

REVENUE MEMORANDUM ORDER NO. 29-2021 issued on October 29, 2021 directs BIR offices to monitor and verify the tax compliance of online merchants, social media influencers and other businesses operating through digital or online platforms (hereinafter referred to as “subject taxpayers”) who are registered or residing within their jurisdictions.

A Special Task Force (STF) in every Revenue Regional Office and in the Large Taxpayer Service (LTS) shall be created to perform the following tasks:

- A. Gather and collate all relevant information pertaining to, and create a database of:
 - i. All online sellers of goods and/or services (e.g., financial technology (fintech) companies, online leasing services or renting out of property via Airbnb, Agoda.com, Booking.com and other online leasing platforms) and SMIs registered or residing within their jurisdictions
 - ii. properties being leased out by online lessors within their respective jurisdictions
- B. Determine which among the subject taxpayers are or are not registered with the BIR.
 - i. For registered taxpayers, evaluate their tax compliance, to wit:
 - o Payment of annual registration fee (ARF);
 - o Issuance of Sales Invoices (SIs)/Official Receipts (ORs);
 - o Keeping of Books of Accounts;
 - o Timely filing of requisite tax returns and the payment of taxes due thereon;
 - o Withholding of tax on income payments subject to withholding and the timely remittance of tax withheld;
 - o Filing of required information returns, such as the Summary List of Sales/Purchases (SLSP), Annual Alpha List of Payees, etc. on or before the due dates prescribed by law or existing revenue issuances, whenever applicable.

In evaluating the subject taxpayers’ tax compliance, the STF may conduct Tax Compliance Verification Drive (TCVD). However, prior to the conduct of TCVD, the STF shall verify from the BIR’s database the taxpayer’s registration information including: i) the registered SIs/ORs or those allowed to be printed and used pursuant to a duly issued Authority to Print or Permit to Use Cash Register/Point of Sale Machines (CRM/POS); ii) registered Computerized Accounting System, if any; and iii) registered Books of Accounts.

After the evaluation, STF shall prepare a list of taxpayers who shall be recommended for the issuance of a Letter of Authority (LOA) by the RDO, Large Taxpayers Division/Large Taxpayers Audit Division (LTD/LTAD), Regional Investigation Division (RID) or the National Investigation Division (NID), as the case may be, having jurisdiction over the taxpayer following the existing policies and procedures in the conduct of audit.

- ii. For unregistered taxpayers, the STF shall notify them to register and pay voluntarily any unpaid taxes due on past transactions. If the notified taxpayers do not register and pay their tax obligations within the time prescribed in the notice, the STF shall endorse the case to the concerned RID or NID for the conduct of preliminary investigation, which may warrant the issuance of LOA for the filing of a Run After Tax Evaders (RATE) case and/or for other tax enforcement actions.

- iii. Submit a Monthly Accomplishment Report (MAR) with their respective Regional Director (RD) and the Assistant Commissioner (ACIR) - LTS, on or before the 5th day of the following month.

Voluntary declarations made by the subject taxpayers shall be verified through the Exchange of Information (EOI) mechanism under the valid and effective tax treaties, if applicable. In case discrepancies or inconsistencies are found, the STF shall recommend to the concerned RDO, LTD/LTAD, RID, or NID, as the case may be, the issuance of LOAs against the subject taxpayers.

After obtaining a LOA, the STF shall initiate a request for information from a treaty partner through the EOI Unit of the International Tax Affairs Division (ITAD) to verify the truthfulness of such information. Concerned RDOs, LTD/LTAD, RID or NID, which shall investigate the taxpayers recommended by the STF, can likewise request for information from ITAD, if necessary, following the same procedures prescribed under existing policy.

The Reporting Requirement specified in Section IV of the Order shall be followed by all concerned BIR offices. Non-compliance with the directives contained in the Order shall subject the concerned revenue personnel to administrative sanctions pursuant to existing laws, rules, and revenue issuances.