REVENUE MEMORANDUM ORDER NO. 71-2010 issued on August 17, 2010 prescribes the guidelines and procedures for the conversion of Accounts Receivables/Delinquent Accounts (ARs/DAs) into the Accounts Receivables Conversion System (ARCS).

All manually identified ARs/DAs shall be converted in the system, including the unpaid 2nd installments of individual taxpayers’ Income Tax liabilities and dishonored checks. A Conversion Team, composed of the revenue officials specified in the Order, shall be responsible for identifying, classifying, segregating, reconciling and monitoring AR/DA for conversion. They shall likewise be responsible for conducting the pre-conversion activities, and ensuring accuracy of the encoded data.

ARs and DAs that will be created beginning August 1, 2010 and are included in the Monthly Summary of Taxes Assessed (BIR Form No. 40.00), Collectible and Disputed Assessment shall be encoded in the ARCS by the Assessment Division, Large Taxpayers Service and Enforcement Service, as the case may be, before the dockets of these cases are transmitted to the Collection Division or concerned Revenue District Office (RDO)/Large Taxpayers District Office (LTDO)/Large Taxpayers Collection Enforcement Division (LTCED), as the case may be. For unpaid second installments of individual taxpayers’ income tax liabilities and dishonored checks that will be identified/created beginning August 1, 2010, these delinquent accounts shall also be encoded into the ARCS by the RDOs immediately upon identification thereof.

The soft-launch conversion of ARs/DAs will be piloted in the Collection Enforcement Division, LTDO-Makati and RDO No. 49, North Makati starting August 15, 2010, and ensure total conversion within sixty (60) days. All other offices handling ARs/DAs shall commence the AR/DA conversion after the soft launch to start August 31 but not later than October 16, 2010 in the aforementioned offices.