

MCC TAX AND OTHER RELEVANT UPDATES

Period Covered: December 2022 to January 2023



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IMPORTANT UPDATES:

A. REVENUE REGULATIONS		
ISSUANCE	DATE ISSUED	SUBJECT
RR No. 15-2022	December 9, 2022	Further amends certain provisions of RR No. 2-98 as amended by RR No. 11-2018, which implemented the provisions of RA No. 10963 (TRAIN Law), relative to some changes in the rate of Creditable Withholding Tax on certain income payments
RR 11-2018	March 15, 2018	MCC: Reminder only on the adjustment of the income tax rate on compensation income.
B. REVENUE MEMORANDUM CIRCULAR		
RMC No. 152-2022	December 7, 2022	Clarifies further the transitory provisions for the VAT zero-rate incentives under Sections 294(E) and 295(D), Title XIII of the Tax Code, as amended, and as implemented by Section 5, Rule 2 and Section 5, Rule 18 of the CREATE Act Implementing Rules And Regulations (CREATE IRR)
RMC No. 153-2022	December 12, 2022	Announces the availability of the BIR Online Registration and Update System (ORUS)
RMC No. 154-2022	December 16, 2022	Supersedes the provisions of RMC No. 142-2019 circularizing the Electronic Documentary Stamp Tax (eDST) System's Balance Adjustment facility as an option for recovery of erroneously deducted DST
RMC No. 155-2022	December 27, 2022	Further extends the acceptance of manually issued Certificate of Entitlement to Tax Incentives (CETI) under RA No. 11534 (Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act)
RMC No. 160-2022	December 27, 2022	Announces the availability of the revised Alphalist Format in the BIR Form No. 1604-C (Annual Information Return of Income Taxes Withheld on Compensation) January 2018 ENCS
RMC No. 3-2023	January 10, 2023	Prescribes the policies and guidelines on the Online Registration of Books of Accounts
RMC No. 5-2023	January 13, 2023	Provides transitory provisions for the implementation of the Quarterly filing of VAT Returns starting January 1, 2023 pursuant to Section 114(A) of the Tax Code of 1997, as amended by RA No. 10963 (TRAIN Law)

RMC No. 7-2023	January 17, 2023	Provides clarification on the Return Processing System (RPS) Assessment being issued by the BIR
RMC 8-2023	January 20, 2023	Circularizes the revised provision on the submission of Inventory List and other reporting requirements pursuant to Revenue Memorandum Circular No. 57-2015
RMC 9-2023	January 26, 2023	Circularizes the availability of revised BIR Form Nos. 1606 and 1706 version January 2018
RMC 10-2023	January 26, 2023	Encourages the use of the Electronic One-Time Transaction (eONETT) System by sellers habitually engaged in the sale of real properties
RMC 12-2023	January 27, 2023	Announces the availability of online application for registration information updates and other online facilities for registration-related transactions through Online Registration and Update System (ORUS)
C. SECURITIES AND EXCHANGE COMMISSION		
SEC Memorandum Circular 9-2022	December 6, 2022	2023 Filing of Annual Financial Statements and General Information Sheet
D. SOCIAL SECURITY SYSTEM		
Circular No. 2022-033	December 13, 2022	New Schedule of Social Security (SS) Contributions effective January 2023

DISCUSSION OF UPDATES

A. REVENUE REGULATIONS

REVENUE REGULATIONS NO. 15-2022

REVENUE REGULATIONS NO. 15-2022 issued on December 9, 2022 further amends certain provisions of Revenue Regulations (RR) No. 2-98 as amended by RR No. 11-2018, which implemented the provisions of Republic Act No. 10963 (TRAIN Law) relative to some changes in the rate of Creditable Withholding Tax under Section 57 of the Tax Code.

Said provision stated that “beginning January 1, 2019, the rate of withholding shall not be less than one percent (1%) but not more than fifteen percent (15%) of the income payment”.

Section 2 of RR 11-2018 on the amendments to Section 2.57.2 of RR 2-98, as amended, is hereby further amended to read as follows:

"SECTION 2.57.2. Income Payments Subject to Creditable Withholding Tax and Rates Prescribed Thereon. – Except as herein otherwise provided, there shall be withheld a

creditable income tax at the rates herein specified for each class of payee from the following items of income payments to persons residing in the Philippines:

(A) xxx

xxx xxx xx

(P) MERALCO Payments on the following:

- (1) MERALCO Refund arising from the ERC Case No. 2020- 043 RC Order promulgated on February 19, 2021 and ERC Case Nos. 2010-069 RC, 2011-088 RC, 2012-054 RC, 2013-056 RC, and 2014-029 RC Orders promulgated on April 29, 2022 - On gross amount of refund given by MERALCO to non-residential customers – Fifteen percent (15%)
- (2) interest income on the refund of meter deposits determined, computed and paid in accordance with the "Rules to Govern Refund of Meter Deposits to Residential and Non-Residential Customers," as approved by the ERC under Resolution No. 12, Series of 2016, dated April 5, 2016 implementing Article 8 of the Magna Carta for Residential Electricity Customers and ERC Resolution No. 2005-10 RM (Otherwise known as DSOAR) dated January 18, 2006, exempting all electricity consumers from the payment of meter deposit. On gross amount of interest paid directly to the customers or applied against the customer's billings:
 - (i) Residential and General Service customers whose monthly electricity exceeds 200 kwh as classified by MERALCO – Ten percent (10%)
 - (ii) Non-Residential Customers — Fifteen percent (15%)

Interest income on the refund paid through direct payment or application against customer's billings by other electric Distribution Utilities (DUs) in accordance with the rules embodied in ERC Resolution No. 12, Series of 2016, dated April 5, 2016, governing the refund of meter deposits which was approved and adopted by ERC in compliance with the mandate of Article 8 of the Magna Carta for Residential Electricity Customers and Article 3.4.2 of DSOAR, exempting all electricity consumers, whether residential or non-residential, from the payment of meter deposit.

REVENUE REGULATIONS 11-2018

By virtue of TRAIN Law, effective January 1, 2023, the following shall be the tax table to be followed and the rates thereof:

REVISED WITHHOLDING TAX TABLE						
Effective January 1, 2023 and onwards						
DAILY	1	2	3	4	5	6
Compensation Range	P 685 and below	P 685 – P 1,095	P 1,096 – P 2,191	P 2,192 – P 5,478	P 5,479 – P 21,917	P 21,918 and above
Prescribed Withholding Tax	0.00	0.00 + 15% over P 685	P 61.65 + 20% over P 1,096	P 280.85 + 25% over P 2,192	P 1,102.60 + 30% over P 5,479	P 6,034.00.30 + 35% over P 21,918
WEEKLY	1	2	3	4	5	6
Compensation Range	P 4,808 and below	P 4,808 – P 7,691	P 7,692 – P 15,384	P 15,385 – P 38,461	P 38,462 – P 153,845	P 153,846 and above
Prescribed Withholding Tax	0.00	0.00 + 15% over P 4,808	P 432.60 + 20% over P 7,692	P 1,971.20 + 25% over P 15,385	P 7,740.45 + 30% over P 38,462	P 42,355.65 + 35% over P 153,846
SEMI-MONTHLY	1	2	3	4	5	6
Compensation Range	P 10,417 and below	P 10,417 – P 16,666	P 16,667 – P 33,332	P 33,333 – P 83,332	P 83,333 – P 333,332	P 333,333 and above
Prescribed Withholding Tax	0.00	0.00 + 15% over P 10,417	P 937.50 + 20% over P 16,667	P 4,270.70 + 25% over P 33,333	P 16,770.70 + 30% over P 83,333	P 91,770.70 + 35% over P 333,333
MONTHLY	1	2	3	4	5	6
Compensation Range	P 20,833 and below	P 20,833 – P 33,332	P 33,333 – P 66,666	P 66,667 – P 166,666	P 166,667 – P 666,666	P 666,667 and above
Prescribed Withholding Tax	0.00	0.00 + 15% over P 20,833	P 1,875.00 + 20% over P 33,333	P 8,541.80 + 25% over P 66,667	P 33,541.80 + 30% over P 166,667	P 183,541.80 + 35% over P 666,667

B. REVENUE MEMORANDUM CIRCULAR

REVENUE MEMORANDUM CIRCULAR NO. 152-2022 issued on December 7, 2022 clarifies further the transitory provisions for the Value-Added Tax (VAT) Zero-Rate incentives under Sections 294(E) and 295(D), Title XIII of the Tax Code, as amended, and as implemented by Section 5, Rule 2 and Section 5, Rule 18 of the Corporate Recovery and Tax Incentives for Enterprises Act Implementing Rules and Regulations (CREATE IRR).

Pursuant to Revenue Regulations (RR) No. 21-2021 and as clarified under Q & A No. 26 of Revenue Memorandum Circular (RMC) No. 24-2022, Registered Export Enterprises (REEs) whose incentives period have already expired are already subject to 12% VAT. Thus, such entities are no longer qualified for VAT zero-rating on their local purchases starting from the effectivity of RR No. 21-2021 on December 10, 2021. However, considering that RMC No. 24-2022 was issued only on March 9, 2022, confirming that the said transactions are indeed subject to VAT at 12%, affected suppliers are now in a quandary on whether or not they have to revert the sales from VAT zero-rated to subject to 12% VAT.

Taking into account that a retroactive application of RMC No. 24-2022 may prejudice the affected taxpayers, it is clarified that the above transactions which transpired from the effectivity of RR No. 21-2021 on December 10, 2021 up to the day before the effectivity of RMC No. 24-2022 on March 8, 2022, shall remain as VAT zero-rated.

In case the purchaser is qualified for VAT zero-rate but was imposed 12% VAT by the seller for the said transitory period, the buyer and the seller may pursue any of the following procedures to correct the situation:

- Retain the transaction as subject to 12% VAT. The seller shall still declare the sales as subject to 12% VAT. Consequently, the purchaser, if VAT-registered, can utilize the passed-on VAT as input tax and shall be deducted from output

tax, if any. Should the purchaser be engaged in zero-rated activities, the same can be recovered through VAT refund pursuant to Section 112(A) of the Tax Code, as amended. If the purchaser is not a VAT-registered taxpayer, the VAT paid shall be claimed as part of the cost of sales or expenses.

- b. Revert the transaction from VAT at 12% to VAT zero-rated. Where the transactions have already been declared in the VAT return/s, the seller may amend the same after reimbursing/returning the VAT paid by the buyer that is an REE.

The adjustment to sales shall only be to the extent of the reimbursed VAT to the REE. The resulting overpayment due to unutilized input tax credits, if any, may be recovered through VAT refund pursuant to Section 112(A) of the Tax Code, as amended, since the corresponding sale is reverted to VAT zero-rated.

On the part of the VAT-registered REE purchaser, the VAT return/s filed shall likewise be amended to reflect the reduced input VAT it previously declared in the VAT return/s.

In this regard, the seller shall retrieve the VAT Sales Invoice/Official Receipt (SI/OR) originally issued to the REE buyer for cancellation and replacement with a zero-rated SI/OR. The seller shall prepare a list of VAT SI/OR cancelled, together with the corresponding zero-rated SI/OR replacement subject to validation of the BIR.

Q & A No. 31 of RMC No. 24-2022, as amended by RMC No. 49-2022, requires REEs who have completed their ITH and now under the 5% Gross Income Tax (GIT)/ Special Corporate Income Tax (SCIT) regime or those already enjoying the 5% GIT/SCIT upon the effectivity of CREATE Act but remained VAT-registered to change their registration to nonVAT within two (2) months from the expiration of the ITH incentive or effectivity of RMC No. 49-2022, whichever is applicable.

VAT" does not necessarily mean that these REEs are subject to PT. "PT" tax type should not be registered since these REEs are only subject to GIT/SCIT in lieu of all other internal revenue taxes. These taxpayers are only required to file and pay the corresponding tax due in their respective Annual or Quarterly Income Tax Returns (BIR Form No. 1702/1702Q), subject to regular validation by the Revenue District Office or Large Taxpayer Audit Division where the REE is registered in order to verify whether no project or activity other than those that are registered under the 5% GIT/SCIT is being carried out by the REE. If found to be in violation, a corresponding assessment and penalties shall be imposed accordingly.

The REEs required to register as non-VAT taxpayer are still qualified and can enjoy their VAT zero-rate incentive on their local purchases of goods and services that are directly and exclusively used in their registered activity until the end of their incentive period. Note that as clarified under Q & A No. 26 of RMC No. 24-2022, REEs whose incentive periods have already expired will be subject to 12% VAT on the local purchases.

REVENUE MEMORANDUM CIRCULAR NO. 153-2022 issued on December 12, 2022 announces the availability of the BIR Online Registration and Update System (ORUS) through the Bureau of Internal Revenue (BIR) website (www.bir.gov.ph) under the eServices icon or thru URL <https://orus.bir.gov.ph>.

The ORUS is a web-based system that gives taxpayers a convenient and alternative facility for end-to-end processing of their registration with the BIR. Its features will be available to taxpayers on the following schedule:

Features	Covered Revenue Regions (RRs)/ Revenue District Offices (RDOs)	Rollout Date
<ul style="list-style-type: none"> • Issuance of Taxpayer Identification Number (TIN) for foreign individuals 	RDO No. 39 – South Quezon City	December 12, 2022
<ul style="list-style-type: none"> • Registration of business and issuance of electronic Certificate of Registration (COR) and Authority to Print (ATP) • Application for an ATP or use of BIR Printed Receipts/ Invoices (BPR/ BPI) • Employer Account Enrollment to facilitate the TIN issuance of employees • Registration of Books of Accounts 	All RDOs under the following RRs: RR No. 6 – City of Manila RR No. 7A – Quezon City RR No. 7B – East NCR RR No. 8A – Makati City RR No. 8B – South NCR RR No. 13 – Cebu City RR No. 19 – Davao City	
<ul style="list-style-type: none"> • Registration of Books of Accounts 	All RDOs under the following RRs: RR No. 1 – Calasiao RR No. 5 – Caloocan City RR No. 10 – Legazpi City RR No. 14 – Eastern Visayas	December 19, 2022
<ul style="list-style-type: none"> • Registration of Books of Accounts 	All RDOs under the following RRs: RR No. 2 – Cordillera Admin. Region RR No. 9A – CaBaMiRo RR No. 9B – LaQueMar RR No. 15 – Zamboanga City	December 22, 2022
	All RDOs under the following RRs: RR No. 3 – Tuguegarao City RR No. 11 – Iloilo City RR No. 16 – Cagayan de Oro City RR No. 17 – Butuan City	December 26, 2022
	All RDOs under the following RRs: RR No. 4 – Pampanga RR No. 12 – Bacolod City RR No. 18 – Koronadal City Large Taxpayers (LT) Service: LT Divisions LT Assistance Division (LTAD)	December 29, 2022

Features	Covered Revenue Regions (RRs)/ Revenue District Offices (RDOs)	Rollout Date
	Excise LT Regulatory Division (ELTRD)	
<ul style="list-style-type: none"> • Registration of business and issuance of electronic COR and ATP • Application for an ATP or use of BPR/BPI • Employer Account Enrollment to facilitate the TIN issuance of employees 	All RDOs Nationwide, including LT Divisions, LTAD and ELTRD	January 16, 2023

Taxpayers of covered RDOs who will use the said online registration facility of the Bureau are required to enroll or create an account in ORUS. To successfully enroll or create an account, taxpayer should provide a valid permanent official email address, which is required to be updated in the BIR's registration record following the guidelines prescribed under Revenue Memorandum Circular No. 122-2022.

REVENUE MEMORANDUM CIRCULAR NO. 154-2022 issued on December 16, 2022 supersedes the provisions of Revenue Memorandum Circular (RMC) No. 142-2019 which prescribed the requirements for availing the Balance Adjustment facility of the Electronic Documentary Stamp Tax (eDST) System as an option for recovery of erroneously deducted amount of DST from the taxpayer's ledger, in lieu of the tax credit/refund remedy.

For the recovery of erroneously deducted DST from the taxpayer's ledger balance in the eDST System, the Balance Adjustment Facility of the system shall be available only for reasons arising from technical/system errors while the tax credit/ refund remedy provided for under Sections 204 (C) and 229 of the 1997 Tax Code, as amended, shall apply for reasons other than purely technical/system errors (i.e., erroneously encoded information details, double/ multiple affixtures of DST by the taxpayer on the same documents, etc.).

To avail the Balance Adjustment Facility, a written request for adjustment in the taxpayer's ledger balance shall be filed by the taxpayer-user with the Chief, Miscellaneous Operations Monitoring Division (MOMD), Collection Service (CS) located at the National Office of the BIR, together with all the necessary documentary proofs on the incident(s) that gave rise to the erroneous deduction of DST from the taxpayer's ledger balance.

Within twenty-four (24) hours from receipt of the written request, the MOMD shall check the completeness of the documentary proofs submitted by the taxpayer-user and, if determined complete, shall endorse the taxpayer's request to the Chief, Administrative Systems Division (ASD) using the Balance Adjustment Recovery Data Request Form (Annex "A").

The ASD shall validate/verify the request of the taxpayer and the results of such validation/verification shall be indicated in the space provided for under the same data

request form. The accomplished data request form shall be returned by the ASD to the MOMD within five (5) days from receipt of the same.

The MOMD shall then forward the data request form to the Assistant Commissioner (ACIR), CS for review and approval or denial thereof. Upon receipt of the data request form from the ACIR, CS, the MOMD shall perform the following:

- a. The MOMD shall notify the taxpayer-user, in writing or through email, the results of the request for balance adjustment within one (1) working day from receipt of the duly accomplished request form from the ACIR, CS.
- b. In case of approval, the Chief, MOMD shall approve the taxpayer-user's request in the "Balance Adjustment Details" facility of the eDST System indicating briefly the reasons for adjustment in the box provided for.
- c. In case of denial, the reason(s) for the denial of the taxpayer's request shall be clearly stated in the notice to the taxpayer.
- d. Should it be determined that the reason for the erroneous deduction of DST from the taxpayer's ledger did not arise from purely technical/system error, the MOMD shall notify the taxpayer-user of the denial of its request and inform the latter that the tax credit/refund remedy provided for under Sections 204 (C) and 229 of the 1997 Tax Code, as amended, shall apply on the case.

REVENUE MEMORANDUM CIRCULAR NO. 155-2022 issued on December 27, 2022 further extends the acceptance of manually-issued Certificate of Entitlement to Tax Incentives (CETI) as an attachment to Annual Income Tax Return (AITR) to be filed by Registered Business Enterprises (RBEs) as proof of their entitlement to Income Tax incentives.

All RBEs enjoying Income Tax incentives shall be allowed to attach the CETI manually issued by their respective Investment Promotion Agency in their AITR for the taxable year 2022 until such time that a system-generated CETI can be issued thru the Fiscal Incentives Registration and Monitoring System being administered by the Fiscal Incentives and Review Board.

The CETI is a requirement for all RBEs in order to avail of the Income Tax Holiday or preferential rate granted by law.

REVENUE MEMORANDUM CIRCULAR NO. 160-2022 issued on December 27, 2022 announces the availability of the revised Alphalist Format in the BIR Form No. 1604-C (Annual Information Return of Income Taxes Withheld on Compensation) January 2018 ENCS. The revised alphalist format includes information on the utilization of 5% tax credit under Personal Equity and Retirement Account (PERA) Act of 2008.

The said alphalist format shall serve as an attachment to the BIR Form No. 1604-C that is required to be filed on or before January 31 of the year following the calendar year in which the compensation payment and other income payments were paid or accrued.

REVENUE MEMORANDUM CIRCULAR NO. 3-2023 issued on January 10, 2023 prescribes the policies and guidelines on the Online Registration of Books of Accounts.

Section 2 of Revenue Memorandum Circular No. 29-2019 is amended in relation to the manner of registration of books of accounts using the Online Registration and Update System (ORUS) facility, which shall now read as follows:

"Section 2. Registration of Books of Accounts (BAs)

All books of accounts shall be registered online with the Bureau's Online Registration and Update System (ORUS). Instead of the manual stamping of books of accounts, a Quick Response (QR) Code shall be generated, which can be validated online.

The manners of bookkeeping or maintaining of books of accounts is summarized as follows:

For New Business Registrants

Type of Books of Accounts	Deadline for Registration	Frequency
1. Manual Books of Accounts	Before the deadline for filing of the initial quarterly Income Tax return or the annual Income Tax return, whichever comes earlier	Before the full consumption of the pages of the previously registered books

For Existing Business Taxpayers or Subsequent Registration

Type of Books of Accounts	Deadline for Registration	Frequency
1. Manual Books of Accounts	Before use of the books	Before the full consumption of the pages of the previously registered books
2. Permanently Bound Loose leaf Books of Accounts	Within fifteen (15) days after the end of each taxable year or within 15 days from the closure of business operations, whichever comes earlier, unless extended by the Commissioner or his duly authorized representative, upon request of the taxpayer before the lapse of the said period.	Annually
3. Computerized Books of Accounts	Within thirty (30) days from the close of each taxable year or within 30 days from the closure of operations,	Annually

Type of Books of Accounts	Deadline for Registration	Frequency
	whichever comes earlier, unless extended by the Commissioner or his duly authorized representative, upon request of the taxpayer before the lapse of the said period.	

New sets of manual books of accounts (BAs) are not required to be registered every year. However, taxpayers may opt to use new set of books of accounts yearly. Hence, new sets of manual BAs shall be registered before its use.

Online Registration of Books of Accounts and QR Stamping

Taxpayers who shall register their books of accounts shall use the BIR Online Registration and Update System (ORUS) at <https://orus.bir.gov.ph>. Upon successful registration, the system shall generate the "QR Stamp", which the taxpayers shall paste on the first page of their manual books of accounts and permanently bound loose leaf books of accounts. In the case of computerized books of account, the "QR Stamp" shall be attached to the transmittal letter showing detailed content of the USB flash drive where the books of accounts and other accounting records are stored/saved. The QR Stamp (Annex) shall have the following taxpayer information printed:

- a. TIN;
- b. Registered Name;
- c. Registered Address;
- d. Type of Book (Manual, Loose leaf or Computerized);
- e. Book Registered;
- f. Permit No./Acknowledgement Certificate Control No. (ACCN) – for Loose Leaf or Computerized
- g. PTU/ACCN Date issued - for Loose Leaf or Computerized
- h. Quantity;
- i. Volume No.;
- j. Date Registered;
- k. Date Approved;
- l. QR Code.

The QR Code shall determine the authenticity of the printed QR Stamp when scanned by any smartphone, which will be redirected to the BIR ORUS website." Upon initial implementation of online registration of books of accounts through ORUS, taxpayers shall still be allowed to register and stamp their manual books of accounts at the Revenue District Office/Large Taxpayer Division/Office where the Head Office or Branch is registered.

The Revenue District Office/Large Taxpayer Division/Office shall announce and inform taxpayers under its jurisdiction that the registration of books of accounts can be done manually or online.

REVENUE MEMORANDUM CIRCULAR NO. 5-2023 issued on January 13, 2023 provides the Transitory Provisions for the implementation of the quarterly filing of Value-Added Tax (VAT) Returns starting January 1, 2023 pursuant to Section 114(A) of the National Internal Revenue Code (NIRC) of 1997 (Tax Code), as amended by Republic Act No. 10963 (TRAIN Law).

VAT-registered taxpayers are no longer required to file the Monthly Value-Added Tax Declaration (BIR Form No. 2550M) for transactions starting January 1, 2023 but will instead file the corresponding Quarterly Value-Added Tax Return (BIR Form No. 2550Q) within twenty-five (25) days following the close of each taxable quarter when the transaction transpired.

In order to avoid confusion during the initial implementation, particularly for taxpayers that are under fiscal period of accounting, the following Transitory Provisions are provided:

Quarter Ending	Transactions Covering the Month of			Filing of 2550Q for the Quarter Ending		
	December 2022	January 2023	February 2023	December 2022	January 2023	February 2023
January 31, 2023	Required to file 2550M not later than January 20, 2023	Not applicable	Not Required to File 2550M	Not applicable	Required to file 2550Q not later than February 27, 2023*	Not applicable
February 28, 2023	Required to file 2550M not later than January 20, 2023	Not Required to File 2550M	Not applicable	Not applicable	Not applicable	Required to file 2550Q not later than March 27, 2023*
March 31, 2023	Not applicable	Not Required to File 2550M	Not Required to File 2550M	Required to file 2550Q not later than January 25, 2023	Not applicable	Not applicable

Note: * - Note that the 25th day deadline falls on a Saturday

REVENUE MEMORANDUM CIRCULAR NO. 7-2023 issued on January 17, 2023 clarifies the Return Processing System (RPS) Assessment being issued by the Bureau of Internal Revenue (BIR).

The "RPS Assessment" is a Collection Letter and sending of which is part of the civil/administrative remedies of the BIR. Its contents are not tax assessments arising from the conduct of audit/investigation of taxpayer's books of accounts and other relevant records. These are tax payables based on taxpayer's own tax declaration as reflected in the tax returns filed.

The moment the taxpayer failed to pay the declared tax payable in the tax return within the prescribed due date, the BIR considers it already as "delinquent account" pursuant to Revenue Memorandum Order No. 11-2014. To effect collection thereof, the Bureau can both enforce civil and criminal actions as provided under Section 205 of the Tax Code, as amended.

The sending of "RPS Assessment" should not be likened to and is not an Assessment Notice arising from audit where taxpayer has the chance to contest or protest. Considering that no books of accounts and accounting records of taxpayer are to be examined or subjected to audit, the issuance of Letter of Authority shall not be required

REVENUE MEMORANDUM CIRCULAR NO. 8-2023 issued on January 20, 2023 revises the provision on the submission of Inventory List and other reporting requirements pursuant to Revenue Memorandum Circular No. 57-2015. Section 2 is amended as follows:

"SECTION 2. PRESCRIBED FORMAT AND DEADLINE FOR SUBMISSION

"All taxpayers with tangible asset-rich balance sheets, often with at least half of their total assets in working capital assets, e.g., accounts receivable and inventory, shall submit, in addition to the annual inventory list, schedules/lists prescribed herein, in soft copies, using the format shown in Annex "A" (for manufacturing/merchandising or retail company); Annexes "B" and "B-1" (for real estate company) and Annex "C" (for construction industry)" (...)

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The soft copies of the inventory list including other applicable schedules shall be stored/saved in Digital Versatile Disk-Recordable (DVD-R) or Universal Storage Bus (USB) Flash drive properly labelled and submitted, together with a notarized certification, as shown in Annex "D" hereof, duly signed by the authorized representative of the taxpayer certifying that the data/information contained in the DVD-R or USB are true and correct.

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REVENUE MEMORANDUM CIRCULAR 9-2023 issued on January 26, 2023 circularizes the availability of revised BIR Form Nos. 1606 and 1706 version January 2018. Kindly refer to the following link for the copies of the latest versions:

Form	Link
BIR Form 1606	Form: RMC No. 9-2023 Annex A.pdf (bir.gov.ph) Guide: BIR Form 1606 Withholding Tax Remittance Return
BIR Form 1706	Form: RMC No. 9-2023 Annex B.pdf (bir.gov.ph) Guide: BIR FORM 1706 CAPITAL GAINS TAX RETURN

REVENUE MEMORANDUM CIRCULAR 10-2023 issued on January 26, 2023 which reminds taxpayers habitually engaged in the sale of real property to make use of Electronic One Time Transaction (ONETT) in securing OCS/ Ecar relative to transfer of real properties. Likewise, they are also encouraged to pay electronically thru available e-payment facility of the Bureau of Internal Revenue.

REVENUE MEMORANDUM CIRCULAR 12-2023 issued on January 27, 2023 announcing the availability of updating of registration information through Online Registration and Update System (ORUS)

Features	Application Details
Registration Information Update	<ul style="list-style-type: none"> • Availment of 8% Income Tax Return Option • Submission of Application for Change in Accounting Period • Registration/Addition of Tax Incentive • Change/Update of Contact Type • Change/Update of Contact Person/Authorized Representative • Change/Update of Stockholders/Members/Partners
Secondary Registration	<ul style="list-style-type: none"> • Registration of Permit to Use (PTU) Loose-leaf • System Registration of Computerized Accounting System (CAS)
Other Online Facility	<ul style="list-style-type: none"> • Submission of Application for Closure or De-registration of Business • Submission of Application for TIN Cancellation

C. SECURITIES AND EXCHANGE COMMISSION

Please be guided by the December 31, 2022 AFS submission deadlines, as per SEC MC 09-2022, as attached.

Accordingly, ALL corporations, including branch offices, representative offices, and ROHQ, shall file their AFS through the SEC Electronic Filing and submission Tool (eFAST). The deadlines are depending on the last numerical digit of their SEC Registration or License numbers:

Submission dates	Last digit of SEC Registration/ License number
May 2, 3, 4, 5	1 and 2
May 8, 9, 10, 11, 12	3 and 4
May 15, 16, 17, 18, 19	5 and 6
May 22, 23, 24, 25, 26	7 and 8
May 29, 30, 31, and June 1, 2	9 and 0

The above shall not be applicable to the following:

1. Corporations whose fiscal years end on a date other than December 31, 2022, shall file their AFS within 120 days from the end of their fiscal year.
2. Companies whose shares are listed on the PSE and/or those considered public companies shall file their AFS within 105 days after the end of the fiscal year.
3. Companies whose AFS is being audited by the Commission of Audit (COA)

All companies **may file their AFS regardless of the last numerical digit of their registration before the first day of the coding schedule.**

Late submissions after due dates shall be accepted starting June 5, 2023, and shall be subject to penalties.

D. SOCIAL SECURITY SYSTEM

The Social Security contribution pursuant to Republic Act No. 11199 otherwise known as the Social Security Act of 2018 has recently increased its contribution. Pursuant to this, The Social Security System published through Circular No. 2022-033 the table of contributions to be followed effective January 1, 2023. Please see [Circular 2022-033](#) for the new table of contributions.

E. OTHER UPDATES

The President, through Executive Secretary Lucas Bersamin issued a memorandum to Undersecretary Maria Rosario Vergeire suspending the implementation of another round of increase in the PHIC Contribution Rate from 4% to 4.5% pursuant to the provisions of Universal Healthcare Act.

*****Nothing Follows*****