

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

February 17, 2017

REVENUE MEMORANDUM ORDER NO. 6-2017

SUBJECT : Revised Guidelines and Procedures in the Extraction, Dissemination and Reporting of Utilization of Preprocessed Third Party Information

TO : All Internal Revenue Officials, Officers and Others Concerned

I. BACKGROUND

It has been observed that there is a low turnout in the request for Third Party Information (TPI), which are classified as “Preprocessed” Reconciliation of Listing for Enforcement (RELIEF) data and “Preprocessed” data from the Bureau of Customs (BOC), vis-à-vis the number of electronic Letters of Authority (eLAs) issued through Electronic Letter of Authority Monitoring System (eLAMS).

“Preprocessed” RELIEF data refer to historical data on Summary List of Purchases (SLP)/Summary List of Sales (SLS) that were matched with ITS registration information. “Preprocessed” BOC data refer to importation details showing individual transactions enhanced with registration information matching. These are raw data prior to the generation of Letter Notices (LNs).

In accordance with RMO No. 30-2003 and RMO No. 34-2004 which provide the guidelines and procedures in the extraction, analysis, disclosure/dissemination, utilization and monitoring of RELIEF data for audit and enforcement purposes, as well as importation data from the BOC, respectively, access to “Preprocessed” RELIEF and BOC data shall be limited to taxpayers for whom Letters of Authority (LAs) have been issued provided that request for access is covered by a Request Form (RF) duly approved by the concerned Regional Director (RD), Assistant Commissioner (ACIR) or Deputy Commissioner (DCIR).

II. OBJECTIVES

1. To amend the policies and procedures in providing “Preprocessed” RELIEF data to all investigating offices; and
2. To ensure the utilization of the above data for audit and enforcement purposes as a tool for generating additional tax revenue.

III. POLICIES AND PROCEDURES

1. For cases covered by eLAs, investigating offices need not request for access to “Preprocessed” RELIEF and BOC data.
2. The Business Intelligence Division (BID) of the Information Systems Group (ISG) shall access the eLAMS every Tuesday to determine the list of eLAs issued by each investigating offices.
3. On the following day, the BID shall access the Data Warehouse (DW) to extract the RELIEF data on SLS/SLP and the data on importations from the BOC pertaining to taxpayers with issued eLAs for the covered taxable period.
4. The BID shall transmit the “Preprocessed” RELIEF and BOC data to the Audit Information, Tax Exemption and Incentives Division (AITEID) within three (3) days from extraction.
5. The AITEID shall classify the “Preprocessed” RELIEF and BOC data per investigating office [e.g. RDO, LT Audit Division, VAT Audit Section (VATAS), etc.] within three (3) days from receipt of the data. Thereafter, the AITEID shall deploy these data thru email or registered mail, where email facility is not available, to the Revenue District Officer/Chiefs of concerned offices, including the Assessment Division (AD) of regional offices and reviewing offices in the National Office (NO). The recipients of the data deployed shall acknowledge receipt of email transmission.
6. The Revenue Officer (RO) of the investigating office shall utilize the said data in the audit, fully disclose the utilization thereof in his narrative memorandum and present its effect in his audit report in the applicable BIR Form No. 0500 Series. If such is not included in the findings for valid reasons, the explanation should be part of the memorandum report and presented as a footnote on the Form 0500.
7. The Group Supervisor (GS) and Revenue District Officer/Division Chief of the audit divisions under the Large Taxpayers Service (LTS) and Enforcement and Advocacy Service (EAS), as well as the Chiefs of VATAS in the AD, shall be responsible for monitoring and reviewing the utilization of the data per case. Likewise, the chiefs of reviewing offices shall verify the inclusion of findings from these data or the justification for its non-utilization in the aforesaid reports of investigation.
8. A Quarterly Status Report on “Preprocessed“ RELIEF/BOC Data Utilization (Annex “A”) shall be submitted to the AITEID by the concerned head of investigating offices and Chiefs of the VATAS. Non-submission of this report will be a ground for the imposition of administrative sanction against the responsible revenue officer.

9. The AITEID shall maintain separately a record per investigating office of all deployed “preprocessed” RELIEF and BOC data with the following information:

- Control Number
- eLA Number
- Name and Taxpayer Identification Number (TIN) of Taxpayer (TP)
- Taxable Period Covered
- Date of Release of Data
- Total amount of sales of the TP as reported by his/its TP’s buyers
- Total amount of purchases of the TP as reported by his/its suppliers
- Total amount of the TP’s importations

All revenue officials and employees who have access to the system and who have knowledge of the deployed ”Preprocessed” RELIEF and BOC data shall use these data exclusively for official internal revenue tax purposes and shall consider them strictly confidential. Any divulgence, unless authorized by law, shall be a ground for the imposition of administrative sanctions and filing of appropriate charges against the erring official and employee.

On a quarterly basis, AITEID shall report to the Assessment Service, copy furnished the Office of the Deputy Commissioner, Operations Group, the results of utilization of “preprocessed” data.

IV. REPEALING CLAUSE

RMO Nos. 30-2003 and 34-2004 as well as other issuances and/or portions thereof that are inconsistent herewith, are hereby repealed, modified or amended accordingly.

V. EFFECTIVITY

This Order shall take effect immediately.

(Original Signed)
CAESAR R. DULAY
Commissioner of Internal Revenue