

[EXECUTIVE ORDER NO. 132, October 26, 1993]

APPROVING THE STREAMLINING OF THE BUREAU OF INTERNAL REVENUE

WHEREAS, there is an urgent need for increased and efficient tax collection to support the economic development and growth of the Philippines;

WHEREAS, to achieve this goal, it is imperative that the Bureau of Internal Revenue, the government office tasked with the administration and enforcement of Philippine tax laws, be strengthened in order to establish public confidence in, and obtain maximum voluntary compliance with, Philippines tax laws and their administration;

WHEREAS, the streamlining of the organization and operations of the Bureau of Internal Revenue is necessary to decentralize its line functions, thereby strengthening its Regional and Revenue District Offices in the implementation and enforcement of tax laws;

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 vested in him which are provided for under the laws;

WHEREAS, the President is empowered to approve changes in the reorganization under Section 63 of Executive Order No. 127 (Order reorganizing the Ministry of Finance) for the purpose of promoting efficiency and effectiveness in the delivery of public services;

WHEREAS, under Section 48 of the General Provisions of Republic Act No. 7645 (General Appropriations Act for FY 1993), heads of departments, bureaus and agencies are directed to scale down, phase out or abolish activities no longer essential in the delivery of public services; and

WHEREAS, under Section 62 of the General Provisions of Republic Act No. 7645, the President may direct changes in the organization and key positions in any department, bureau or agency.

WHEREAS, as additional requirement for the fully integrated computerization of tax administration as recommended by the NEDA and approved by the President and the implementation of the 5-Year Bureau of Internal Revenue Computerization program requires the direction, supervision and coordination of a Deputy Commissioner;

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. Streamlining of the Organization Structure. The organizational structure

of the Bureau of Internal Revenue shall define clearly the functions and responsibilities of the National Office and those of the Regional Offices, as follows:

The National Office shall develop and formulate broad national tax administration policies and programs, for efficient and effective implementation of internal revenue laws and regulations and establish the general direction, guidance and control of the entire operations of internal revenue service. For this purpose, the following organizational changes are adopted:

The existing functional groups in the Bureau are restructured to effect the functional reorientation of the Services and divisions under them.

The Legal Service, which shall be headed by an Assistant Commissioner who shall be assisted by a Revenue Head Executive Assistant, is placed directly under the Office of the Commissioner, together with the Legislative, Ruling and Research Division (being renamed as Law Division) and Appellate Division. The Prosecution Division and Litigation Division are merged into the Litigation and Prosecution Division, and the Personnel Inquiry Division is transferred from the Inspection Service to the Legal Service.

The Intelligence and Investigation Office and the Inspection Service are abolished. An Intelligence and Investigation Service is hereby created to absorb the same functions of the abolished office and service. It shall be headed by an Assistant Commissioner who shall be assisted by a Revenue Head Executive Assistant. It is attached directly to the Office of the Commissioner together with the Tax Fraud Division. The Internal Security Division is transferred from the abolished Inspection Service to the Intelligence and Investigation Service. The Fiscal Control Division is abolished and its functions are transferred to the Performance Monitoring Service and decentralized to the Regional Offices.

2 The Assessment and Collection Group shall be renamed as the Operations Group and supervised by a Deputy Commissioner who shall be appointed by the President upon recommendation of the Secretary of Finance. This Group shall be composed of the following Services, each Service to be headed by an Assistant Commissioner who shall be assisted by a Revenue Head Executive Assistant.

2.1 Assessment Service - The existing National Audit Review Division and Tax Credit/Refund Division are abolished and their functions are transferred to the Regional Offices. The Assessment Performance Control Division is renamed Assessment Performance Audit Division and transferred to the Performance Monitoring Service. The Assessment Programs Division, Asset Valuation Division and Audit Data Bank Division are created under the Assessment Service.

1.2.2 Collection Service - The existing Collection Enforcement Division and Accounts Receivable/Billing Division are abolished and their functions are decentralized to the Revenue District Offices. The Collection Performance Evaluation Division is renamed Collection Performance Audit Division are transferred to the Performance Monitoring Service. The Withholding Tax Division is renamed Withholding Agents Monitoring Division under the Collection Service. The Revenue Accounting Division is transferred from the Financial Service to the Collection Service. The Collection Programs Division is created, and the Large Taxpayers Division is placed under the Collection Service.