

[ADMINISTRATIVE ORDER NO. 188, August 06, 2007]

**AUTHORIZING THE BUREAU OF INTERNAL REVENUE TO
OUTSOURCE THE ENCODING AND DATA PROCESSING OF
DECLARATIONS AND RETURNS TO QUALIFIED SERVICE
PROVIDERS**

WHEREAS, the Bureau of Internal Revenue (BIR) is implementing a long-term program to transform itself into a world-class tax administrator pursuant to the mandate of Executive Order No. 175;

WHEREAS, at the core of this program is the five-year Tax Computerization Project (TCP), which commenced in August 1994 and ended in December 1999;

WHEREAS, the main component of the TCP is the Integrated Tax System (ITS), which was developed to enable the efficient and effective collection by the BIR of its assigned revenue targets;

WHEREAS, on October 31, 2000, Executive Order No. 306 was issued to enhance the effectiveness of the BIR's Computerized Integrated Tax System;

WHEREAS, despite the turn-over to the BIR of TCP systems infrastructure, the roll-out of functional capability of ITS has been severely constrained by the BIR's limited resources and inability to hire and retain qualified personnel to operate, manage and maintain the ITS, thereby preventing TCP from achieving the desired benefit level;

WHEREAS, in order to address this concern, there is a need to outsource the BIR's technical support functions, specifically, the data entry services, which involves the encoding and processing of tax declarations and returns;

WHEREAS, outsourcing the data entry services to qualified service providers will obviate the need for the BIR to hire additional personnel and incur concomitant expenses; and

WHEREAS, under Section 20, Book III of Executive Order No. 292 (Revised Administrative Code), the President is empowered to exercise such other powers and functions.

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. The BIR is hereby authorized to outsource the data entry services or the encoding and processing of tax declarations and returns to qualified service providers.