**STANDARD FUNCTIONAL AND TECHNICAL REQUIREMENTS**

**ON THE USE OF COMPUTERIZED ACCOUNTING SYSTEM (CAS), COMPUTERIZED BOOKS OF ACCOUNTS (CBA) AND/OR ITS COMPONENTS, INCLUDING THE ELECTRONIC STORAGE SYSTEM (ESS), MIDDLEWARE AND OTHER SIMILAR SYSTEMS**

| **Put check (**✓**) in the box () if compliant, cross (x) if not compliant or “N/A” on the “Remarks” column if not applicable.** | | |
| --- | --- | --- |
| **DESCRIPTION** | **COMPLIED** | **REMARKS** |
| 1. The system generates receipts/invoices and the Serial Number is generated from the system. The following information must be reflected on the face of the system-generated principal and/or supplementary receipts/invoices:    1. Seller’s Registered Name; |  | *Specify if Sales Invoice or Official Receipt or both.* |
| * 1. Seller’s Business Name/Business Style, if any; |  |  |
| * 1. Seller’s Registered Address where the machine will be used; |  |  |
| * 1. The phrase “VAT REG TIN” or “NON-VAT REG TIN”, whichever is applicable, followed by the nine (9)-digit Taxpayer Identification Number (TIN) with five (5)-digit Branch Code of the Seller, whichever is applicable; |  |  |
| * 1. Serial Number of the receipts/invoices printed prominently with minimum of six (6) running digits (padded with zeroes or leading zeroes are shown). Define the numbering convention if applicable and indicate the number of running digits in the “Remarks” column; |  |  |
| * 1. Date of Transaction; |  |  |
| * 1. A space provided for the Customer/Buyer details, as follows:      1. Buyer’s Registered Name; |  |  |
| * + 1. Buyer’s Registered Address; |  |  |
| * + 1. Buyer’s TIN and Branch Code; |  |  |
| * + 1. Buyer’s Business Name/Business Style, if any; |  |  |
| * 1. Quantity (for Sale of Goods); |  |  |
| * 1. Description of items sold/goods or Nature of services rendered; |  |  |
| * 1. Unit Cost/Suggested Retail or SRP (for Sale of Goods); |  |  |
| * 1. Total Cost/Amount; |  |  |
| * 1. VAT Amount (if transaction is subject to 12%VAT); |  |  |
| * 1. If taxpayer is engaged in mixed transactions, the amounts involved shall be broken down to the following:      1. VATable Sales; |  |  |
| * + 1. VAT Amount; |  |  |
| * + 1. VAT Exempt Sales; |  |  |
| * + 1. Zero-Rated Sales; |  |  |
| * 1. The word “EXEMPT” must be prominently shown on the face of the receipts/invoices for taxpayers whose transactions are not subject to both VAT and Percentage Tax; |  |  |
| * 1. For transactions related to Senior Citizen (SC), Person with Disability (PWD), the following details or information must be reflected on the system-generated receipts/invoices, if applicable:      1. SC/PWD TIN, if any; |  |  |
| * + 1. OSCA or SC ID No./PWD ID No.; |  |  |
| * + 1. SC/PWD discount showing detailed breakdown of the 20% and 12% VAT Exemption, or 5% discount, whichever is applicable; |  |  |
| * + 1. Provision/Space for the Signature of the SC/PWD; |  |  |
| * 1. The following information must be printed at the bottom portion of the receipts/invoices:      1. Acknowledgment Certificate and “Date Issued” (mm/dd/yyyy); |  |  |
| * + 1. Series Range to be used; |  |  |
| * + 1. The phrase: **“THIS** **INVOICE/RECEIPT *(indicate whichever is applicable)* SHALL BE VALID FOR FIVE (5) YEARS FROM THE DATE OF ACKNOWLEDGMENT CERTIFICATE” *(For Principal Receipts/Invoices ONLY)*;** |  |  |
| * + 1. The phrase: **“THIS** **DOCUMENT SHALL BE VALID FOR FIVE (5) YEARS FROM THE DATE OF ACKNOWLEDGMENT CERTIFICATE” *(For Supplementary Receipts/Invoices ONLY)*;** |  |  |
| * + 1. The phrase: **“THIS DOCUMENT IS NOT VALID FOR CLAIM OF INPUT TAX”** in bold letters conspicuously printed on all supplementary receipts/invoices or purely “EXEMPT” transactions**;** |  |  |
| * 1. The word “REPRINT” must be reflected on the face of the receipts/invoices for subsequent printouts (similar template and contents); |  |  |
| 1. Receipts/Invoices are prepared at least in duplicate. The original shall be issued to the purchaser/customer and the duplicate shall be kept and preserved in the place of business. |  | *Indicate number of copies* |
| 1. The system-generated Books of Accounts must reflect the mandatory fields stated on Revenue Regulations (RR) No. 9-2009, such as the but not limited to the following:    1. **General Journal:**       1. Date; |  |  |
| * + 1. Reference; |  |  |
| * + 1. Brief Description/Explanation; |  |  |
| * + 1. Account Title (or Account Code if Chart of Accounts Master File is available); |  |  |
| * + 1. Debits; |  |  |
| * + 1. Credits; |  |  |
| * 1. **General Ledger:**      1. Date; |  |  |
| * + 1. Reference; |  |  |
| * + 1. Brief Description/Explanation; |  |  |
| * + 1. Account Title (or Account Code if Chart of Accounts Master File is available); |  |  |
| * + 1. Debits; |  |  |
| * + 1. Credits; |  |  |
| * 1. **Sales Journal:**      1. Date; |  |  |
| * + 1. Customer’s TIN; |  |  |
| * + 1. Customer’s Name (or Customer Code if Customer Master File is available); |  |  |
| * + 1. Address (not necessary if Customer Master File is available); |  |  |
| * + 1. Description; |  |  |
| * + 1. Reference/Document No./ Sales Invoice No.; |  |  |
| * + 1. Amount; |  |  |
| * + 1. Discount; |  |  |
| * + 1. VAT Amount (Output Tax); |  |  |
| * + 1. Net Sales; |  |  |
| * 1. **Purchase Journal:**      1. Date; |  |  |
| * + 1. Supplier’s TIN; |  |  |
| * + 1. Supplier’s Name (or Vendor’s Code if Vendor Master File is available); |  |  |
| * + 1. Address (not necessary if Vendor Master File is available); |  |  |
| * + 1. Description; |  |  |
| * + 1. Reference/Document No./Sales Invoice No.; |  |  |
| * + 1. Amount; |  |  |
| * + 1. Discount; |  |  |
| * + 1. VAT Amount (Input Tax); |  |  |
| * + 1. Net Purchases; |  |  |
| * 1. **Inventory Book:**      1. Date; |  |  |
| * + 1. Product Name (or Product Code if Product Description Master File is available); |  |  |
| * + 1. Description; |  |  |
| * + 1. Unit; |  |  |
| * + 1. Price per Unit; |  |  |
| * + 1. Amount. |  |  |
| 1. The “System” reflects the following on the printout and electronic copy of the Books of Accounts, Financial Statements and Other System-Generated Reports:    1. Taxpayer’s Registered Name; |  |  |
| * 1. Registered Address where such reports are generated; |  |  |
| * 1. The phrase “VAT REG TIN” or “NON-VAT REG TIN”, whichever is applicable, followed by the nine (9)-digit Taxpayer Identification Number (TIN) with four (4)-digit or five (5)-digit Branch Code of the Seller; |  |  |
| * 1. Software Name and Version Number; |  |  |
| * 1. User Name/ID of the one who generated the report; |  |  |
| * 1. Date and Time Stamp when the report was generated; |  |  |
| 1. The “System” is capable of saving Books of Accounts, Financial Statements and Other System-Generated Reports in .csv or .dat file format in compliance with RR No. 16-2006. |  |  |
| 1. The “System” can send sales data or information to the Bureau of Internal Revenue (BIR) in relation to the issuance of system-generated receipts/invoices or e-Receipts/e-Invoices on the format mandated by BIR. |  |  |
| 1. The “System” database backup can be preserved for a mandatory period of ten (10) years pursuant to RR No. 17-2013, as amended by RR No. 5-2014. |  |  |
| 1. The “System” generates an audit trail or activity log showing all the transactions and other activities performed within the “System” that can be printed. |  |  |
| 1. The system can generate the following BIR Withholding Tax Certificates:  * BIR Form 2306 - Certificate of Final Tax Withheld At Source; |  |  |
| * BIR Form 2307 - Certificate of Creditable Tax Withheld At Source; and |  |  |
| * BIR Form 2316 - Certificate of Compensation Payment/Tax Withheld For Compensation Payment With or Without Tax Withheld.   Specify if Certificate is with electronic or digital signature and how the system generated Withholding Tax Certificate is transmitted to the employees/payees under the “Remarks” column. |  |  |
| 1. The complete audit trail of the system must have the following functionalities:    1. The system controls the receipt numbering; |  |  |
| * 1. The system generates the posting date of the receipt transaction as the date it entered into the system; |  |  |
| * 1. The transaction can be voided, but not modified once posted; |  |  |
| * 1. The run date is the date the report was generated; |  |  |
| * 1. Users are prevented from editing data within system generated reports; |  |  |
| * 1. The system prevents users from having the capability to override edits within computer programs; |  |  |
| * 1. Each transaction/record is stamped with the user ID of the individual that created the transaction; and |  |  |
| * 1. The “System” automatically totals and double checks/cross-checks totals of all accounts/transactions and report an out-of-balance condition or incorrect computation of transaction. |  |  |
| 1. The System Security Framework must meet the following: 2. There is a standard procedure and approval in securing access for users; |  |  |
| 1. Users are restricted from being active on multiple terminals at the same time with the same user identification code; |  |  |
| 1. User identification codes are deactivated after unsuccessful attempts to sign on the computer; |  |  |
| 1. Password is required to be changed every thirty (30) days; |  | *Indicate policy on change of password* |
| 1. Users other than System Administrators and Security Administrators are prevented from accessing sensitive operating system commands; |  |  |
| 1. Passwords required a combination of alphabetic and numeric characters; |  | *Indicate the rule in creating password* |
| 1. Users are prevented from accessing accounting information except through authorized transactions within the system; |  |  |
| 1. User access rights can be eliminated or revised upon termination of employment and transfer of employee responsibility; |  |  |
| 1. Computerized audit trails are protected from modification and destruction; |  | *State security policy on modification of password* |
| 1. Server Rooms and Data Centers are kept locked and access controlled with an authentication mechanism; |  |  |
| 1. Server Rooms and Data Centers are equipped with air-conditioning; |  |  |
| 1. Server Rooms and Data Centers are protected against power failure and fire;   Specify how the Server Rooms and Data Centers are protected under the “Remarks” column. |  |  |
| 1. Server Rooms and Data Centers cables are properly installed under the floor or into the walls and not left on the floor; |  |  |
| 1. Unused network connection points are disabled; |  |  |
| 1. All incoming Dial-up uses a strong password authentication system; |  |  |
| 1. Remote accesses via Internet are encrypted; |  |  |
| 1. Accesses to external networks are occurring over a firewall and the same are monitored and audited; |  |  |
| 1. The application access is protected with an authentication mechanism; and |  |  |
| 1. Database record modification is logged for critical applications. |  |  |
| 1. For adjustment to sales/revenue, the following must be available within the system: 2. There is a mechanism within the system that enables the adjustment to sales/revenue, such as supplementary documents generated and issued to other parties (specify the process and the document that will be used/generated under the “Remarks” column); and |  |  |
| 1. The supplementary documents must have a unique serial number. (Specify the numbering convention under the “Remarks” column.) |  |  |

**Accomplished by:**

*(In case of Sworn Statement)*

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Name of Taxpayer-Applicant/ Representative**

(Signature over printed name)

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_­\_\_

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*(In Case of Joint Sworn Statement)*

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**Taxpayer/User System/Software Developer/Provider**

(Signature over printed name) (Signature over printed name)

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_