Tax Advisory

Revenue Memorandum Circular No. 107-2025

Suspension of all Audit and Other Field Operations of the Bureau of Internal Revenue Until Lifted by the Commissioner of Internal Revenue

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ORDER

All ongoing field audits and related field operations:

- Letter of Authority (LOA)
- Mission Order (MO)
- Examination, and verification of taxpayers' books of accounts, records, and other related transactions

However, it is imperative to stress that efforts to maximize revenue collection should be maintained throughout the year. Therefore, the issuance of Assessment Notices, Warrants, and Seizure Notices ***shall continue*** under the exceptions outlined in Section IV. Additionally, taxpayers may voluntarily pay their known deficiency taxes without needing approval from the appropriate revenue officials.

COVERAGE

This order applies to all operating offices of the BIR that conduct field audits and related field operations, including but not limited to:

- Large Taxpayers Service (LTS);
- Revenue Regions (RRs);
- Revenue District Offices (RDOs);
- National and Regional Investigation Divisions;
- Assessment Divisions;
- VAT Audit Unit (LTS);
- VAT Audit Sections;
- Office Audit Sections;
- All other offices, committees, and task forces authorized to conduct examinations, verification of taxpayers' books of account, records, and other related transactions or investigations.

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EXCEPTIONS

During this suspension period, the issuance of written orders to audit or investigate taxpayers' internal revenue liabilities is suspended, except in the following circumstances:

- Investigation of cases prescribing within six (6) months from the date of this Order;
- Processing and verification of estate tax returns, donor's tax returns, capital gains tax returns, and withholding tax returns on the sale of real properties or shares of stocks, together with the documentary stamp tax returns related thereto;
- Examination or verification of internal revenue tax liabilities of taxpayers retiring from business;
- LOAs/MOs necessary for active criminal probes conducted by duly authorized enforcement units through verified intelligence reports, inter-agency referrals, thirdparty data validation, or risk-scoring anomalies that require immediate audit action where delay would prejudice the government's case;
- Claims for refund where the issuance of an LOA is statutorily required; and
- Other matters/concerns where deadlines have been imposed or under the orders of the Commissioner.

SPECIFIC DIRECTIVES

Within fifteen (15) working days from the effective date of this order, all concerned offices, committees, and task forces must submit an inventory of all pending or unserved LOAs, revalidated or expired LOAs, and supplementary or related LOAs, MOs, including their status to the Office of the Commissioner.

NO revalidation, extension, replacement, or supplementary LOA and MO shall be issued during the suspension period unless it falls under the exceptions in Section IV.

The Technical Working Group/Review Committee on LOA Integrity and Audit Reforms is directed to evaluate existing policy frameworks, identify operational and systemic vulnerabilities, recommend a revised, integrity-based LOA issuance protocol, and integrate digital safeguards and uniform audit standards. The Committee shall submit its recommendations within the period prescribed by the Commissioner.

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MONITORING & ACCOUNTABILITY

Failure to comply with this Order shall constitute an administrative offense. Erring personnel shall be subject to appropriate disciplinary action, without prejudice to any applicable civil or criminal liability. All internal revenue officers and others concerned shall ensure strict enforcement within their areas of responsibility.

EFFECTIVITY

This Order shall take effect immediately upon issuance.

NOTES

For LOAs issued prior to RMC No. 107-2025

Please note that under RMC No. 107-2025, only the issuance of new Letters of Authority (LOAs) has been suspended. This suspension does not cover LOAs that were issued prior to the effectivity of the circular. All taxpayers with existing or previously issued LOAs are still required to fully comply with the ongoing audit and submit the necessary documents as mandated.

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