

**[BIR REVENUE REGULATIONS NO. 2-2008,
January 10, 2008]**

**AMENDING CERTAIN RULES AND REGULATIONS RELATIVE TO
THE COLLECTION AND REMITTANCE OF TAXES PAID TO
AUTHORIZED AGENT BANKS (AABS) THRU OVER-THE-COUNTER
(OTC) AND ELECTRONIC FILING AND PAYMENT SYSTEM (EFPS)
AND AMENDING FURTHER THE MEMORANDUM OF AGREEMENT
RELATIVE TO THE ACCREDITATION OF THE AABS**

BACKGROUND

Pursuant to the provisions of Executive Order No. 937 dated March 1, 1984, vesting the Bureau of Internal Revenue (BIR) the primary responsibility of enforcing the collection of taxes through the banking system in relation to Section 12 of the National Internal Revenue Code of 1997 which mandate AABs to receive and remit tax payments, several Revenue Regulations were issued and individual agreements were executed between the BIR and the bank concerned. Contained in those agreements are the duties and responsibilities of both parties.

Despite the execution of these agreements and the incentives given in the form of a float period, numerous complaints were received from taxpayers against a number of AABs e.g., nonacceptance of tax payments made through over-the-counter; limiting the number of taxpayers being serviced; non-acceptance of payments from non-depositors, among others. This situation has forced the taxpayers to swamp other banks causing undue inconvenience to the public in general and affect the collection efforts of the BIR.

To address these problems, it is imperative to make the necessary changes to the existing policies relative to the collection and remittance of taxes paid to AABs.

SECTION 1. SCOPE AND OBJECTIVES - These Regulations shall cover OTC and EFPS payments in order to rationalize the granting of incentives to AABs and the imposition of penalties to effectively utilize and maximize the banking system in receiving internal revenue tax payments.

SECTION 2. EXECUTION OF NEW MEMORANDUM OF AGREEMENT (MOA) - All banks presently authorized to collect internal revenue taxes may continue to do so until such time that a new MOA as prescribed in Annex "A"* hereof shall thereupon be executed among the BIR, Bureau of Treasury (BTr) and the banks which have qualified for accreditation.

SECTION 3. INCENTIVES - Considering the incentive given to AABs is in the form of "float period" (for purposes of these regulations, float period shall mean the period beginning on the day after the date of collection until the prescribed remittance day. For example, if the float period is six (6) days and the taxes were collected on June

1, then the remittance shall be made on June 7.), the following guidelines shall be strictly followed:

3.1 The determination of float period shall be done semi-annually based on the number of OTC transactions processed/accepted by the AABs on the same semester of the preceding year, and compliance with the obligations and conditions stated in the MOA. The notice shall be sent semi-annually (i.e., for the first semester, notice will be sent on or before December of the previous year; likewise, for the second semester, notice will be sent on or before June of the current year). The EFPS float period shall be dependent on the OTC float period. The higher the number of OTC transactions processed/accepted, the longer the float period of an AAB. The OTC float period shall be six (6), eight (8) or ten (10) days, while for EFPS the float period shall range from three (3) to five (5) days. However, for those with no OTC transaction or falling below the threshold for a particular semester under evaluation, the float period shall be one (1) day less than the minimum float period prescribed. The guidelines and procedures in the determination of float period for a particular semester applicable to AABs shall be covered by a separate issuance.

3.2 For EFPS Transactions – All internal revenue collections shall be credited to the account of the BTr on the date of collection and remitted on the date prescribed in a written communication by the Assistant Commissioner, Collection Service to the concerned AAB and BTr. The float period for EFPS shall be half of the float period for OTC transactions as notified by the BIR.

3.3 For OTC Transactions [this shall include payments thru Debit System, Electronic Service Machine (ESM), G-Cash]-All internal revenue collections shall be credited to the account of the BTr on the date of collection and remitted on the date prescribed in a written communication by the Assistant Commissioner, Collection Service to the concerned AAB and BTr.

For AABs accredited for the first time, the applicable float period shall be the minimum as notified by the BIR.

SECTION 4. PENALTIES - The penalties imposed on AABs for non-compliance with the provisions of MOA as provided in Revenue Regulations No. 15-94 as amended by RR 19-2001 is hereby revised as per attached "Annex A-2" of the MOA. All penalties imposed, after the effectivity of this Revenue Regulations, on procedural errors, as well as violations on remittance procedures and other violations relative to MOA, Bank Bulletins and applicable revenue issuances, shall not be subject to compromise.

SECTION 5. TRANSITORY PROVISIONS - Prior to the execution of the new MOA, all existing AABs shall:

5.1. Comply with the responsibilities indicated in the existing MOA;

5.2. File a Letter of Intent indicating the list of branches for accreditation and submit necessary documents relative thereto within thirty (30) days from effectivity of these Regulations; and

5.3. Settle outstanding penalties not later than thirty (30) days from receipt of