 Persons whose VAT registration have been cancelled pursuant to Sec. 107 (c) of the Tax Code.

b. Conduct an ocular inspection of the business premises of the taxpayer/applicant subject to 2% tax under Sec. 112 of the tax code and submit a report thereon within five (5) working days from the date of filing the application;

9. Determine whether the application was approved or disapproved;

9.1. For Disapproved Application:

- a. Check the "DISAPPROVED" box to indicate that the application was disapproved: sign on the space provided and indicate date when processing was completed;
- b. Inform the taxpayer that his application for registration was disapproved and file his application for future reference.

9.2. For Approved Application

a. Determine whether the taxpayer/applicant filed on time; otherwise: