REVENUE MEMORANDUM ORDER NO. 62-2010 issued on July 1, 2010 prescribes the supplemental guidelines on the electronic issuance of Letters of Authority (LAs) and related audit policies and procedures.

Starting July 1, 2010, the manual issuance of LAs and Tax Verification Notices (TVNs) shall be discontinued for all investigating offices under the Regional Offices, the Large Taxpayer Service (LTS), the Enforcement Service (ES) and the various Task Forces and Special Teams authorized by the Commissioner of Internal Revenue to conduct audit/investigation.

The following cases shall be covered by (eLAs) electronic Letters of Authority:

a. Mandatory cases below the audit thresholds in the 2010 Audit Program for Revenue District Offices (RDOs)
b. Claims for tax refund/credit of Excise Tax under Title VI of the Tax Code of 1997, as amended
c. Claims for tax refund/credit on erroneous/double payment of taxes
d. Taxpayers who are retiring from business, undergoing merger/consolidation/split-up/spin-off and other types of corporate reorganizations with gross assets of ₱ 1,000,000.00 up to ₱ 3,000,000.00
e. Such other cases where TVNs were previously authorized for audit/verification of tax liabilities and other audit-related activities

All unused LA and TVN forms which are still in the possession of the Assistant Commissioners – LTS (ACIRs-LTS), ACIR-ES, Regional Directors, Revenue District Officers, Chiefs of Large Taxpayers Audit Divisions (LTADs), Large Taxpayers District Offices (LTDOs), National Investigation Division, Special Investigation Divisions (SIDs), Assessment Divisions, Administrative Divisions and Heads of Special Audit Task Forces shall be surrendered to and duly accounted for by the Chief, Accountable Forms Division (AFD) within five (5) days from the effectivity of the Order. The Head of the concerned office/Task Force shall transmit to the Chief, AFD, together with the unused blank LAs and TVNs, a certified true copy of the last issued LA and/or TVN by their office and a transmittal list of the surrendered LAs/TVNs with information on the form (name/form number and serial numbers of the surrendered LAs/TVNs). A copy of the list of surrendered LAs/TVNs and certified true copy of the last issued LA/TVN duly received by the AFD shall be furnished by the revenue officials to the Assistant Commissioner, Inspection Service within three (3) days from receipt of the AFD.

For manually prepared LAs covering 2009 tax returns as well as all TVNs issued under the 2010 Audit Program for RDOs, the concerned officials shall be given ten (10) working days from the effectivity of the Order to convert the same to eLAs using the Letter of Authority Monitoring System (LAMS). For other offices under the LTS, ES and for Task Forces and Special Teams, the concerned officials are also given the same time frame to enter the data of their manually issued LAs and TVNs into the LAMS.

All manually prepared LAs covering 2009 tax returns and TVNs issued shall be retrieved and replaced with eLAs. Thus, taxpayers who are in possession of manually prepared LAs/TVNs shall not entertain any Revenue Officer (RO) relative to the audit of their internal revenue tax liabilities for taxable year 2009 unless the same is replaced with eLA. Accordingly, the BIR shall require the surrender of the manual LA/TVN and service of the replacement eLA even if the taxpayer has already paid his/its deficiency tax liabilities for 2009.

A Memorandum of Assignment (MOA) with a system-generated number shall be issued through the LAMS under the following instances:

a. Reassignment for the continuation of the audit/investigation to another RO due to resignation/retirement/transfer of the original RO;
b. Assignment to the original RO of returned cases by the reviewing office and reassignment to another RO of returned cases in case of resignation/retirement/transfer of the original RO;

c. Reassignment to another RO due to referral of the case to another investigating office (e.g., cases referred to SID by the RDO); and

d. Protested cases/cases for reinvestigation.

The existing LAMS shall be enhanced by the Information System Group (ISG) in order to track cases covered by eLAs where MOAs are issued.

The Regional Director shall approve all requests for issuance of eLAs, whether for regular or mandatory cases, in accordance with the selection criteria set under the 2010 Audit Program, through the facility of the LAMS. Likewise, the investigating offices shall make use of the LAMS in printing the eLAs and the MOAs.

All other investigating offices under the LTS, ES and Task Forces shall request their audit cases through the LAMS in accordance with the selection criteria and audit policies approved by the Commissioner for their offices/Task Forces/Special Teams.