REVENUE MEMORANDUM ORDER NO. 44-2010 issued on May 12, 2010 prescribes the policies and guidelines relative to the electronic issuance of Letters of Authority (LA) mandating the investigation of taxpayers by the BIR’s various investigating offices, Task Forces and Special Teams.

All concerned BIR officials and employees shall make use of the facilities of the Letter of Authority Monitoring System (LAMS) in the filing, processing and approval of requests for issuance of electronic LAs, as well as the generation/printing of the same. No manually-prepared LA shall be issued after the date of effectivity of the 2010 Audit Program.

Upon the approval of the request for LA, the head of the investigating office concerned shall generate and print the electronic LA. Electronic LAs for special audit cases that shall be undertaken by the Task Forces/Special Teams shall be generated and printed by the Office of the Commissioner, or any other designated Office. The features of the electronic LA are specified in the Order.

In the event that, in the course of the processing of a request for issuance of an electronic LA submitted by an investigating office, it should be determined that a valid LA has been previously issued by another investigating office for the same taxpayer covering the same tax type(s) and taxable period, the resolution of which investigating office shall handle the audit shall be determined by the Commissioner of Internal Revenue, or the designated official.

Beginning June 1, 2010, the rule on the need for revalidation of LAs for failure of the revenue officials to complete the audit within the prescribed period shall be withdrawn. Accordingly, there is no need for revalidation of the LA even if the prescribed audit period has been exceeded. However, the failure of the Revenue Officer to complete the audit within the prescribed period shall be subject to the applicable administrative sanctions.

This Order shall take effect immediately upon the approval and issuance of the 2010 Audit Program.