



Tax in a Dot Hot and fresh!

Dear Valued Clients and Friends,

Simplified processing of compromise settlement and abatement cases

All applications for compromise settlement, abatement, or cancellation of internal tax liabilities filed by taxpayers that have been evaluated by the Regional Evaluation Board (REB) or, as the case may be, by the Large Taxpayer Service (LTS) sub-Technical Working Committee (TWC) for abatement cases or the LTS Evaluation Board (LTSEB) for compromise settlement, resulting in a recommendation for denial of the application, shall be considered FINAL, and the outstanding tax liabilities and/or penalties shall be immediately collected from the taxpayer-applicant.

Thus, in case of denial of application, the corresponding Notice of Denial shall be prepared by the LTS-sub-TWC/Evaluation Board and REB for transmittal to the Chief, Accounts Receivable Monitoring Division (ARMD) within 10 days immediately after the denial of application for compromise, abatement, or cancellation of tax liabilities. On the other hand, the Chief, ARMD shall, within five days from receipt of the Notice of Denial, submit the Notice and the entire docket of application to the Commissioner of Internal Revenue for signature.

The approved Notice of Denial shall be returned to the Chief, ARMD for recording purposes, and shall be transmitted to the originating revenue office for appropriate service to the taxpayer and immediate collection of the outstanding tax liabilities.

In case of recommendation to approve the taxpayer's application, the existing procedural requirements set forth under Revenue Regulations (RR) No. 30-2002 and RR 13-2001, as amended, and Revenue Memorandum Order (RMO) No. 20-2007 shall be observed.

The new rules shall apply to all applications for compromise and abatement of penalties that are transmitted to, and pending with, the Technical Working Group/National Evaluation Board/TWC in the National Office after 29 January 2016.

Please see copy of RMO 04-2016 for your information and guidance.

Please contact the following for any questions:

Fredieric B. Landicho

Tax Partner

flandicho@deloitte.com

+63 2 581 9043

Richard R. Lapres

Tax Partner

rlapres@deloitte.com

+63 2 581 9044

Walter L. Abela, Jr.

Tax Partner

wabela@deloitte.com

+63 2 581 9034



[Member of Deloitte Touche Tohmatsu Limited](#)

19th Floor Net Lima Plaza
5th Avenue corner 26th Street
Bonifacio Global City, Taguig
Philippines 1634

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