

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

October 22, 2012

REVENUE REGULATIONS NO. 18-2012

SUBJECT : Regulations in the Processing of Authority to Print (ATP) Official Receipts, Sales Invoices, and Other Commercial Invoices using the On-line ATP System and Providing for the Additional Requirements in the Printing Thereof.

TO : All Internal Revenue Officers and Others Concerned

Pursuant to the provisions of Section 244, in relation to Sections 237 and 238 of the National Internal Revenue Code of 1997, as amended, these Regulations are hereby promulgated to prescribe the policies and guidelines in the processing of Authority to Print Official Receipts (ORs), Sales Invoices (SIs) and other Commercial Invoices (CIs) using the on-line ATP Systems and providing for the additional requirements in the printing thereof.

SECTION 1. OBJECTIVES

1. To enhance and facilitate the processing of the Authority to Print ORs, SIs and CIs by having a full automation of the processes involved in the application, generation, approval and issuance of the same through a web-based ATP (on-line ATP) System.
2. To provide for the additional requirements for the printing of official receipts, sales invoices and other commercial invoices.
3. To classify receipts and invoices into Principal and Supplementary Receipts/ Invoices.
4. To regulate further the printing of all invoices by setting a validity period.
5. To provide for the standard reports pertaining to the processing of the ATP.

SECTION 2. DEFINITION OF TERMS

1. **OUTBOUND CORRESPONDENCE NUMBER (OCN)** - a systems-generated control number which serves as reference for every Authority to Print issued to a taxpayer.

2. **PRINCIPAL RECEIPTS / INVOICES** - for purposes of this regulations, it is a written account evidencing the sale of goods and/or services issued to customers in an ordinary course of business which necessary includes the following:

- 2.1 **VAT SALES INVOICE** - for purposes of Value Added Tax (VAT) pursuant to Section 106 of the NIRC, as amended, it is a written account evidencing the sale of goods and/or properties issued to customers in an ordinary course of business, whether cash sales or on account (credit) which shall be the basis of the output tax liability of the seller and the input tax claim of the buyer. Cash Sales Invoices and Charge Sales Invoices falls under this definition.

- 2.2 **VAT OFFICIAL RECEIPT** - for purposes of Value Added Tax (VAT) pursuant to Section 108 of the NIRC, as amended, it is a proof of sale of service and/or leasing of properties which shall be the basis of the output tax liability of the seller and the input tax claim of the buyer. It is a written admission or acknowledgment of the fact that money has been paid and received for the payment or settlement between persons rendering services and its customers.

- 2.3 **NON-VAT SALES INVOICES** - for purposes of Percentage Tax pursuant to Section 116 of the NIRC, as amended, it is a written account evidencing the sale of goods and/or properties issued to customers in an ordinary course of business, whether cash sales or on account (credit) which shall be the basis of the Percentage Tax liability of the seller.

- 2.4 **NON-VAT OFFICIAL RECEIPTS** - for purposes of Percentage Tax pursuant to TITLE V of the NIRC, as amended, it is a proof of sale of service and/or leasing of properties which shall be the basis of the Percentage Tax liability of the seller. It is a written admission or acknowledgment of the fact that money has been paid and received for the payment or settlement between persons rendering services and its customers.

3. **SUPPLEMENTARY RECEIPTS / INVOICES** - for purposes of these Regulations, these are also known as **COMMERCIAL INVOICES**. It is a written account evidencing that a transaction has been made between the seller and the buyer of goods and/or services, forming part of the books of accounts of a business taxpayer for recording, monitoring and control purposes.

It is a document evidencing delivery, agreement to sell or transfer of goods and services which includes but are not limited to delivery receipts, order slips, debit and/or credit memo, purchase order, job order, provisional/temporary receipt, acknowledgement receipt, collection receipt, cash receipt, bill of lading, billing statement, statement of account, and any other documents, by whatever name it is known or called, whether prepared manually (handwritten information) or pre-

printed/pre-numbered loose-leaf (information typed using excel program or typewriter) or computerized as long as it is used in the ordinary course of business being issued to customers or otherwise.

Supplementary receipts/invoices, for purposes of Value-Added Tax, are not valid proof to support the claim of Input Taxes by buyers of goods and/or services.

4. **On-line ATP SYSTEM** – an IT infrastructure that caters to the on-line processing (application, approval and issuance) of ATP and the on-line generation of printer's periodic reports with the capability to match and process data and generate discrepancy report of dubious entries.
5. **Government Proprietary Function** – for purposes of these Regulations, when a public corporation or a local government unit acts in its proprietary character, it is regarded as having the rights and obligations of a private corporation. For government entities to be taxable, the following requisites must concur: (1) the government entity concerned must not be performing an essential governmental function; and (2) it must be engaged in similar business, industry, or activity as performed by other ordinary taxable corporations. All income realized from or received in the exercise of its proprietary functions shall be subject to income tax and business taxes in the same manner as other private corporations similarly situated.

SECTION 3. POLICIES AND GUIDELINES

AUTHORITY TO PRINT (ATP) AND MANNER OF PRINTING OF RECEIPTS / INVOICES.-

1. All persons, whether private or government, who are engaged in business shall secure /apply from the BIR an Authority to Print principal and supplementary receipts/invoices.

National Government Agencies (NGAs), Government Owned and Controlled Corporation (GOCCs) and Local Government Units (LGUs) engaged in proprietary functions shall apply for ATP in the printing of their principal and supplementary receipts/invoices.

2. For newly registered taxpayers, the ATP shall be secured simultaneously with the Certificate of Registration (COR).
3. The Taxpayer-applicant shall apply for an ATP and submit the required documents, using the on-line ATP System. However, in case of systems downtime, taxpayer shall apply for ATP and submit the required documents at the RDO or concerned LT Office having jurisdiction over the taxpayer's Head Office.
4. As a general rule, all applications for ATP of the Head Office (HO) and all its branches shall be done on-line. In case of systems downtime as officially posted in the BIR website, all applications for ATP shall be manually filed and the corresponding ATP shall be manually issued through an alternative off-line ATP system, by the RDO or concerned LT Office having jurisdiction over the taxpayer's Head Office. All applications for ATP processed during systems downtime shall be immediately uploaded by the concerned RDO or LT Office, upon availability of the on-line ATP system.

5. There shall be one application for ATP per establishment (HO or branch) which shall be filed with RDO/LT Office concerned where the HO is registered. Each application shall be issued a separate ATP. The principal and supplementary receipts/invoices of the HO and each of the branches must have their own independent series of serial number. Each application as well as the printed accounting document/s shall reflect the exact address of the branch, TIN and the branch code attached to the TIN.

The TIN, branch code (if applicable) and address of the HO must be reflected in the printed principal and supplementary Receipts/Invoices used in the business premises of the HO. Likewise, the printed principal and supplementary receipts/invoices to be issued/used in the branches (if applicable) must reflect the TIN, branch code and address of the branch/es.

6. The approved ATP shall be valid only upon full usage of the inclusive serial numbers of principal and supplementary receipts/invoices reflected in such ATP or five (5) years from issuance of the same, whichever comes first.
7. No ATP shall be granted for the printing of principal and supplementary receipts/invoices unless the required information which shall be prescribed in a separate revenue issuance, are reflected therein.
8. The replicate copy of the ATP issued shall be printed at the inside back portion of the cardboard cover of each booklet/pad of principal and supplementary receipts/invoices printed.
9. Only BIR Accredited Printers shall have the exclusive authority to print principal and supplementary receipts/invoices.
10. The on-line ATP System shall generate reports that will be prescribed in the Revenue Memorandum Order that will be issued for this purpose.

SECTION 4.PENALTY CLAUSE.

Any acts or omission violating any provisions of these Regulations shall be subject to penalty imposed pursuant to Section 264 of the NIRC, as amended.

SECTION 5.TRANSITORY PROVISION.

All unused/unissued principal and supplementary receipts/invoices printed prior to the effectivity of these Regulations, shall be valid until June 30, 2013.

A taxpayer with expiring ATP for its invoices/receipts (principal and supplementary) shall apply for a new ATP not later than Sixty (60) days prior to actual expiry date. All unused/unissued principal/supplementary receipts/invoices shall be surrendered to the RDO where the taxpayer is registered on or before the 10th day after the validity period of the

expired receipts/invoices for destruction. An Inventory listing of the same shall also be submitted.

Portions of these Regulations which can be implemented immediately given the present capabilities of the system shall strictly be complied with upon the effectivity of these Regulations.

SECTION 6.REPEALING CLAUSE.

All existing rules, regulations and other issuances or portions thereof inconsistent with the provisions of these Regulations are hereby modified, repealed or revoked accordingly except those rules that would necessitate system enhancement when the modified rules shall take effect only upon availability of the enhanced system.

SECTION 7.EFFECTIVITY CLAUSE.

These Regulations shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

(Original Signed)
CESAR V. PURISIMA
Secretary of Finance

Recommending Approval:

(Original Signed)
KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

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