REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

April 2, 2012

REVENUE REGULATIONS NO. 7-2012

SUBJECT : Amended Consolidated Revenue Regulations On Primary Registration, Updates, And Cancellation

TO : All Internal Revenue Officers and Others Concerned

SECTION 1. SCOPE. – Pursuant to Section 244 of the 1997 National Internal Revenue Code (NIRC), as amended, in relation to Chapter II of Title IX specifically Section 236 thereof, these Regulations are hereby promulgated in order to amend, consolidate and update all existing revenue regulations relative to primary registration, particularly on the following:

1. Registration, updates and cancellation procedures;
2. Venue, Forms & Documentary Requirements;
3. Annual Registration fee;
4. Certification fee; and
5. Penalties for registration-related violations.

SECTION 2. OBJECTIVES. – These Regulations are issued to:

1. Revise, prescribe and implement recent/additional policies relating to Primary Registration, updates, and cancellation procedures amending the provisions of Revenue Regulations No. 11-2008;
2. Amend and incorporate the policies prescribed under Revenue Regulations No. 5-2010 on Transfer of Registration Records and Taxpayer Identification Number (TIN) Card Issuance.

SECTION 3. DEFINITION OF TERMS. For purposes of these Regulations, the following words and/or phrases shall be defined as follows:

1. ***"Primary Registration" -*** the process by which a person, whether an individual, including estates and trusts, or a corporation and other juridical entities, upon application and full compliance with the registration requirements prescribed in these Regulations, is registered with and consequently included in the registration database of the Bureau of Internal Revenue (BIR).

   Primary Registration may involve two scenarios depending on the purpose of the taxpayer applying for registration as follows:

   i. TIN ISSUANCE AND REGISTRATION – refers to issuance of TIN to all persons who will engage in business, practice of profession or employment and who may or may not be subject to any national internal revenue tax but may be required to file the corresponding tax return, statement or other documents as required by the Code such as: income tax, estate and donor's tax, value added tax, percentage tax, withholding tax, excise tax and documentary stamp tax (DST), including registration of its branch/es (for purposes of securing a branch code);

   ii. PURELY TIN ISSUANCE – refers to issuance of TIN to applicants under Executive Order (EO) 98, series of 1998 e.g. in the case of individuals

required to incorporate the TIN in all forms, permits, licenses, clearances, official papers and documents which they secure from other government agencies e.g. Local Government Unit (LGU), Department of Trade and Industry (DTI), Land Transportation Office (LTO), Department of Foreign Affairs (DFA), etc. It also includes issuance of TIN to Overseas Filipino Workers (OFWs)/Overseas Contract Workers (OCWs) as defined under these Regulations as well as to Non-Resident Foreign Corporations (NRFC)/Non-Resident Alien not engaged in Trade or Business (NRANETB) subject to final withholding tax on income derived from sources within the Philippines.

2. **"*Secondary Registration*"** – shall pertain to subsequent registration activities after the issuance of BIR Certificate of Registration (COR) relative to the printing and issuance of official receipts/sales invoices; keeping/registering of books of accounts and other accounting records; applying for certain accreditation requirements and securing other applicable registration-related permits

3. ***"Taxpayer Identification Number (TIN)" -*** shall pertain to the system-generated reference index number issued and assigned by the BIR to each and every person registered in its database. In all of the business and/or personal transactions of the registered person whether these are with government offices or otherwise, this reference index number is required to be indicated.

   The TIN comprises of a 9 to 13 digit numeric code where the first 9 digits is the TIN proper and the last 4 digits is the branch code. The branch code digits may be increased depending on future systems enhancements and policy declarations of the Commissioner of Internal Revenue (CIR).

4. ***"Filipino Overseas Contract Worker (OCW)/Overseas Filipino Worker (OFW)" -*** an individual citizen of the Philippines as defined in Section 2 of the Revenue Regulation 1 -2011 which provides:

   "Section. 2. Definition of an OCW.

   OCW refer to Filipino citizens employed in foreign countries, commonly referred to as OFWs, who are physically present in a foreign country as a consequence of their employment thereat. Their salaries and wages are paid by an employer abroad and is not borne by any entity or person in the Philippines. To be considered as an OCW or OFW, they must be duly registered as such with the Philippine Overseas Employment Administration (POEA) with a valid Overseas Employment Certificate (OEC).

   Seafarers or seamen are Filipino citizens who receive compensation for services rendered abroad as a member of the complement of a vessel engaged exclusively in international trade. To be considered as an OCW or OFW they must be duly registered as such with the Philippine Overseas Employment Administration (POEA) with a valid Overseas Employment Certificate (OEC) with a valid Seafarers Identification Record Book (SIRB) or Seaman's Book issued by the Maritime Industry Authority (MARINA).

5. ***"Commencement of Business"*** – in the case of pursuit of business or practice of profession, it shall be reckoned from the day when the first sale transaction occurred or within thirty (30) calendar days from the issuance of Mayor's Permit/Professional Tax Receipt (PTR) by LGU, or Certificate of Registration issued by the Securities and Exchange Commission (SEC), whichever comes earlier.

6. ***"Head Office (HO)"*** – refers to the declared specific or identifiable principal place/head office of business as stated in the Articles of Incorporation/Articles of Partnership/Articles of Cooperation/DTI Certificate of Registration, as the case may

be, or, in the absence thereof, the place where the complete books of accounts are kept. It is the fixed place of business, whether rented or owned, and whether or not the products/services being sold are actually located or displayed thereat. For persons who conduct business in a nomadic or roving manner, such as peddlers, "tiangges", mobile stores operators, common carries/school bus operators without designated garages/terminals, etc., their place of residence shall be considered as the HO.

7. ***"Branch" -*** means a separate or distinct establishment or place of business where sales transactions are conducted independently from the HO. For purposes of these Regulations, branch shall include the following:

   i. Sales outlet or establishment situated in another location/address other than at the HO;

   ii. Facility with sales activity;

   iii. Real properties for lease including car parks, with Administrative Office shall be considered as a branch. If Cash Register Machines (CRM)/Point-of-Sales Machines (POS) are used thereat, the same shall be registered under existing CRM/POS policies and procedures prescribed under the regulations on secondary registration process;

   iv. For Public Transport Operators with more than one (1) franchise, each additional franchise/Certificate of Public Convenience (CPC) which a transportation operator owns or operates, regardless of the number of units under each franchise/CPC shall be considered as a branch. For private transport operators, the operator shall register each garage with administrative office as a branch;

   v. Toll Way Company operating more than one "hi-way/road/expressway", shall register each succeeding "hi-way/road/expressway" as a branch. However, each Toll Way "entry/exit" shall not be registered as branch. It shall register CRM/POS used under existing CRM/POS policies and procedures;

   vi. For National Government Agencies (NGAs) and its instrumentalities where the source of fund is not coming from the Department of Budget and Management (DBM) (e.g. foreign assisted projects, special funds etc.) which requires the payment of other internal revenue taxes, a separate branch code in the TIN shall be assigned for each special fund. However, upon expiration thereof, it shall be the duty of the NGA to update its registration;

   vii. Other separate or distinct establishment/s which conduct sales transactions independent of the HO.

   Unmanned sales outlets/service equipment's such as Automated Vending Machines (AVM), Automated Ticket Dispensing Machines, Automated Teller Machines (ATMs) and the like shall be registered under existing CRM/POS policies and procedures prescribed under the regulations on secondary registration process.

   Branch and facility situated abroad of a domestic corporation or resident citizen shall be registered with the BIR district office having jurisdiction over the HO.

8. ***"Facility"*** – may include but not limited to place of production, showroom, warehouse, storage place, garage, bus terminal, or real property for lease ***with no sales activity***. A facility shall be registered as a branch whenever sales transactions/activities are conducted thereat. Registration of the "Facility" with no sales activity is not subject to payment of Annual Registration Fee (ARF).

9. ***"Administrative Office"*** – shall refer to an office where records of sales and/or cash collections are kept which can be registered either as HO or branch.

   When an administrative office is located in a facility, the latter becomes a branch for purposes of these Regulations and therefore subject to ARF.

   In the case of real properties for lease, garages, or bus terminals and other similar establishments, this refers to the particular space or office set up in the area which does not only facilitate the expediency of operations conducted thereat, including the maintenance and upkeep of the premises, but which, in certain instances, also functions as the cashier to which all revenues generated thereat are remitted on periodic basis or also maintains records of transactions on a limited scale.

10. ***"Principal or Main employer"*** – shall refer to the employer to whom an employee renders his services for most of his time during the taxable year. It does not necessarily pertain to that employer from whom the employee receives a higher salary/pay. Accordingly, between an employer who gives an individual a higher salary for a part-time job and an employer who pays the same individual lesser compensation for an employment on full-time basis, the latter is considered as the principal/main employer.

11. ***"Mixed Income Earner"* –** shall refer to a compensation-earner who at the same time is engaged in business or practice of profession.

12. ***"Marginal Income Earner"* -** shall refer to those individual whose business do not realize gross sales or receipts exceeding ₱ 100,000 in any 12-month period.

13. ***"Self-employed Individual"* –** one who may either be a single proprietor engaged in business or in the practice of his profession.

14. ***"Updates"* –** shall mean the process by which the information previously supplied during the Primary Registration process are changed or modified (e.g. surname, address within same district office, exemption status and qualified dependents, etc) either upon the taxpayer's or BIR's initiative. It shall include end dating the registered tax types of a business of an individual on the occasion of such individual's cancellation of his or her business registration or during temporary non-operations (e.g. labor disputes, business reverses, etc.).

15. ***"Transfer of Registration"*** – shall mean the process of transmitting the records of a registered taxpayer from one BIR district office to another where the new registered address falls under the jurisdiction of a BIR district office other than where it is currently registered.

16. ***"Cancellation" -*** shall mean the process by which the information pertaining to Primary Registration of a taxpayer is tagged as "cancelled" but nevertheless remains as part of the BIR's registration database.

17. ***"End dating"*** – shall, for purposes of preventing the creation of stop filer cases, refer to the process of indicating in the system the end of the taxable period or date of the last return period for a particular registered form type/tax type for which a return is required to be filed.

18. ***"Stop Filer cases"*** – shall refer to system created cases when a taxpayer fails to file a return for a required tax type for a taxable period (e. i. Income Tax, VAT, Percentage Tax, etc.,) which is required to be filed regularly (monthly, quarterly, annually).

19. ***"Tagging"* –** shall mean the process by which the business registration information of a taxpayer is tagged as "Inactive" but nonetheless remains part of the BIR's registration database.

20. ***"Inactive"* -** shall refer to the status of the business of any of the following:

    i. A non-individual taxpayer that has notified the BIR district office of the temporary cessation of its business operations;

    ii. A taxpayer that has stopped filing all its tax returns for the last two (2) years, which requires issuance of a notice of investigation;

    iii. A newly registered taxpayer who fails to file the required tax returns/declarations due for the applicable initial quarter;

    iv. A taxpayer that may be identified as such by the CIR in a separate revenue issuance.

21. ***"Ceased/Dissolved"*** – shall refer to the status of a registered taxpayer who has completed the requirements for cancellation of registration prior to the termination of audit.

SECTION 4. POLICIES ON THE APPLICATION AND ISSUANCE OF TAXPAYER IDENTIFICATION NUMBER (TIN) –

Annex "A" of these Regulations provides for and lists down the venue, forms and documentary requirements for the registration of each type of applicant. Application with incomplete documentary requirements shall not be processed. It may be received and shall be processed only upon full compliance of the requirements.

1. General Rules in the Application and Issuance of TIN. –

i. The TIN, once assigned to a particular taxpayer, is non-transferable and there shall be no instance where two or several taxpayers are holders of the same TIN;

ii. Only one TIN shall be assigned to the taxpayer, regardless of variety of transactions e.g. employee who is at the same time engaged in business. Once assigned with a TIN, a taxpayer is precluded from applying for another TIN, except for banks with both Regular Banking Unit (RBU) and with Foreign Currency Deposit Unit (FCDU) where each unit is assigned with different TINs. Any person who shall secure more than one TIN shall be subject to the penalty prescribed under Section 15 of these Regulations;

iii. The Estate of a deceased person or a Trust under an irrevocable trust agreement shall be issued a TIN separate and distinct from the TIN of the deceased person and/or trustee;

iv. Minors who are earning and/or who are under the circumstances prescribed under Executive Order (EO) No. 98, series of 1998 shall be supplied with TIN;

v. Non-Resident Aliens Not Engaged in Trade or Business (NRANETB) or Non-Resident Foreign Corporations (NRFC) shall be issued TINs for purposes of withholding taxes on their income from sources within the Philippines. The withholding agent shall apply for the TIN in behalf of the NRANETB or NRFC prior to or at the time of the filing of their monthly withholding tax return as applicant under EO 98, series of 1998;

vi. Branches of identified Large Taxpayer shall be registered at the Large Taxpayers Service (LTS) where the HO is registered;

vii. All incorporators of corporations/associations (stock and non-stock), partners of partnerships and members of cooperatives must have TINs.

2. Persons Who Are Required To or May Secure TIN. –

i. Every person subject to any national internal revenue tax such as: income tax, estate and donor's taxes, value-added tax, percentage tax, withholding tax, excise tax, and DST, including its branches (for purposes of securing branch code); also includes persons subject to taxes under One Time Transactions (ONETT) such as but not limited to Capital Gains Tax, Donors Tax and Estate Tax;

ii. Any person who, although exempt from the imposition of the taxes imposed under the Code, as amended, is nevertheless required to withhold taxes on account of income payments made to taxable individuals or entities;

iii. Pursuant to Section 236(I) of the NIRC, as amended, any person required under the authority of said Code, as amended, to make, render or file a return, statement or other document whereby he is required to indicate his TIN in such return, statement or document filed with the BIR for his proper identification for tax purposes, and which he shall indicate in certain documents, such as, but not limited to the following:
   a) Sugar quedans, refined sugar release order or similar instruments to reflect the TIN of the owner or seller of the sugar;
   b) Domestic bills of lading to reflect the TINs of the owner/s of the ships and consignees of commercial value shipment;
   c) Documents to be registered with the Registry of Deeds or Assessor's Office, to reflect the TINs of persons who are parties to the real property transactions;
   d) Registration certificates of transportation equipment by land, sea or air, to reflect the TINs of transport equipment owners;
   e) Documents to be filed or registered with the SEC;
   f) Building construction permits to reflect the TINs of owners and contractors of buildings and civil works;
   g) Application to open bank account or loan with banks, financial institutions and other financial intermediaries;
   h) Application for Mayor's Permit;
   i) Application for business license with the DTI;
   j) Other documents such as the following:
      1) Official receipts, invoices and vouchers required to be issued by persons who are not engaged in business, non-government organizations, including non-stock, non-profit organizations or foundations;
      2) Application for franchise from the Land Transportation and Franchising Regulatory Board (LTFRB), Maritime Industry Authority (MARINA) and other government regulatory authorities;
      3) Application for accreditation with the Department of Education (DepEd), Commission on Higher Education (CHED) and other agencies;
      4) Application for Tax Exemption and registration as Donee institution;
      5) Application for Tax Clearance from internal tax liabilities;

6) Application for business or travel passport with the DFA or persons who are gainfully employed;
7) Application for Community Tax Certificate with a LGU of persons who are gainfully employed;
8) Bid forms for government contracts;
9) Such other documents similar to any of the above or as hereafter are required.

iv. Pursuant to EO 98, series of 1998, persons whether natural or juridical, dealing with all government agencies and instrumentalities, including Government-Owned and/or Controlled Corporations (GOCCs), and all Local Government Units (LGUs), are thereby required to incorporate their TIN in all forms, permits, licenses, clearances, official papers and documents which they secure from these government agencies, instrumentalities, including GOCCs and LGUs.

However, in the case of diplomatic missions and international organizations, as identified by the DFA, together with their accredited foreign personnel, which, pursuant to Executive Order No. 31, are exempted from the requirements of the TIN when they apply for any government permit, license, clearance, official paper or document, it shall be sufficient that their request for above-named documentation is accompanied by the corresponding endorsement of the DFA, which shall include the official identity card issued by the Office of Protocol of the Department, for the purpose of establishing the bona fide status of such entities and individuals.

3. **Securing of TIN through Other Facilities/Agencies**. – While the application and issuance of TIN is generally made through the concerned BIR district office, the same upon certain circumstances provided for by existing rules and regulations, may be obtained either through the e-REG facility in the BIR website, or through the SEC or through other facilities/agencies as may be made available in the future.

Applicants whose TINs have been secured through the e-REG facility shall complete their registration with the BIR district office (e.g. persons to engage in business/practice of profession), but shall no longer be required to fill out the forms for “Application for Registration”. Instead, a printout of the “System Confirmation Page” and the filled out on-line “BIR Form 1901”, which is the proof of e-TIN registration, shall be submitted to the concerned BIR district office, together with the documentary requirements prescribed in Annex "A".

In the case of corporations/partnerships (including GOCCs), which upon registration with the SEC has already been assigned with a TIN, the “Application for Registration” (BIR Form 1903) shall be completed and submitted to the BIR district office which has jurisdiction over its principal place of business. The articles of incorporation, together with the SEC Registration Certificate where the TIN is indicated, as well as proof of authority given to its representative must be submitted to the concerned BIR district office during the completion of registration of its business.

4. **Registration of Business Taxpayers.** The submission of a Mayor’s Permit prior to registration is mandatory. Provided, however, that if it is still in process with the concerned LGU, a duly stamped “Received” application for Mayor’s Permit will temporarily suffice to qualify him/ her/ it for registration, provided, further that a duly approved permit shall be submitted within thirty (30) calendar days from date of registration. Failure to submit the same shall subject the taxpayer to TCVD/Ocular Inspection to be conducted by the BIR district office for purposes of verifying the existence of the taxpayer’s business. Consequently, if upon validation it can be determined that the business is non-existent and fails to file regularly the tax

returns/declarations for his / her / its registered tax types, the BIR district office shall observe the procedures on tagging of the taxpayer's status as "Inactive" pursuant to Section 11(2) hereof.

Business taxpayers and those required to issue receipts, shall submit the following requirements to complete their registration:

i. Application for Authority to Print (ATP) Receipts / Invoices;
ii. Registration of Manual Books of Accounts; or
iii. Application for Permit to use Computerized Accounting System (CAS) or components thereof, if applicable;
iv. Application for Permit to use Loose Leaf Accounting Records, if applicable;
v. Application for Permit to Use CRM/POS Machines, and the like, if applicable;
vi. Permit to Operate for taxpayers engaged in activities/transactions involving products subject to excise taxes.

As a general rule, it shall be mandatory for the BIR district office to process and issue **simultaneously** the COR, ATP and register the books of accounts of business taxpayers immediately after registration and upon complete submission of the requirements within the period prescribed under the existing process provided by the BIR Citizen's Charter. The BIR district office must ensure that taxpayers will be issued their registration certificates/permits (COR, ATP, Books of Accounts) upon commencement of their business.

5. **Issuance of TIN Card**. – Issuance of TIN Card for the first time shall be free of charge subject to the provisions of Section 15 of these Regulations. The same must be processed and released to the applicant within the same day upon the submission to the BIR district office of the complete documentary requirements as prescribed in these Regulations after the cut-off period of 1 p.m.

   The TIN Card shall contain the following information:
   - Serial Number;
   - Registered Name of the applicant;
   - TIN;
   - Address;
   - Birth date or date of incorporation;
   - Date of issue;
   - Signature of the CIR;
   - Signature of the TIN owner or duly authorized representative (in case of juridical person);
   - A box shall be provided for picture (if individual).

   The address to be indicated on the TIN card shall be as follows:

   1. For Employees/ ONETT/Applicant under EO 98, series of 1998 – the residential address of the applicant

   2. For Individuals engaged in business/practice of profession
      i. Head Office (TIN with branch code 0000) – residential address of the individual as found in the Integrated Tax System (ITS)
      ii. Branch – business address of registered branch as found in the ITS

3. For Non-Individuals

   i. Head Office (TIN with branch code 0000) – business address as found in the ITS

   ii. Branch – business address of registered branch as found in the ITS

   TIN Cards shall be automatically issued to registered taxpayers except those TINs issued under EO 98, series of 1998/ONETT wherein issuance of the TIN card is optional and only upon request to the BIR district office where the taxpayer is registered.

   For eREG applicants who are employees or those registered under EO 98 whose TIN are generated by Employers/Authorized Users, the "System Confirmation Page" and filled out on-line BIR Form 1902/BIR Form 1904T shall be presented to the concerned BIR district office for the issuance of the TIN card. The concerned BIR district office shall only issue the TIN card upon submission of the documents prescribed in Annex "A" hereof in order to check the correctness of the information supplied in the system.

   The cost and the processing of the initial TIN Card shall not be charged and collected from the applicant. Subsequent requests for the issuance of TIN Card due to loss or damage shall be charged with a fee amounting to One Hundred (₱100.00) pesos, subject to change upon evaluation and approval of the CIR, to cover cost of reprinting. Such TIN Card shall reflect the same information found in ITS at the time of application.

   Applications for TIN Card of registered taxpayers can be made at any computerized BIR district office regardless of registered address of applicant.

SECTION 5. **REGISTRATION OF BUSINESS, EMPLOYMENT AND OTHER UNDERTAKINGS**. – Individuals engaged in business or practice of profession and juridical entities, unless otherwise exempted, shall:

1. Pay ARF, if applicable;
2. Secure COR;
3. Proceed to Secondary Registration;
4. Get "Ask for Receipt" notice, if applicable; and
5. Attend the taxpayer's initial briefing to be conducted by the BIR district office for new registrants in order to apprise them of their rights and duties/responsibilities. In lieu of the briefing, the BIR district office may distribute information materials on registration to its new applicants in CD format to be developed by the Taxpayer Assistance Service (TAS).

Procedures and Policies on secondary registration shall be prescribed in a separate Regulation.

To complete the registration requirement pursuant to Section 236(A) of the NIRC of 1997, as amended, the following persons shall comply with the procedures and requirements in Annex "A" and Section 6 hereof:

i. Self-employed individuals, estates and trusts, and their branches or facilities, if any;
ii. Corporations, partnerships, cooperatives, associations (whether taxable or non-taxable) and their branches and facilities, if any;
iii. Government Agencies and/or Instrumentalities (GAIs), GOCCs, LGUs, and their branches and facilities, if any; and
iv. Employees.

SECTION 6. **PRESCRIBED PERIODS TO COMPLETE PRIMARY REGISTRATION** –
Every person subject to any internal revenue tax to be filed/paid periodically shall complete its registration with the BIR as follows:

1. **On or before the commencement of business -** Self-employed individuals, estates and trusts, corporations and their branches, if any: –

   Commencement of business shall be reckoned as defined in Section 3(6) hereof. A person shall be considered to have violated this provision when he/it proceeded to this stage after the lapse of thirty (30) calendar days from the issuance of Mayor's Permit/PTR by the concerned LGU, or COR issued by the SEC or the date of its first sales transaction prior to its registration.

2. **Before payment of any tax due** - Corporations (Taxable or Non-taxable)/ ONETT: –

   Subject to the requirements of Section 4(B)(i) hereof, parties to ONETT transactions who, at the time of their transaction, have not yet been issued a TIN shall apply for issuance thereof at the time of payment of the tax due. Such TIN issued to the individual shall be permanent and may be updated for future transactions of such person with the BIR, e.g. subsequent employment, establishing a business, etc.

3. **Before or upon filing of any applicable tax return, statement or declaration as required by the Code, as amended** – Partnerships, Associations, Cooperatives, Government Agencies and Instrumentalities (GAIs): -

   Example 1*: A General Professional Partnership (GPP) was issued TIN on May 2, 2008, with only Income Tax and ARF as registered tax types. Subsequently, it paid its advance office rental amounting to ₱20,000.00 where an amount of ₱1,000.00 was withheld and must be remitted to the BIR on or before June 10, 2008. Under this scenario, the GPP must update its records and register the applicable tax type e.g. withholding on rental, with its BIR district office on or before the due date for the remittance of the tax that was withheld*.

   Example 2*: ABC Inc., a domestic corporation engaged in hosting concerts and events, was hired to promote the Philippine Concert Tour of a foreign artist, where the income of the latter is subject to income tax in the Philippines. ABC Inc. shall apply for the TIN for and in behalf of the non-resident foreign artist at the time of its filing of its monthly withholding tax return, where such TIN shall be indicated in the Monthly Alphalist of Payees (MAP) as attachment to its withholding tax return.*
   In case of failure to register within the prescribed period under paragraphs a, b and c above, the person required to submit the registration form to BIR shall be imposed a penalty for such violation under these Regulations.

4. **Within ten (10) days from date of employment** – Employees

   This applies to individuals who are registering with the BIR for the first time by reason of employment.

   The submission of the fully accomplished registration forms to the BIR may either be done by the employer or the employee. However, employees of identified Large Taxpayers (LT) or entities under the Taxpayer Account Management Program (TAMP), whose TINs were secured by the employer thru the eREG System, shall submit the prescribed registration form for employment shall be submitted through the employer.

5. **Applications under EO 98, series of 1998 -**

Subject to the provisions of Section 4(B)(iv) hereof, individuals required to secure TIN for their transactions with government agencies shall apply for their TIN from any BIR district office (thru the eREG system) at any time before they complete their transaction with such government agency. TINs issued under EO 98, series of 1998 shall be permanent and may be updated for future transactions of such person with the BIR (e.g., subsequent employment, establishing a business, etc.).

In any case, the CIR may, for administrative and meritorious reasons, deny or revoke any application for registration.

SECTION 7. **CERTIFICATE OF REGISTRATION (COR)**. –

1. **Persons Entitled to the Issuance of COR**. – The COR shall only be issued to individuals engaged in business or practice of profession and to juridical persons (whether taxable or exempt) by the BIR district office concerned (i.e., BIR district office of HO/Branch/Facility) upon compliance with the requirements for registration subject to the provisions of Section 4(4) hereof. Issuance of COR, whether upon registration or upon update of taxpayer's information, is not subject to payment of Certification Fee unless the taxpayer requested for a certified copy of said COR, in which case, the same shall be subject to the payment of Certification Fee, to be prescribed by the CIR, imposed under Section 13 hereof.

2. **Persons Not Covered by the Issuance of COR.** – Employees, ONETT taxpayers, and/or persons who have secured a TIN under EO 98, series of 1998 with the BIR shall not be issued a COR.

3. **Information Contained in the COR.** – The COR shall contain information pertinent but not limited to the following:
   i. Name of the taxpayer;
   ii. Registered/Residence Address, whichever is applicable;
   iii. Business /Trade Name;
   iv. Taxpayer Type;
   v. RDO Code;
   vi. TIN including the Branch Code extension number;
   vii. Date of registration and generation/issuance of COR;
   viii. Particular Tax Types which the taxpayer is required to file returns/pay taxes due thereon, if any and the particular tax rate (0% or 12%) if subject to VAT;
   ix. Particular tax incentives granted and the line of business for which the tax incentive has been granted and the period covered by such tax incentive, if applicable;
   x. Registration Certificate Number with the SEC, DTI, Cooperative Development Authority (CDA), Board of Investment (BOI), Subic Bay Metropolitan Authority (SBMA), Bases Conversion and Development Authority (BCDA), or any other applicable government agency under which the entity/association has accredited itself in order to avail of certain tax incentives or preferential tax rates;
   xi. Line of Business and its Philippine Standard Industry Code (PSIC) including the Philippine Central Product Classification (PCPC) for the classification standards of goods and/or services for sale. If the line of business per PSIC Table is "unclassified", specify the description of the specific line of business;
   xii. Name of approving Revenue District Officer (RDO); and
   xiii. Date of signing/approval.

Pending completion of system enhancements on the registration system, any information enumerated above which are not currently included in the systems-generated COR shall be manually typed or stamped unto said COR such as Registration Certificate Number, date issued and expiry date, (if any) issued by applicable government agency and signed by the RDO or his authorized representative.

4. **Issuance of COR to HO, Branch, and Facility.** – Subject to the provisions of Section 4(4) hereof, each HO, and / or branch shall be issued with a COR within the period/time prescribed under the existing "BIR Citizens Charter". The taxpayer may opt to request for delivery of his COR via courier subject to the payment of fees to be prescribed in a separate Revenue Memorandum Order (RMO).

   Applications for registration shall be processed only upon submission of complete documentary requirements. The BIR district office shall conduct random ocular inspection of newly registered businesses to validate declarations in their applications.

   In the case of a facility as defined in these Regulations, the same shall be issued a Certificate of Registration of Facility (BIR Form 2303-F). The policies on the issuance of the Form 2303-F shall be prescribed in a separate RMO.

5. **Posting of COR**. – Persons mentioned in Subsection (1) above shall post or exhibit his/its original COR and duly validated ARF Return at his/its principal place of business and at each branch and/or facility in a way that is clearly and easily visible to the public.

SECTION 8. **ANNUAL REGISTRATION FEE (ARF)**. – An ARF in the amount of Five Hundred Pesos (₱500.00) for every HO and/or branch shall be paid upon registration and every year thereafter on or before January 31.

However, the following shall be exempt from the imposition of ARF:

1. Cooperatives duly registered with the CDA;
2. Individual residents earning purely compensation income
3. OCWs/OFWs;
4. Marginal Income Earners;
5. GAIs, in the discharge of their governmental functions;
6. LGUs, in the discharge of their governmental functions;
7. Tax exempt corporations such as those enumerated under Section 30 of the Code, as amended, in pursuance of tax-exempt activities;
8. Non-stock/non-profit organizations not engaged in business;
9. Persons subject to tax under one-time transactions;
10. Persons registered under EO 98, series of 1998; and
11. Facility/ies where no sales transactions occur.

The exemption from the payment of ARF by GAIs, LGUs, non-stock/non-profit organizations and other tax-exempt entities is predicated on the fact that their undertakings/endeavors are not directed nor intended to generate income/profit. Thus, any profit-oriented activity pursued by GAIs, LGUs and/or tax-exempt entity which partakes the nature of an activity similar to those undertaken by those engaged in business shall be treated as an activity in pursuance of a business for which the payment of ARF must be imposed.

The ARF shall likewise be paid in cases where parts of the activities or undertakings conducted in a facility of the business involve sales transactions regardless of the frequency of the

occurrence thereof. Sales transactions need not be conducted on a regular basis. Thus, even if the warehouse or place of production is predominantly used for storage, warehouse or production purposes, a single sales transaction consummated thereat is enough to warrant the imposition of the ARF.

The ARF shall be paid to an Authorized Agent Bank (AAB) located within the BIR district office or to the Revenue Collection Officer (RCO) or duly authorized Treasurer of the City or Municipality where each place of business or branch is registered, or thru the BIR-accredited payment facilities such as Electronic Filing and Payment System (EFPS) and G-Cash. Payment of ARF shall be made thru EFPS for taxpayers mandated to use EFPS such as Large Taxpayer, Top 20,000 Corporation, Top 5000 Individuals, etc. for their respective HO and Branches.

The ARF shall be paid in full amount. Registration occurring during the interim period of the initial year shall be imposed with the same full amount of P500.00 as ARF.

When any individual who has paid the ARF dies, and the same business is continued by the person or persons interested in his estate, those continuing the business should register as a separate entity reflecting in said registration that it is pursuing the business enterprise as heirs of the estate of the decedent. Accordingly, the person or persons interested in the estate should, within thirty (30) days from the death of the decedent, submit to the concerned BIR district office inventories of goods or stocks at the time of death of the registered individual upon registration and the ARF should be paid. This requirement shall also be applicable in the case of transfer of ownership or change of name of the business establishment.

SECTION 9. **REQUIREMENT FOR THE REGISTRATION OF EACH TYPE OF INTERNAL REVENUE TAX**. – Every person, who is required to register with the BIR under Section 4 of these Regulations, shall register each type of internal revenue tax for which he/it is obligated to file a return or pay taxes due thereon. Such person shall update the BIR for any changes in his / its registration information in accordance with Section 11 hereof.

Generally, registration of tax types by a business entity consists of but not limited to the following internal revenue taxes/fees:

1. Income tax;
2. VAT and/or percentage tax;
3. Withholding tax on compensation;
4. Creditable withholding tax at source on certain income payments;
5. Final withholding tax on certain income payments;
6. Documentary Stamp Tax;
7. Excise tax; and
8. Annual Registration Fee.

The nature of the business to which the taxpayer belongs shall be taken into consideration in determining the type of taxes that must be registered.

In order to avoid the generation of invalid “stop-filer” cases in the BIR’s database, only those tax types which the taxpayer is expected to regularly/periodically file the return and/or pay the tax shall be registered. In case a taxpayer fails to update his tax types prior to filing/ payment of a tax return, the duly authorized BIR personnel must register the corresponding tax type for the Tax Return to be filed/paid except for VAT and/or percentage taxes which must be applied for by the taxpayer. The BIR personnel initiating the update in behalf of the taxpayer must inform him of such update, in writing, to give due notice on his obligation to subsequently file the return on a regular basis on or before the prescribed deadline for filing.

The registration of income tax as a tax type does not automatically carry with it the registration of VAT and/or percentage tax as a covered/registered tax type. An example of this is the seller of agricultural food products. Such seller, although subject to income tax, is exempt from the imposition of either VAT or percentage tax, pursuant to the provisions of Section 109 of the Code, as amended. In which case, VAT or Percentage need not be registered as a tax type.

For marginal income earners, the activities of such individuals are considered principally for subsistence or livelihood. Moreover, they are not required to pay any ARF although they are required to register as taxpayers for being potential income and withholding tax filers. For purposes of registration, they will be registered for the tax type Income Tax and Form Type 1701. Notwithstanding their exemption from business taxes and ARF, they are liable to pay Income Taxes similar to any other individual engaged in business or practice of profession, after applying the allowable deductions against their Gross Income/Sales/Receipts and personal/additional exemptions granted under the Tax Code.

For those enjoying income tax holidays, or exemption from other taxes for a limited time, as granted pursuant to special laws, the type of taxes the taxpayer is exempt from paying on the account thereof, the effectivity and expiry date shall be indicated. However, upon expiration thereof, it shall be the duty of the taxpayer to update his/its registration and/or the BIR district office must be duly informed in writing.

For purposes of determining the proper tax type (i.e., whether VAT or other percentage taxes) based on the nature of the business activity of the taxpayer, the following rules shall apply:

i. **VAT Registration, in General**. – Any person who, in the course of trade or business, sells, barters, exchanges goods or properties, or engages in the sale of services subject to VAT imposed in Sections. 106 and 108 of the Code, as amended, shall register the VAT tax type with the BIR district office having jurisdiction over the HO.

ii. **Mandatory VAT Registration**. - Any person who, in the course of trade or business, sells, barters or exchanges goods or properties or engages in the sale or exchange of services shall be liable to register the VAT tax type if:

1) His gross sales or receipts for the past twelve (12) months, other than those that are exempt under Section 109 (1) (A) to (U) of the Code, as amended, have exceeded One Million Nine Hundred Nineteen Thousand Five Hundred Pesos (₱1,919,500.00); or

2) There are reasonable grounds to believe that his gross sales or receipts for the next twelve (12) months, other than those that are exempt under Section 109 (1) (A) to (U) of the Code, as amended, will exceed One Million Nine Hundred Nineteen Thousand Five Hundred Pesos (₱1,919,500.00).

Every person who becomes liable to VAT under paragraph (ii) of this Section shall register with the BIR district office which has jurisdiction over his HO. If he fails to register, he shall be liable to pay the output tax under Sections. 106 and/or 108 of the Code, as amended, as if he were a VAT-registered person, but without the benefit of input tax credits for the period in which he was not properly registered.

Moreover, franchise grantees of radio and television broadcasting, whose gross annual receipt for the preceding calendar year exceeded P10,000,000.00, shall register as VAT taxpayer within thirty (30) days from the end of the taxable year.

iii. Non-VAT Registration. – The following are not required to register VAT as a tax type:

1) Those persons subject to other percentage taxes under Title V of the Code, as amended;
2) Those whose transactions are VAT-exempt as enumerated under Section 109 of the Code, as amended.
3) Marginal Income earners as herein defined.

iv. Optional Registration of Value-Added Tax for VAT- Exempt Persons. -

1) Any person who is VAT-exempt under Section 109 (1) (V) of the Code, as amended, i.e., sale or lease of goods or properties or the performance of services other than the transactions mentioned in Section 109 (1) (A) to (U) of the Code, as amended, the gross annual sales and/or receipts do not exceed the amount of One Million Nine Hundred Nineteen Thousand Five Hundred Pesos (₱1,919,500.00) not otherwise required to register for VAT may elect to be VAT-registered by registering with the BIR district office that has jurisdiction over the HO of that person.

2) Any person who is VAT-registered but enters into transactions which are exempt from VAT (mixed transactions) may opt that the VAT apply to his transactions which would have been exempt under Section 109 (1) of the Code, as amended.

3) Franchise grantees of radio and/or television broadcasting whose annual gross receipts of the preceding year do not exceed Ten Million Pesos (P10,000,000.00) derived from the business covered by the law granting the franchise may opt for VAT registration. This option, once exercised, shall be irrevocable.

Any person who elects to register under subsections (iv.1) and (iv.2) above shall not be allowed to cancel his VAT registration for the next three (3) years.

The above-stated taxpayers may apply for VAT registration not later than ten (10) days before the beginning of the taxable quarter and shall pay the ARF prescribed under Section 8 hereof, unless they have already paid at the beginning of the year. In any case, the CIR may, for administrative reason, deny any application for registration. Once registered as a VAT person, the taxpayer shall be liable to output tax and be entitled to input tax credit beginning on the first day of the month following registration.

v. Registration for Documentary Stamp Tax (DST)

The registration for the tax type of DST shall be made upon initial registration with the BIR by taxpayers who are expected to be liable to pay DST on a periodic basis.

Insurance companies and banks are examples of industries whereby the payment of DST is periodically expected in the ordinary course of their businesses, hence, in addition to income tax, VAT and/or percentage tax, withholding tax (creditable and final), the tax type of DST should likewise be registered.

vi. Registration for Excise Tax

The registration for the tax type of excise tax shall only be applicable to those taxpayers liable to pay the excise tax on domestically produced / extracted articles under Title VI of the Code, as amended.

vii. Registration for Withholding Tax

The registration for the pertinent withholding tax types shall be made by all withholding agents, such as NGAs and its instrumentalities, GOCCs, LGUs including certain tax-exempt entities. They shall likewise register the applicable tax types on their proprietary function.

For NGAs and its instrumentalities where the source of fund is not coming from the DBM (e.g. foreign assisted projects, special funds etc.) which requires the payment of withholding tax or other internal revenue taxes coming from such fund, a separate branch code in the TIN shall be assigned for each special fund. However, upon expiration thereof, it shall be the duty of the NGA to update its registration.

With respect to business entities with branch/es, the rules on the registration of tax types as provided hereunder shall be observed:

1) Registration shall be with the HO only

i. Income Tax
ii. VAT

2) Registration with the HO and/or branches

Except for identified Large Taxpayers under the LTS required to file consolidated tax returns for VAT and Income Tax, a taxpayer has the option to register the following tax types either only at the HO for consolidated filing and payment or at each of its branches where it employs decentralized filing and payment:

i. Percentage tax
ii. Withholding tax on compensation
iii. Creditable withholding tax at source on certain income payments
iv. Final withholding tax on certain income payments
v. Documentary stamp tax
vi. Excise tax

With respect to Excise taxes, regardless of whether the taxpayer is an identified LT, the filing thereof can be decentralized or is allowed to be made by the HO as well as its branch/es.

3) Registration with both Head Office and branches

ARF to be paid by the HO and by all branches as defined in Section 3 (7) and (8) hereof.

SECTION 10. **TRANSFER OF REGISTRATION**. – In case a registered person transfers his registered address to a new location, it shall be his duty to inform the BIR district office where he is registered of such fact by filing the prescribed BIR Form specifying therein the complete address where he intends to transfer.

1. **Transfer of Registration of NON-BUSINESS individuals (EO 98, series of 1998 or ONETT).** – Taxpayers initially issued TINs for ONETT/ EO 98, series of 1998 shall submit the proper Application Form to the BIR district office where he intends to establish his business address or the new employer's BIR district office or at the BIR district office of his residence, whichever is applicable. The transfer of registration (TIN records) of such taxpayer shall be initiated by the BIR district office where the request for transfer was filed / submitted.

2. **Transfer of Registration of Local Employees**. –

   i. **Individuals Earning Purely Compensation Income** - In case of transfer due to change of employer, it shall be the responsibility of the new employer to notify his BIR district office by submitting the duly accomplished form of the employee. The transfer of registration (TIN records) of such employee shall be initiated by the BIR district office which received the application.

   ii. **Transfer of Employees of Transferring Employers** - Registration of employees should follow the BIR district office registration of their employers. Accordingly, a transfer of employer's BIR district office carries with it the transfer of the registration of employees earning pure compensation income mainly from said employer. The transferring employer shall require all of its covered employees to accomplish the proper BIR form and submit the same to the new BIR district office.

   A list of employees shall likewise be submitted together with the update form by the transferring employer to the new BIR district office excluding those employees who have been separated prior to the transfer.

   In case the employer hires new employees in its new location, application for employees' TIN shall be submitted to the new BIR district office.

   iii. **Registered Employee Who Intends to Engage in Business or Practice of Profession** – An individual who is registered as an employee in one BIR district office but subsequently applies for registration as a business taxpayer / professional in another BIR district office shall submit the proper form to the BIR district office having jurisdiction over his business address. The transfer shall then be performed by the BIR district office where the application was submitted.

   The above procedures shall be observed once the ITS has been enhanced to provide for the required facility to effect the same. In the interim, the taxpayer shall submit his request for transfer to the old BIR district office either personally or by fax. The old BIR district office, upon receipt of the request shall immediately execute the transfer of taxpayer's registration records to the new BIR district office.

3. **Transfer of Taxpayers Engaged in Business or Practice of Profession (Individual / Non-Individual)**. –

   i. Branches / Facilities

   Request for transfer of registration of branch / facility shall be filed at the BIR district office where such branch/facility is registered. Where no tax type is registered except ARF, transfer shall be completed by the old BIR district office within five (5) days from receipt of the request.

   Transfer of branches with other registered tax types shall observe the same procedures in transferring a HO.

   ii. Head Office (HO)

   The following policies are to be observed with respect to the transfer of registration of HO:

   1) As a general rule, transfer of HO from one BIR district office to another is discouraged. Only transfers by a HO to a bigger Office or Business Establishment/Store can be allowed. All other cases, including mergers and consolidations should obtain clearance / approval from the Office of the CIR. The old BIR district office shall conduct an ocular inspection in both old and new

business addresses before transferring the applicant's registration data to the new BIR district office. An RMO shall be issued to prescribe detailed procedures on this matter.

2) A taxpayer requesting for transfer of his/her/its HO should not be allowed to transfer to a BIR district office where his/her/its previous RDO/ARDO is currently assigned. Strict adherence to this policy must be observed at all times.

   Example: In March, 2011, by virtue of an RTAO, RDO *Uno Dostres was reassigned to Revenue District Office No 29 - Tondo/San Nicolas. He is proactive and strictly monitors his registered taxpayers especially those classified under TAMP. Nine (9) months after, He was, again, transferred to Revenue District Office No. 38 - North, Quezon City and was replaced by RDO Juan Tutre. Later, Mr. Cuatro Cinco, a registered taxpayer of Revenue District Office No. 29 - Tondo/San Nicolas requested to transfer his HO to Revenue District Office No. 38 - North, Quezon City which was denied by RDO Juan Tutre.*

   In the above example RDO Juan Tutre is right in denying the request of the taxpayer inasmuch as RDO Uno Dostres, was the previous District Officer of Revenue District Office No. 29 - Tondo/San Nicolas where the transferring taxpayer is currently registered.

3) The taxpayer requesting for transfer shall file the proper form to the old BIR district office together with the prescribed attachments listed in Annex "A" hereof.

4) The new BIR district office shall be furnished by the taxpayer with a copy of the update form duly received by the old BIR district office.

5) The transfer of HO shall be effective upon approval by the old BIR district office which should not exceed the ten (10) working days prescribed period from the date of complete submission of the required documents. If the old BIR district office fails to complete the transfer within the prescribed period, the Revenue Data Center (RDC) having jurisdiction of over the same shall perform the transfer electronically. The procedure for this activity shall be prescribed in a separate RMO.

6) The request for transfer shall be processed by the old BIR district office based on the supporting documents submitted by the transferring taxpayer. Upon receipt of the update form duly received by the old BIR district office, the new BIR district office shall immediately conduct an ocular inspection of the transferring taxpayer's actual business location. If upon ocular inspection, the new BIR district office has determined that the given business address is non-existent, inaccurate, unoccupied or occupied by persons other than the transferring taxpayer, the new BIR district office shall immediately notify in writing the old BIR district office of such fact so that the old BIR district office shall not allow the requested transfer of registration. The results of the ocular inspection conducted shall form part of the registration docket of said taxpayer. Furthermore, the new BIR district office shall include the newly transferred taxpayer in its regular TCVD activities where ocular inspection of the actual business location of the newly transferred taxpayer shall be mandatorily conducted.

   The above prescribed policies will also apply in case the HO of a registered entity will request for closure while at least one of its branches will continue to be operational.

   Example: ABC Café registered its HO at BIR District Office No. 39 – South Quezon City, with business address at Scout Borromeo St., South Triangle

Quezon City, Metro Manila, Philippines. It has a branch in Novaliches at SM Fairview Mall, Quirino Hi-way corner Regalado St., Quezon City under BIR District Office No. 28 - Novaliches. The owner of the café decided to close its business operations in South Quezon City while retaining its branch operations in Novaliches. Under the ITS, the TIN of the HO of a registered entity cannot be cancelled while there still remains an existing branch. In such case, the registration of ABC's HO in BIR District Office No. 39 – South Quezon City must be transferred to BIR District Office No. 28 - Novaliches after which the registered branch in Revenue District Office No. 28 - Novaliches will be cancelled.

The detailed procedure on the implementation of above policy will be provided for in a separate RMO.

4. **Certificate of Registration (COR)/Authority to Print (ATP)** – The new BIR district office shall issue the COR immediately after the transfer of the taxpayer's registration by the old BIR district office. The COR, Sales Invoice/Official Receipt (SI/OR) used in the old business location can still be used in the new business location without penalty, until a new COR and ATP is issued by the new BIR district office; provided that the taxpayer can show a copy of duly received update form filed with the old BIR district office; provided further that the taxpayer shall stamp the new address on the old SI/OR when the same is to be issued in the new business address.

   In cases all the SI/OR are consumed prior to the on-line transfer of its records in the BIR's ITS database, the taxpayer shall still apply with the old BIR district office for an ATP for the new sets of receipts/invoices.

5. **Filing of Tax Returns** – The filing of tax returns and payment of taxes to the new BIR district office shall commence following the issuance of the new COR. The new BIR district office shall be responsible for notifying the taxpayer concerned that the transfer of registration has already been completed.

SECTION 11. **OTHER REGISTRATION UPDATES**. – Any person registered in accordance with Section 4(2) hereof shall, whenever applicable, update his registration information with the BIR district office where he is registered using BIR Form/s prescribed by the BIR.

1. **Regular Updates.** The instances when a taxpayer must update his registration information include (but are not limited to) the following:
   i. A change in the nature of the business from sale of taxable goods and/or services to being VAT-exempt in accordance with Section 109 (1) of the Code, as amended;
   ii. A person whose transactions are exempt from VAT but voluntarily registered under the VAT system, and after the lapse of three (3) years after his registration applies for cancellation of his VAT registration. However, the optional registration as a VAT taxpayer of a franchise grantee of radio and/or television broadcasting whose gross receipts for the preceding year did not exceed P10,000,000.00 shall be irrevocable;
   iii. A VAT-registered person whose gross sales or receipts for three (3) consecutive years did not exceed the amount of One Million Nine Hundred Nineteen Thousand Five Hundred Pesos ₱1,919,500.00; Provided, That every three (3) years thereafter, the amount therein stated shall be adjusted to its present value using the Consumer Price Index, as published by the National Statistics Office (NSO) (Section 116 of the Tax Code); Provided further, that such adjustment shall be published through revenue regulations to be issued not later than March 31 of each year. Upon updating his registration, the taxpayer shall become liable to the percentage tax imposed in Section 116 of the Code, as amended. A short period return for the remaining period that he was VAT-registered shall be filed within twenty five (25)

days from the date of cancellation of his VAT registration as a tax type and at the same time register for percentage tax as his new tax type; and

iv. Any other changes/updates in registration information previously supplied, including cancellation or change in any tax types.

2. Conversion of taxpayer status from Active to Inactive:

i. The cancellation of business registration of an individual shall not automatically cancel his TIN. The TIN shall remain active subject to subsequent updates on his registration. In this case, the BIR district office shall end date the particular registered form/tax type of such taxpayer in the ITS database upon complete submission of the requirements for cancellation for business registration. If subsequently, such taxpayer engages in a taxable activity, e.g. employment or establishment of a new business, the concerned BIR district office shall make the necessary updates on the registration records of such taxpayer corresponding to his new activity.

ii. In the case of juridical entities, the BIR district office shall prepare a monthly list of non-individual taxpayers filing for cancellation of business registration for submission to the Assistant Commissioner – Information Systems Operations Service (ACIR, ISOS) through the Revenue Data Centers (RDC) for purposes of tagging said taxpayers as "Inactive". Once tagged as "Inactive", such taxpayer shall no longer be included in the roster of active taxpayers under the concerned BIR district office.

iii. In the case of TIN issued to an Estate of a decedent under ONETT, upon full payment of the estate tax by the heirs, administrator or executor, the issued TIN of the estate shall be tagged as "Inactive". The tagging of said taxpayer as inactive shall be coursed through the RDC of concerned BIR district office. However, in case of additional properties discovered after payment of the estate tax, the TIN previously issued for such estate shall be updated to "Active" status in order to facilitate the filing of the amended estate tax return and shall be cancelled upon full settlement of the tax liabilities of the estate.

iv. Registered taxpayers who failed to file any tax return for two (2) consecutive years or more shall be tagged as "Inactive" and an investigation shall be initiated. As such, upon classification as Inactive, all CRM/POS Permits issued to them as well as any unused Official Receipts / Invoices for which a valid ATP has been previously granted, shall be deemed cancelled / invalidated as of date of tagging.

Provided that the Inactive self-employed individual is not likewise employed, non-filing of tax return as provided in this section shall qualify him for tagging as inactive. Where such taxpayer is also registered as an employee, he or she will not be tagged as inactive but any unused Official Receipts / Invoices for which a valid ATP has been previously granted for his or her business, shall be deemed cancelled / invalidated upon "end-dating" of its registered business tax types.

SECTION 12. **CANCELLATION OF REGISTRATION**. **–** The cancellation of registration may either pertain to cancellation of business registration and/or the assigned TIN. Application for TIN/Registration cancellation shall take place upon:

1. Death of individual;
2. Full settlement of the tax liabilities of the estate;
3. Discovery of a taxpayer having multiple TINs; and
4. Dissolution, merger or consolidation of juridical person.

The forms and requirements for the request for cancellation of TIN / Registration are listed in Annex "A" of these Regulations.

1. Death of an Individual not subject to Estate Tax

i. In case of a decedent registered with the BIR who has no properties subject to estate taxes, the heirs shall request for cancellation of the decedent's TIN by accomplishing the proper form prescribed in Annex "A" hereof.

ii. The documentary requirements in Item VI (C)(2) of Annex "A" hereof shall be submitted to the BIR district office where the TIN of the decedent is registered.

iii. In addition to the above, an affidavit shall be submitted by the heirs stating that the decedent has no properties subject to estate taxes.

iv. The BIR district office shall notify the heirs, administrator or executor applying for cancellation of decedent's TIN of the status of the request within ten (10) days from complete submission of the requirements.

2. Settlement of Estate Tax liabilities

i. In case of death of an individual with properties subject to estate taxes and who was previously registered in the ITS database, upon submission of Notice of Death and the Death Certificate of the decedent, the BIR district office shall immediately modify and update the status of the TIN of said decedent as "cancelled" and proceed with the processing and issuance of the TIN of the estate upon application by the executor or administrator. If the TIN of such decedent is registered in another BIR district office, the receiving BIR district office shall inform the BIR district office concerned of the fact of such taxpayer's death by furnishing a copy of the decedent's Death Certificate. Such BIR district office shall then perform the update as stated in this section.

ii. The new TIN shall be used in the filing of the estate tax return of the decedent, as well as in the filing of other applicable tax returns (e.g. Income, VAT/ Percentage Tax, etc.) if the estate is under judicial settlement.

iii. In case the decedent was engaged in business, the heirs/executor/administrator shall, aside from submitting the Notice of Death and Death Certificate submit a short-term income tax return covering the period January 1 until the date of death. The said return shall be filed within sixty (60) days from the date of death, unless the heirs/administrator/executor shall request for an extension of time to file the same, but not to exceed six (6) months or April 15 of the following year, whichever is earlier. The TIN shall be cancelled once the decedent's business operations including that covered by the short-term return has been duly investigated for tax purposes.

iv. Decedents with business registration shall be subject to immediate investigation by the BIR office concerned to determine the decedent's tax liabilities from his / her business. If the business is registered in a BIR district office other than where the Estate Tax Return is filed, the BIR district office which received such return shall inform the BIR district office concerned in writing, either thru fax or via email, for their corresponding action.

v. Such BIR district office shall issue a Tax Clearance for the decedent's business registration within ten (10) days from termination of its investigations and/or full settlement of the taxpayer's liabilities, if applicable.

3. Discovery of a taxpayer having multiple TINs

i. The policies and procedures prescribed in RMO 11-2000 on identical and/ or multiple TINs shall be observed.

ii. All BIR district office shall resolve all multiple/identical TINs without transactions furnished by the concerned RDC within five (5) working days from receipt of the list of multiple/identical TINs. All multiple/identical TINs with transactions shall be resolved by the old BIR district office within twenty (20) working days from receipt of the final evaluation of Systems Operations Division (SOD).

iii. Separate logbooks shall be maintained by all BIR district office for resolution of multiple and identical TINs subject to verification by authorized BIR personnel for Key Performance Indicator (KPI) purposes.

iv. All BIR district office, whether computerized or not, shall ensure that all taxpayer liabilities/cases are settled/closed in the records of the old TINs and transferred to the new/retained TINs before the cancellation/deactivation of multiple/identical TINs is performed.

v. Computerized BIR district office shall effect the transfer of payments and/or re-encoding of taxpayer return data from the incorrect TINs to the new/retained TINs.

vi. Non-computerized BIR district office shall manually transfer payments, transactions, liabilities and cases from the incorrect TINs to the new/retained TINs whether or not the taxpayers belong to the same BIR district office, attaching the corresponding ledger cards or its equivalent.

vii. All BIR district office shall perform the TIN cancellation process. The BIR district office of the cancelled TIN shall process all transactions on line except Accounts Receivable (AR) cases which shall be turned over to the BIR district office of the retained TIN which shall then manually process the same.

viii. The determination of the TIN to be retained for multiple TINs shall be based on the set of criteria under existing regulations. The TIN selected by the taxpayers shall be given first priority.

4. Dissolution, merger or consolidation of juridical persons

The cancellation of the HO registration shall result to the cancellation of all its registered branches. Thus, if at least one (1) branch will continue its operations, the taxpayer shall file an application for update, making one of its existing branches as its HO. If the location of the branch selected as the HO is under a different BIR district office, the rules on transfer of registration shall apply.

All taxpayers who filed for cancellation of registration due to closure/cessation or termination of business, except for branches, shall be subjected to immediate investigation by the BIR office concerned to determine the taxpayer's tax liabilities.

The following procedure shall be observed in the cancellation of the corporate TIN:

i. For juridical persons, the TIN shall be cancelled at the time of the dissolution, merger or consolidation resulting to termination of their corporate existence through the eventual cancellation of their registration with the BIR. In case of business merger or consolidation, the TIN of the dissolved juridical persons shall be tagged with "Ceased/Dissolved" status. The procedure on the cancellation of TIN as prescribed in these Regulations shall be observed. If one of the parties survives, its TIN must be retained, however if a new corporation shall be established, a new TIN shall be issued to such new juridical entity.

ii. The BIR district office of the HO of the dissolved entity shall inform all the other BIR district office, where the branches are registered, of the closure/cessation of the business. Likewise, the BIR district office of the HO shall submit a monthly report on cessation or closure of business to the Taxpayer Assistance Service, Attn: Chief,

Taxpayer Service Programs Monitoring Division (TSPMD), for the issuance of Revenue Memorandum Circulars (RMC) circularizing the names of taxpayers who have ceased business operations for the month.

iii. To avoid generation of stop filer cases, the BIR district office, upon complete submission by the taxpayer of the requirements listed in Annex "A" hereof, shall:

1) "End date" the tax types of the taxpayer;

2) Destroy/shred in the presence of the taxpayer or his authorized representative, the unutilized SI/ORs and other accounting forms by cutting them crosswise and lengthwise at the middle thereof so that the same shall be divided into four (4), ensuring that the same will no longer be used as originally intended; and

3) Return to the taxpayer the destroyed/shredded SI/ORs and other accounting forms for burning and/or proper disposition.

4) The BIR distinct office shall issue a Tax Clearance to the taxpayer applying for cancellation of TIN within ten (10) days from termination of its investigations and/or full settlement of the taxpayer's liabilities, if applicable.

SECTION 13. **CERTIFICATION FEE**. – Any request for certification that may be requested by a taxpayer from the BIR district office where he is registered on matters relating to his registration shall be charged with a fee in an amount not exceeding one hundred pesos (₱100.00), in addition to the documentary stamp tax imposed under Section 188 of the Code, as amended, subject to change upon approval of the CIR thru a subsequent issuance.

The Certification Fee shall be collected on each set of documents regardless of the number of pages of such document.

1. If a taxpayer requests for a certified true copy of his Certificate of Registration (COR) and his properly filled out BIR Registration Form filed with the BIR, he shall pay a total of ₱200.00 as certification fee since his request pertains to two types of documents. Moreover, if he requests for additional two more sets of certified true copies of his Certificate of Registration, an additional payment of ₱200.00 as certification fee shall be paid.

2. An example of a set of document is the Financial Statement which shall be charged only ₱100.00 regardless of the number of pages.

SECTION 14. **BIR REGISTRATION FORMS**. – All existing BIR registration forms shall be enhanced and updated with the view of simplifying the information fields and standardizing the data/encoding format and/or abbreviations for easy and effective upload to the Registration System Database.

SECTION 15. **PENALTY PROVISION**. – The following violations related to primary registration shall be penalized as follows:

1. **Failure to register** (those who are found unregistered during TCVD – Subject to the penalties under prevailing revenue issuances;
2. **Late Registration** (those who are voluntary registering, but beyond the prescribed period as indicated in these Regulations) – Compromise penalty of ₱1,000.00, in addition to the unpaid ARF and penalties due thereon for every year that the business is in operation. This provision shall not apply to application of TIN for employees;
3. **Late payment of ARF** – Subject to 25% surcharge and 20% interest per annum and P200.00 penalty;

4. **Failure to register a branch or facility** – Subject to penalty of ₱1,000.00 per unregistered branch or facility (Section 258 of the NIRC, as amended);
5. **Acquisition of Multiple TINs** – Aside from the criminal liability that may be imposed, ₱1,000.00 for every TIN acquired in excess of one;
6. **Failure to and/or erroneous supply of information** – P1,000.00 for every error/omission, but not to exceed ₱25,000.00 (Section 255 of the NIRC, as amended); and
7. Any violation of the provisions of these Regulations shall be subject to penalties provided in Sections 254 and 275, and other pertinent provisions of the Code, as amended.

SECTION 16. **REPEALING CLAUSE**. – All existing rules, regulations and other issuances or portions thereof inconsistent with the provisions of these Regulations are hereby modified, repealed or revoked accordingly except those rules that would necessitate registration system enhancement when the modified rules shall take effect only upon availability of the enhanced system.

SECTION 17. **TRANSITORY PROVISION**. – Portions of these Regulations which can be implemented immediately given the present capabilities of the registration system shall strictly be complied with upon the effectivity of these Regulations.

Nevertheless, for provisions hereof which can only be implemented as the enhancements are put in place in the registration database, transitory procedures shall be provided in a separate Revenue Memorandum Order/s to be issued for the purpose. Pending issuance of transitory procedures, existing rules and procedures (status quo) shall be observed in the meantime.

SECTION 18. **EFFECTIVITY CLAUSE**. – These Regulations shall take effect after fifteen (15) days following complete publication in a newspaper of general circulation.

(Original Signed)
CESAR V. PURISIMA
Secretary of Finance

Recommending Approval:

(Original Signed)
KIM S. JACINTO-HENARES
Commissioner of Internal Revenue