



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

BUREAU OF INTERNAL REVENUE  
RECORDS MGT. DIVISION

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REVENUE MEMORANDUM ORDER NO. 64-2016

**SUBJECT** : Amending Certain Provision of RMO No. 19-2015 Pertaining to Audit Policies  
**TO** : All Internal Revenue Officers and Others Concerned

**I. OBJECTIVE**

This Order is issued to amend the policies and procedures requiring the approval of the Commissioner of Internal Revenue before a taxpayer may be audited for the third (3<sup>rd</sup>) time and the removal of the fifty percent (50%) surcharge.

**II. AMENDMENT**

For purposes of auditing a taxpayer for the three succeeding years, the policy stated in Sec. III No. 4 of RMO NO. 19-2015 is hereby amended to read as follows:

*"If the taxpayer has been audited for the last two (2) years and has been selected for audit on the current or third (3<sup>rd</sup>) year, the RDO/LTD/LTAD shall encode right away the requested audit of the subject taxpayer in eLAMS/ eTIS-CMS which shall be approved by the Regional Director/ Assistant Commissioner who heads the investigating office. The Selection Code shall depend on the reason why the taxpayer has been selected."*

*"The deficiency assessment on these cases shall only be imposed with twenty-five percent (25%) surcharge unless the under declaration of income or overstatement of expenses/ deductions reaches 30% or more which shall be imposed with fifty percent (50%) surcharge."*

**III. REPEALING CLAUSE**

All revenue issuances and/or portions thereof that are inconsistent herewith are hereby repealed, revoked, amended or modified accordingly.

**IV. EFFECTIVITY**

This Order shall take effect immediately.

CAESAR R. DULAY

Commissioner of Internal Revenue

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