

**[BIR REVENUE REGULATIONS NO. 18-2012,
October 22, 2012]**

**REGULATIONS IN THE PROCESSING OF AUTHORITY TO PRINT
(ATP) OFFICIAL RECEIPTS, SALES INVOICES, AND OTHER
COMMERCIAL INVOICES USING THE ON-LINE ATP SYSTEM AND
PROVIDING FOR THE ADDITIONAL REQUIREMENTS IN THE
PRINTING THEREOF**

Pursuant to the provisions of Section 244, in relation to Sections 237 and 238 of the National Internal Revenue Code of 1997, as amended, these Regulations are hereby promulgated to prescribe the policies and guidelines in the processing of Authority to Print Official Receipts (ORs), Sales Invoices (SIs) and other Commercial Invoices (CIs) using the on-line ATP Systems and providing for the additional requirements in the printing thereof.

SECTION 1. OBJECTIVES

1. To enhance and facilitate the processing of the Authority to Print ORs, SIs and CIs by having a full automation of the processes involved in the application, generation, approval and issuance of the same through a web-based ATP (online ATP) System.
2. To provide for the additional requirements for the printing of official receipts, sales invoices and other commercial invoices.
3. To classify receipts and invoices into Principal and Supplementary Receipts/Invoices.
4. To regulate further the printing of all invoices by setting a validity period.
5. To provide for the standard reports pertaining to the processing of the ATP.

SECTION 2. DEFINITION OF TERMS

1. **OUTBOUND CORRESPONDENCE NUMBER (OCN)** - a systems-generated control number which serves as reference for every Authority to Print issued to a taxpayer.

2. **PRINCIPAL RECEIPTS/INVOICES** - for purposes of this regulations, it is a written account evidencing the sale of goods and/or services issued to customers in an ordinary course of business which necessary includes the following:

2.1 **VAT SALES INVOICE** - for purposes of Value Added Tax (VAT) pursuant to Section 106 of the NIRC, as amended, it is a written account evidencing the sale of goods and/or properties issued to customers in an ordinary course of business, whether cash sales or on account (credit) which shall be the basis of the output tax liability of the seller and the input tax claim of the buyer. Cash Sales Invoices and Charge Sales Invoices falls under this definition.

2.2 **VAT OFFICIAL RECEIPT** - for purposes of Value Added Tax (VAT) pursuant to Section 108 of the NIRC, as amended, it is

a proof of sale of service and/or leasing of properties which shall be the basis of the output tax liability of the seller and the input tax claim of the buyer. It is a written admission or acknowledgment of the fact that money has been paid and received for the payment or settlement between persons rendering services and its customers.

2.3 **NON-VAT SALES INVOICES** - for purposes of Percentage Tax pursuant to Section 116 of the NIRC, as amended, it is a written account evidencing the sale of goods and/or properties issued to customers in an ordinary course of business, whether cash sales or on account (credit) which shall be the basis of the Percentage Tax liability of the seller.

2.4 **NON-VAT OFFICIAL RECEIPTS** - for purposes of Percentage Tax pursuant to TITLE V of the NIRC, as amended, it is a proof of sale of service and/or leasing of properties which shall be the basis of the Percentage Tax liability of the seller. It is a written admission or acknowledgment of the fact that money has been paid and received for the payment or settlement between persons rendering services and its customers.

3. **SUPPLEMENTARY RECEIPTS/INVOICES** - for purposes of these Regulations, these are also known as **COMMERCIAL INVOICES**. It is a written account evidencing that a transaction has been made between the seller and the buyer of goods and/or services, forming part of the books of accounts of a business taxpayer for recording, monitoring and control purposes.

It is a document evidencing delivery, agreement to sell or transfer of goods and services which includes but are not limited to delivery receipts, order slips, debit and/or credit memo, purchase order, job order, provisional/temporary receipt, acknowledgement receipt, collection receipt, cash receipt, bill of lading, billing statement, statement of account, and any other documents, by whatever name it is known or called, whether prepared manually (handwritten information) or pre-printed/ pre-numbered loose-leaf (information typed using excel program or typewriter) or computerized as long as it is used in the ordinary course of business being issued to customers or otherwise.

Supplementary receipts/invoices, for purposes of Value-Added Tax, are not valid proof to support the claim of Input Taxes by buyers of goods and/or services.

4. **On-line ATP SYSTEM** – an IT infrastructure that caters to the on-line processing (application, approval and issuance) of ATP and the on-line generation of printer's periodic reports with the capability to match and process data and generate discrepancy report of dubious entries.

5. **Government Proprietary Function** – for purposes of these Regulations, when a public corporation or a local government unit acts in its proprietary character, it is regarded as having the rights and obligations of a private corporation. For government entities to be taxable, the following requisites must concur: (1) the government entity concerned must not be performing an essential governmental function; and (2) it must be engaged in similar business, industry, or activity as performed by other ordinary taxable corporations. All income realized from or received in the exercise of its proprietary functions shall be subject to income tax