REVENUE MEMORANDUM ORDER NO. 47-2004 issued on November 4, 2004
prescribes the policies and procedures in the monitoring, identification for inclusion or
deletion of Withholding Agents classified as Top 10,000 Private Corporations (TTCs).

The Revenue District Office (RDO) shall recommend and submit to the
Withholding Tax Division (WTD) an alphalist of withholding agents to be included as
TTCs who complied with any of the following criteria:

a) classified and duly notified by the Commissioner of Internal Revenue (CIR)
as a Large Taxpayer (LT) under Revenue Regulations (RR) No. 1-98, as
amended (automatic inclusion);

b) any taxpayer with net VAT paid or payable for the preceding year of at least
P 100,000;

c) any taxpayer with annual income tax paid or payable for the preceding year of at least
P 200,000;

d) any taxpayer with percentage taxes for the preceding year of at least
P 100,000;

e) any taxpayer whose gross sales for the preceding year is over P 10,000,000;
or

f) any taxpayer whose gross purchases for the preceding year is over
P 5,000,000.

The top 5000 Corporations previously notified and classified under RR No. 12-94
shall continue withholding 1% on goods and 2% on services other than those covered by
other withholding tax rates. Their previous notification as such duly issued by the CIR
shall likewise be presented, if needed.

The RDO shall evaluate the taxpayer’s preceding year’s performance based on the
criteria specified above and submit the result of evaluation with the corresponding
recommendation to the WTD on or before May 31 of the following year, to wit:

a) recommended for inclusion as TTC - those who complied with any of the
criteria under RR No. 17-2003; or

b) recommended for deletion as TTC - those who failed to comply with all the
criteria under RR No. 17-2003

The LT Audit Division (LTAD)/LT District Office (LTDO) shall provide the
WTD and LT Programs Division (LTPD) a List of Delisted or Newly Identified LT
within 10 days after date of notification. The RDO/LTAD/LTDO shall immediately
notify the WTD of taxpayers who automatically cease to be a withholding agent due to
reasons specified below, and therefore no prior written notice by the CIR shall be
required.

a) Closure/cessation of business/dissolution (for notice of dissolution given by
the taxpayer to the BIR);
b) Merger/consolidation (for dissolved or absorbed corporations);
c) Any other form of business combination wherein by operation of law a
corporate taxpayer loses its juridical personality.

The RDO/LTAD/LTDO shall ensure the submission by the TTCs of the Initial
and Semestral Alphalist of Regular Suppliers of Goods and Services to be submitted in
hard copy if below 10 payees or soft-copy (diskette) for those with 10 or more payees per
semester for those filing returns on a manual process. For those filing returns under the
Electronic Filing and Payment System, electronic submission (e-submission) shall be used regardless of the number of payees.

<table>
<thead>
<tr>
<th>Alphalist of regular suppliers</th>
<th>Due date of submission</th>
</tr>
</thead>
<tbody>
<tr>
<td>a Initial list</td>
<td>15 days upon receipt of notice</td>
</tr>
<tr>
<td>b 1st semester</td>
<td>July 31</td>
</tr>
<tr>
<td>c 2nd semester</td>
<td>January 31 of the following year</td>
</tr>
</tbody>
</table>

The technical specification and procedures with validation module in the submission of soft-copy or e-submission shall be prescribed in a separate issuance to be issued by the BIR.

The RDO/LTDO/LTS shall monitor the TTCs’ compliance with tax rules and regulations by equitably assigning Revenue Officers to undertake monitoring and evaluation of their performance.

The RDO/LTS/LTDO Key Performance Indicator (KPI) for TTCs shall be as follows:

<table>
<thead>
<tr>
<th>KPI</th>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Submission of Semestral Alphalist</td>
<td></td>
</tr>
<tr>
<td>of Regular Suppliers</td>
<td></td>
</tr>
<tr>
<td>Number of Alphalist of Regular Suppliers</td>
<td>80%</td>
</tr>
<tr>
<td>Total Number of TTCs</td>
<td></td>
</tr>
<tr>
<td>II. Case Closure (non/stop filers of tax returns)</td>
<td>80%</td>
</tr>
<tr>
<td>Number of cases assigned</td>
<td></td>
</tr>
<tr>
<td>Number of non-filer/stop-filer cases created</td>
<td></td>
</tr>
</tbody>
</table>