REVENUE REGULATIONS NO. 3-2016 issued on March 23, 2016 prescribes the policies and guidelines on the adoption of credit/debit/prepaid card payments as additional modes of payment of internal revenue taxes.

The payment of taxes using the said modes of payment shall be voluntary or optional on the part of the taxpayer. As such, the taxpayer shall bear the convenience fee and other fees being charged by banks and/or credit card companies for the use of said payment facility. Such fees, including the Merchant Discount Rate, shall, in no case, be deducted from any amount of tax due to the BIR.

In the payment of taxes thru credit/debit/prepaid card, the taxpayer has the option to choose from the available online payment facilities provided by the Electronic Payment Service Provider (EPSP) for the processing of its/his/her tax payments.

The authority to accept tax payments thru credit/debit/prepaid cards, and act as Acquirers shall be limited to Authorized Agent Banks (AABs) only. However, prior to the issuance of the BIR notification to the concerned AAB for the latter’s authority to accept tax payments thru credit/debit/prepaid cards, the following conditions shall be satisfied:

a. The Card Payment Information System of the AAB-Acquirer shall be tested and approved by the BIR;

b. A Service Level Agreement (SLA) between the BIR and the AAB-Acquirer shall have been entered into; and

c. The List of Card Issuers being enabled by the AAB-Acquirer shall be submitted to the BIR before the execution of the SLA. Any addition, deletion or amendment to the submitted list shall be reported in writing to the BIR within five (5) days after the change(s) or amendment(s) thereto has/have been introduced.

The BIR shall neither have any responsibility nor liability on any issues concerning the taxpayer-cardholder and the card issuer, including, but not limited to, “charge back”, erroneous posting or charging, non-payment of the taxpayer-cardholder to the issuer and other issues.

In case the taxpayer-cardholder made erroneous tax payment transactions through the prescribed payment mode, the same shall not give rise to any automatic “charge back” to the taxpayer-cardholder’s account. In meritorious cases, the taxpayer shall apply for refund/tax credit with the BIR in accordance with existing revenue issuances. Only the Philippine-issued credit/debit/prepaid cards under the name of the taxpayer-cardholder shall be used in payment of its/his/her tax liabilities.

The AABs-Acquirers shall be primarily responsible in ensuring that all payment transactions, thru credit/debit/prepaid cards are accurately and timely reported to the BIR and Bureau of Treasury (BTr), and the same are timely remitted to the latter. The time, manner and format of reporting/transmission of collection reports, and the tax remittance to the BTr shall be in accordance with existing provisions of the Memoranda of Agreement among the AABs, BIR and BTr, as well as with the provisions of Treasury Circular No. 03-2013 and other relevant rules and regulations pertinent thereto.

Furthermore, in case the EPSP is not the AAB-Acquirer, the said EPSP shall electronically transmit to the BIR pertinent details of all daily payment transactions and other required information. The prescribed reports shall be electronically submitted by the EPSP directly to the BIR on a daily basis not later than 9:00 a.m. of the following day. The penalties for late transmission, procedural errors, late reporting and remittance shall be imposed pursuant to existing rules and regulations.

The payment of taxes through credit/debit/prepaid card shall be deemed made on the date and time appearing in the system-generated payment confirmation receipt issued to the taxpayer-cardholder by the AAB-Acquirer, provided that payment is actually received by the BIR pursuant to these Regulations.
The taxpayer is not relieved of, and has a continuing liability for such taxes until the payment is actually received by the BIR. This continuing liability of the taxpayer is in addition to any liability of the AAB-Acquirer pursuant to the SLA entered into by the BIR and the AAB-Acquirer.

In the initial implementation of the said prescribed mode of tax payment, the taxpayer shall electronically file the corresponding tax returns. Thereafter, and once the existing BIR systems have been enhanced, the filing of the corresponding tax returns by the taxpayer, through other channels or facilities shall be adopted.

The identity, security, authority, capability of the taxpayer-cardholder transacting with the BIR using its/his/her credit/debit/prepaid card in tax payments and transmission of data shall be secured through encryption and use of relevant industry-standard technologies.