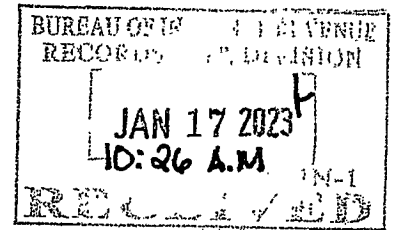




REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
BUREAU OF INTERNAL REVENUE  
Quezon City



January 10, 2023

**REVENUE MEMORANDUM CIRCULAR NO. 7-2023**

**SUBJECT :** Clarification on the Return Processing System (RPS) Assessment Being Issued by the Bureau of Internal Revenue

**TO :** All Internal Revenue Officials and Revenue Officers Concerned

This Circular is issued to provide clarification on this Bureau's notice addressed to concerned taxpayers labelled as "RPS Assessment". The acronym RPS refers to the Bureau's information system which processes tax returns filed by the taxpayers. This system detects a tax return which was filed late but no corresponding penalties were paid; or a tax return filed with declared tax due but no corresponding payment was detected; or a tax return was filed with tax due but the payment detected was only partial. Once the system detects any of these scenarios, it will generate "RPS Assessment". Such was the term used in the system which was also adopted as the name of the notice being sent to concerned taxpayer by the Large Taxpayers Document Processing and Quality Assurance Division (LTDPQAD), which if not settled within the prescribed timeline indicated in the said notice, is referred to the office responsible in the enforcement of collection remedies for "delinquent tax liabilities". In other BIR's offices, however, the generated RPS assessments are only used as bases in the preparation of the Preliminary Collection Letter (PCL), which was later dispensed with to protect the interest of the government under Revenue Memorandum Order (RMO) No. 35-2019.

The contents of "RPS Assessment" are not tax assessments arising from the conduct of audit/investigation of taxpayer's books of accounts and other relevant records. These are tax payables based on taxpayer's own tax declaration as reflected in the tax returns filed. The moment the taxpayer failed to pay the declared tax payable in the tax return within the prescribed due date, the Bureau considers it already as "delinquent account" pursuant to RMO No. 11-2014. To effect collection thereof, the Bureau can both enforce civil and criminal actions as provided under Section 205 of the Tax Code, as amended. The sending of "RPS Assessment" should not be likened to and is not an Assessment Notice arising from audit where taxpayer has the chance to contest or protest. **Considering that no books of accounts and accounting records of taxpayer are to be examined or subjected to audit, the issuance of Letter of Authority shall not be required.** Be it clarified, therefore, that "RPS Assessment" is a Collection Letter and sending of which is part of the civil/administrative remedies of the Bureau.

All internal revenue officers are enjoined to give this Circular a wide publicity as possible.

**ROMEO D. LUMAGUI, JR.**  
Commissioner of Internal Revenue