

**[BIR REVENUE MEMORANDUM ORDER NO. 11-96,
May 30, 1996]**

**AUDIT OF BANKS, INSURANCE COMPANIES AND OTHER
FINANCIAL INTERMEDIARIES**

I.

Objective

In view of the decrease in tax collections on banks, insurance companies and other financial intermediaries, there is a need to verify its cause/reason to be able to prescribe the needed remedial measures to prevent the same occurrence. For this purpose, a Committee shall be created, composed of eight (8) groups under the direct supervision of the Deputy Commissioner for Operations to conduct tax audit/verification on banks, insurance companies and other financial intermediaries.

II.

Guidelines

1. This order covers audit of the aforesaid taxpayers for the taxable years 1994 and 1995.
2. All Revenue District Officers shall refrain from issuing Letters of Authority to taxpayers already covered by investigation under this RMO.
3. The committee shall be composed of eight (8) groups, a Coordinator and two Assistant Coordinators who shall report directly to the Deputy Commissioner for Operations.
4. Audit concentration will be on —
 - A. Banks and other financial intermediaries
 - a. Gross Receipt Tax
 - b. Documentary Stamps
 - c. Withholding Tax
 - d. Income Tax
 1. Interest Arbitrage
 2. Others