

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

April 1, 2002

REVENUE MEMORANDUM ORDER NO. 5-2002

SUBJECT: Guidelines and Procedures in the Adoption of Electronic Filing and Payment System (EFPS).

TO : All Revenue Officials, Employees and Others Concerned.

I. BACKGROUND:

The Electronic Filing and Payment System (EFPS) is developed primarily to provide Philippine taxpayers with top quality and convenient service through a much faster processing and immediate confirmation of filing of tax returns and payment of taxes due thereon. EFPS is an alternative mode of filing returns and payment of taxes which deviates from the conventional manual process of encoding paperbound tax returns filed which is highly susceptible to human errors and intervention. The system allows the taxpayers to directly encode, submit their tax returns and pay their taxes due online over the internet through the BIR website. EFPS would undoubtedly reduce the government's administrative and operational costs in interacting with taxpayers and in collecting taxes.

II. OBJECTIVES:

This Order is issued to:

- A. Provide guidelines and procedures in the implementation of Electronic Filing and Payment System prescribed under Revenue Regulations Nos. 9-2001 and 2-2002.
- B. Define roles and responsibilities of all concerned offices.
- C. Ensure the accurate and timely generation of collections and other ad hoc reports.

III. POLICIES:

- A. EFPS shall be available to all taxpayers with e-mail account and internet access who are registered in the BIR Integrated Tax System (ITS). Taxpayers who shall avail of EFPS shall enroll online with the EFPS which is linked to the BIR website (<http://www.bir.gov.ph>).

- B. Taxpayers shall be responsible for safeguarding their respective user names, passwords and answers to challenge question in accessing EFPS. In case a taxpayer forgets these necessary information or there is a change in the corporate authorized signatory, the taxpayer concerned shall be required to re-enroll to EFPS.
- C. Taxpayers who shall file their returns through the EFPS shall file only returns for the tax type/s registered in the ITS and the form type of which is available in EFPS. Initially, the following thirteen (13) tax forms are available in the EFPS:
 - 1. 1601C Monthly Remittance Return of Income Taxes Withheld on Compensation
 - 2. 1601E Monthly Remittance Return of Creditable Income Taxes Withheld (Expanded)
 - 3. 1602 Remittance Return of Final Income Taxes Withheld
 - 4. 1603 Remittance Return of Final Income Taxes Withheld on Fringe Benefits Paid to Employees Other than the Rank and File
 - 5. 1700 Annual Income Tax Return (for purely compensation income)
 - 6. 1702 Annual Income Tax Return for Corporations and Partnerships
 - 7. 1702Q Quarterly Income Tax Return for Corporations and Partnerships
 - 8. 2200A Excise Tax Return for Alcohol Products
 - 9. 2200P Excise Tax Return for Petroleum Products
 - 10. 2200T Excise Tax Return for Tobacco Products
 - 11. 2550M Monthly Value Added Tax Declaration
 - 12. 2550Q Quarterly Value Added Tax Return
 - 13. 2551 Percentage Tax Return (Quarterly)

The above listing may be expanded and/or the existing form format enhanced later.

- D. The e-filing of returns shall be available 24 hours a day, 7 days a week. However, to ensure receipt by the BIR before midnight of the due date set by applicable laws and regulations for the filing of a return and the payment of the corresponding tax, the electronic return for the applicable tax must be filed on or before 10 p.m. of the due date. In case the EFPS is not available during due dates, as declared by the BIR, taxpayers shall manually file their returns with the collecting agent (AAB or RCO/DMT) for the returns with payment, or with the Revenue District Office (RDO) or Large Taxpayers Service (LTS) or Large Taxpayers District Office (LTDO) where they are registered for no-payment returns.
- E. Taxpayers who are filing refundable returns are not allowed to directly offset against the amount to be refunded as indicated in the return the penalties arising from late filing thereof.
- F. Taxpayers who shall avail of the EFPS shall be required to submit their audited financial statements, certificates of withholding tax, Tax Debit Memo (TDM) utilized in the payment of taxes, in case of any, to the RDO or LTS (LTAD) or LTDO where they are registered within fifteen (15) days from date of filing of the applicable return.

- G. Taxpayers who shall file their returns through EFPS may pay the taxes due thereon either manually or electronically. Following the “pay as you file” principle, payment of taxes shall be made within the banking hours of the day the return was electronically filed in case of manual payment, or within the day of e-filing in case of electronic payment. However, no penalties shall be imposed for taxpayers who e-filed earlier and paid at a later date but on or before the due date for the applicable tax. Starting July 1, 2002, however, e-payment for the covered tax types is mandatory for large taxpayers, and other non-large taxpayers which will be announced later.

For taxpayers intending to utilize Tax Debit Memo (TDM) in the payment of taxes, their returns shall have to be e-filed much earlier than the due date to allow the BIR to issue TDM on or before the due date of the applicable tax. It should be noted that the issuance of TDM and its application against the tax due on the return e-filed through the e-payment facility of the BIR should all be done on or before the due date of the aforesaid tax.

If payment of taxes are to be made partly in cash and partly in TDM, taxpayer shall first e-file the return and using the e-payment facility of the system, he may, at his option, first pay the portion of the tax in cash and thereafter apply TDM on the remaining portion of the tax due, or first apply the TDM against the portion of the tax and pay the remaining balance thereof in cash. All of these must be done on or before the due date of the tax.

- H. Taxpayers who shall opt to pay manually shall present the Filing Reference Number Form issued by EFPS to the Authorized Agent Bank (AAB) concerned which shall validate the said form and issue an Official Receipt upon receipt of payment.
- I. Payment of taxes electronically through EFPS shall be done thru the bank debit system using the internet banking facilities of any capable AAB. To ensure the security/integrity of the transaction, AABs should require taxpayers to enroll in their bank debit system using their internet banking facilities. However, for Large Taxpayers, payment shall be limited to the AABs authorized to serve them, provided that said banks are capable of accepting electronic payment, until such time that the Bureau of Treasury is allowed to maintain accounts with other commercial banks authorized by the Monetary Board of the Bangko Sentral ng Pilipinas. Notwithstanding the foregoing, insurance companies shall still be required to e-pay their taxes with the Land Bank of the Philippines, U.N. Avenue Branch, in accordance with existing issuances.
- J. Taxes duly paid by the taxpayer through e-payment shall be deemed paid after a Confirmation Number has been issued by the AAB concerned to the taxpayer and BIR. In addition, an Acknowledgement Number shall be issued by the BIR to the taxpayer to confirm that the tax payment has been credited to the account of the government.

- K. Taxpayers may print via the EFPS a copy of their tax returns filed within the period of two (2) months from the date of filing the return. In the event that the taxpayer shall need a copy of the return filed after the two-month period, he shall request instead for a Certification with the information mentioned in the filed return/form from the RDO/LTS/LTDO where he is registered.
- L. The participating AABs in the EFPS should be internet ready and accredited by the BIR to participate in the System.
- M. The AABs accredited to participate in the EFPS should ensure that the necessary e-payment system security is in place.

IV. PROCEDURES:

A. ENROLLMENT/RE-ENROLLMENT

1. Taxpayer

- 1.1 Access the BIR website <http://www.bir.gov.ph>.
- 1.2 Click on “EFPS” icon, (the EFPS home page will appear), click on “Filing and Payment” icon and click on “Enroll to EFPS” button.
- 1.3 Encode all the necessary information/data on the screen.
- 1.4 Click the “Submit” button.
- 1.5 In case of a corporation, submit to RDO – Taxpayers Service Section (TSS)/ LTS - Large Taxpayers Assistance Division (LTAD)/LTDO - Large Taxpayers Assistance Section (LTAS), a certification from the President, Vice President or other principal officer authorized by law to sign and file the return of the corporation, certified to as such officers by the Corporate Secretary, to the effect that the bearer thereof is authorized to enroll for availment of the EFPS.
- 1.6 Receive an e-mail from LTS-LTAD/LTDO-LTAS/RDO-TSS on the status of the application for enrollment.
- 1.7 Submit written request to LTS-LTAD/LTDO-LTAS/RDO-TSS for re-enrollment in case given password/user name/answer to challenge question was forgotten or there is a change in the corporate authorized signatory. Procedures in 1.5 hereof shall be followed if the reason for re-enrollment is the change in the corporate authorized signatory.
- 1.8 Receive an e-mail from LTS-LTAD/LTDO-LTAS/RDO-TSS on the status of re-enrollment request.
- 1.9 Perform Item A.1.1.1 to A.1.1.4 after approval of the re-enrollment request.

2. LTS – LTAD / LTDO – LTAS / RDO -TSS

- 2.1 View list of enrollees.
- 2.2 Verify/investigate manually the authenticity/completeness of taxpayer’s supplied information against the ITS registration data. (In case the

- taxpayer's enrollment data do not match with ITS registration data, require the taxpayer to update registration data by submitting BIR Form No. 1905).
- 2.3 Receive certification from the President, Vice President or other principal officer authorized by law to sign and file the return of the corporation, certified to as such officers by the Corporate Secretary, to the effect that the bearer thereof is authorized to enroll for availment of the EFPS.
 - 2.4 Activate/reject enrollment application of taxpayer as a result of Item A.2.2.2 (please refer to corresponding EFPS Operations Manual).
 - 2.5 Notify taxpayer thru e-mail of the result of his enrollment application (activated/rejected/onhold) using the pro-forma Activation Form (Annex A) for activated application, or Rejection/On Hold Form (Annex B) for rejected/ on hold application.
 - 2.6 Receive written request of taxpayer for re-enrollment.
 - 2.7 Deactivate enrollment data if taxpayer re-enrollment request is found to be valid.
 - 2.8 For purposes of re-enrollment, perform Item A.2.2.1, A.2.2.2, A.2.2.3, A.2.2.4 and A.2.2.5.
 - 2.9 Answer taxpayer's queries regarding EFPS.
 - 3.0 Receive weekly report on the status of EFPS production server availability (covering the past week) every Monday from Information Systems Operations Service- Systems Support Division (ISOS-SSD) for reference.
 - 3.1 Notify taxpayer of the system unavailability.

3. ISOS

3.1 Database Administrator

- 3.1.1 Run/execute the following front-end tasks whenever necessary (please refer to the corresponding EFPS Operations Manual)
 - a. EFPS reference upload; and
 - b. DBA functions referred to in the EFPS System Administration Manual
- 3.1.2 Maintain/update the codes/reference tables used by EFPS (please refer to the corresponding EFPS Operations Manual).

3.2 Systems Administrator

- 3.2.1 Run/execute system administration functions referred to in the EFPS System Administration Manual.
- 3.2.2 Act on request of user to access EFPS post-enrollment filter form and reports menu (please refer to the Intranet User Admin Operations Manual) upon approval of IPQS-SMD.
- 3.2.3 Monitor and provide weekly report on the status of EFPS production server availability (covering the past week) to LTS-LTAD, LTDO-LTAS and RDO-TSS every Monday.
- 3.2.4 Inform ISOS-SSD-Help Desk Section and Office Automation Section – SSD on EFPS production server unavailability.

3.3 Help Desk Section – Systems Support Division (SSD)

- 3.3.1 Attend to BIR-user or taxpayer’s queries/issues regarding EFPS.
- 3.3.2 Log issues at Issues Management Log (IML) supplying the name, telephone number, e-mail address of the caller and the details of the problem encountered.
- 3.3.3 Monitor resolutions to issues logged at Issues Management Log (IML).
- 3.3.4. Forward notice of unavailability (due to network failure) to LTAS / LTDO / RDO immediately
- 3.3.5. Document all instances of system unavailability.

3.4 Network Administrator

- 3.4.1 Issue notice immediately to Help Desk Section of EFPS unavailability due to network failure.

3.5 Office Automation Section – SSD

- 3.5.1 Broadcast system unavailability (due to server failure) using the existing e-mail facility

4. Information Planning and Quality Service - Security Management Division (IPQS-SMD)

- 4.1 Maintain the EFPS Security and Access Matrix.
- 4.2 Monitor all EFPS intranet user accounts.

B. ELECTRONIC FILING AND PAYMENT

1. Taxpayer

- 1.1 Access EFPS button linked to BIR website @ <http://www.bir.gov.ph>.
- 1.2 Click on “Login” or “Filing and Payment” button of EFPS home page and supply the following information:
 - a. User Name;
 - b. Password; and
 - c. TIN.
- 1.3 Answer the challenge question displayed on the screen.
- 1.4 Select the tax return form to be filed and fill-up all necessary information.
- 1.5 Click “Validate” button to confirm if all the required fields in the return are filled-up.
- 1.6 Click “Edit” button to correct erroneous entry/ies, if any.
- 1.7 Click “Submit” button to complete e-filing.
- 1.8 Print Filing Reference Number issued by EFPS as proof of filing.

1.9.1 For e-payment

- a. Access e-payment facility to pay the tax due (the said facility is only available to those taxpayers with amount payable greater than zero).
- b. Print the Confirmation Number as proof of payment and the Acknowledgement Number.
- c. Print the tax return filed and payment details thru the Inquiry Facility, if needed.

1.9.2 For manual payment

- a. Print the tax return filed thru the Inquiry Facility, if needed.
- b. Present the Filing Reference Number Form to the bank for payment of tax due.
- c. Pay the tax due (when amount payable is greater than zero).
- d. Receive validated Filing Reference Form and Official Receipt from the bank as a proof of payment.

1.9.3 Submit attachments of returns with Filing Reference Number to LTAD/LTDO (TSS) and RDO-TSS.

1.10 In case of need to have a copy of the return filed after the two-month period, file the necessary request with the LTDPQAD/LTDO-DPS/RDO-DPS.

2. Information Systems Operations Service-Systems Operations Division (ISOS-SOD)

2.1 Run/execute the following back-end modules at the end of each day (please refer to the corresponding EFPS Operations Manual):

- i) Upload bank confirmation file (UplConf);
- ii) Upload bank acknowledgement file (UplAck);
- iii) Generate RPS transaction file (GenRPS);
- iv) Generate CBR transaction file (GenCBR); and
- v) File transfer of RPS and CBR transaction files (FTPtrans).

3. Revenue Data Center Concerned/ISOS-Data Center (RDCs/ISOS-DC)

3.1. e-Filing and e-Payment/e-Filing and Manual Payment

3.1.1 e-Filing and e-Payment

- a. Run/execute the following back-end modules at the end of each day (please refer to corresponding EFPS Operations Manual):
 - i) Upload RPS transaction file (UplRPS); and
 - ii) Upload CBR transaction files (CBRUP005.pc & CBRUP016.ksh).
- b. Provide technical support to users.
- c. Resolve technical issues and elevate unresolved issues to concerned offices.

3.1.2 e-Filing and Manual Payment

- a. Upload RPS transaction file (Up1RPS).

- b. Process payment data following the procedures in RMO No. 32-99 dated March 11, 1999.
 - c. Receive and print payment data of banks' own liabilities from BSP.
- 3.2 Print reports generated by the system (please refer to corresponding EFPS Operations Manual), including attachments, if any.
- 3.3 Transmit reports to Large Taxpayers Document Processing and Quality Assurance Division (LTDPQAD)/Large Taxpayers District Office-Document Processing Section (LTDO-DPS)/Revenue District Office-Document Processing Section (RDO-DPS).

4. Authorized Agent Bank (AAB)

4.1 Authorized Agent Bank (AAB) shall receive internal revenue tax payments through EFPS or over-the-counter:

4.1.1 e-Payment

- a. Receive and process taxpayers' payment instructions;
- b. Issue Confirmation Number to the taxpayers after e-payment was processed.
- c. Issue bank acknowledgement number to the BIR which will be the latter's basis for the issuance to the taxpayer of the Acknowledgment Number.
- d. Transit to BIR confirmation file and acknowledgement file thru transfer protocol at the end of the day.

4.1.2 Manual Payment

- a. Receive the Filing Reference Number Form and payment from taxpayer.
- b. Validate Filing Reference Number Form and issue Official Receipt to taxpayers as proof of tax payment.
- c. Process tax payment data using LBDES following the existing procedures.

4.2 Submit Daily Summary of Taxpayers' Payments for both manual and e-payment system to LTDPQAD/LTDO-DPS/RDO-DPS.

5. LTAD/LTDO-TSS/RDO-TSS

- 5.1 Receive attachments of return including original copy of TDM utilized with Filing Reference Number from taxpayer.
- 5.2 Forward attachments of return with Filing Reference Number to LTDPQAD/LTDO-DPS/RDO-DPS.

6. LTDPQAD/LTDO-DPS/RDO-DPS

- 6.1 Receive attachments of return from LTAD/RDO-TSS/LTDO-TSS.
- 6.2 Monitor the timeliness and accuracy of collection information and documents submitted by ABBs.

- 6.3 Retrieve/view electronic return data for error resolution. (**Note: For manual payment, verify manual payment data against electronic data**)
- 6.4 Analyze and resolve errors which the data capture system has not successfully processed, if any.
- 6.5 Monitor and maintain a file of attachments for safekeeping and future reference.
- 6.6 Prepare ad hoc collection reports and various correspondences.
- 6.7 Receive system generated collection reports from ISOS-DC/RDC.
- 6.8 Perform quality checking of reports.
- 6.9 Manage and maintain taxpayer ledgers.
- 6.10 Submit report to Large Taxpayer Service and Collection Service for LTDPQAD and LTDO-DPS and to the Collection Division for RDO-DPS.
- 6.11 Issue Certification of Tax Payments and Declared Income as requested by taxpayers.

V. REPEALING CLAUSE

All revenue issuances or portion/s thereof inconsistent herewith are hereby revoked and/or amended accordingly.

VI. EFFECTIVITY

This Order takes effect immediately.

(Original Signed)
RENÉ G BAÑEZ
Commissioner of Internal Revenue