

Simplified Tax Compliance for Microfinance Non-Government Organizations (MF-NGOs)

Manila Prince Hotel, Emita, Manila
July 25, 2019

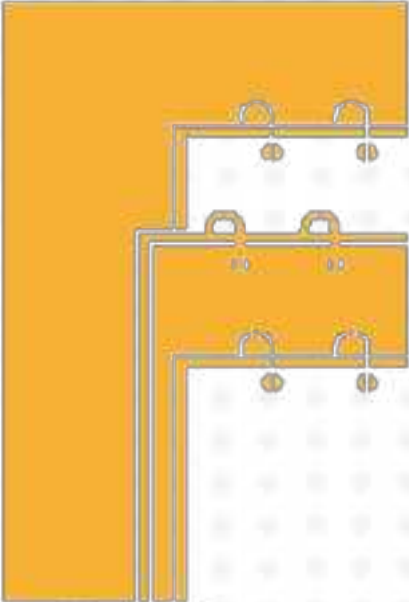


Bureau of Internal Revenue
Client Support Service

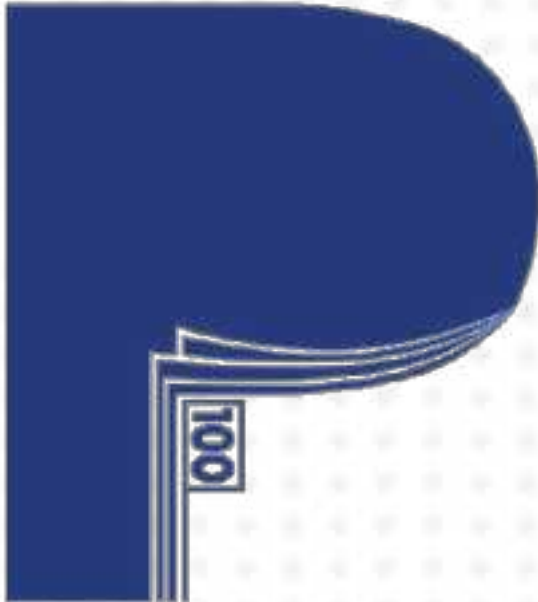
EFFECTIVE TAXPAYER COMPLIANCE SYSTEMS



REGISTER



FILE



PAY



COMPLIANCE REQUIREMENTS

1

Register with the BIR.



2

**Issuance of duly registered
Receipts/Invoices.**

3

**Maintaining and keeping of
Books of Accounts.**



COMPLIANCE REQUIREMENTS


- 4 **Withholding and remittance of Withholding Taxes.**
- 5 **Regular **FILING** of required Tax Returns.**
- 6 ****PAY** (as you file) taxes due thereon.**
- 7 **Submission of required information and returns to BIR.**

RMO NO. 19-2018 SINGLE WINDOW POLICY



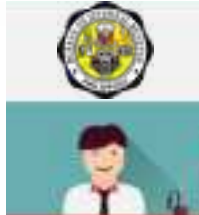
OLD PROCEDURES

TOTAL OF 5 DAYS




BUY BOOKS

1 DAY



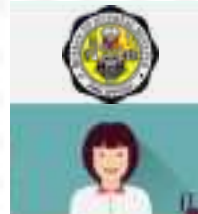
APPLY FOR
TIN & COR

1 DAY



PAY TO BANK

1 DAY



OBTAIN ATP

1 DAY



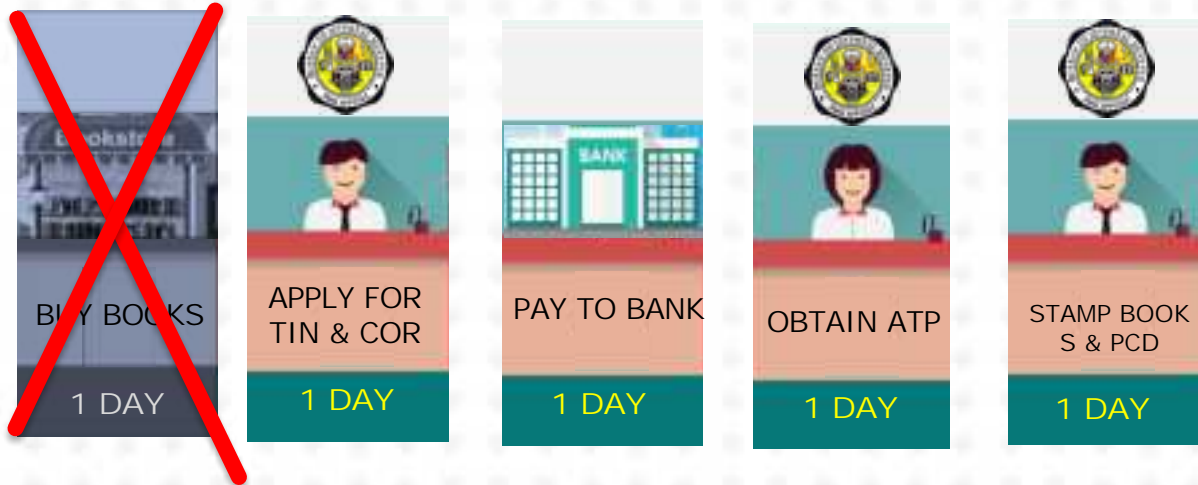
STAMP BOOK
S & PCD

1 DAY

RMO NO. 19-2018 SINGLE WINDOW POLICY



SINGLE WINDOW APPROACH



RMC NO. 30-2018

- REGISTRATION OF BOOKS IS NOT MANDATORY TO BE REGISTERED SIMULTANEOUSLY UPON APPLICATION FOR COR
- REGISTRATION OF BOOKS IS WITHIN 30 CALENDAR DAYS FROM THE DATE OF REGISTRATION

RMO NO. 19-2018 SINGLE WINDOW POLICY



SINGLE WINDOW APPROACH

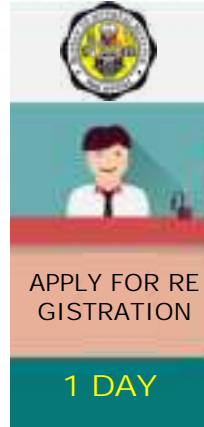


- PAYMENT OF REGISTRATION FEE IS AT THE RDO
- APPLICATION OF ATP IS TOGETHER WITH THE APPLICATION FOR COR
- PCD IS BEING SUBMITTED BY THE PRINTER IN LIEU OF STAMPING OF THE NEWLY PRINTED RECEIPT

RMO NO. 19-2018 SINGLE WINDOW POLICY



SINGLE WINDOW APPROACH – TAXPAYER PROCESS FLOW TAXPYER-APPLICANT



TOTAL OF **1 DAY**

- NEW BUSINESS REGISTRANT SUBMIT APPLICATION FOR REGISTRATION IN THE **"NEW BUSINESS REGISTRANT COUNTER"**
 - COMPLETE DOCUMENTARY REQUIREMENTS
- PAY REGISTRATION FEE AND LATE PENALTY **ON THE SAME WINDOW** WHO RECEIVES THE APPLICATION
- RECEIVE COR, ATP, ASK RECEIPT NOTICE, RECEIPT OF PROOF OF PAYMENT **ON THE SAME WINDOW** WHO RECEIVES THE APPLICATION



REGISTRATION COMPLIANCE

- 1** Pay Annual Registration Fee on or before January 31 annually, if applicable.
- 2** Display Certificate of Registration, Authority to Print Receipts/Invoices and Ask for Receipt Notice.
- 3** Update registration information to reflect accreditation as MF-NGOs.
- 4** Require CLIENTS to have TIN.



HOW TO FILE RETURNS & PAY TAXES

RMO No. 2-2018

MF-NGOs

1

File Electronically



2

Payment channels

Authorized Agent Banks



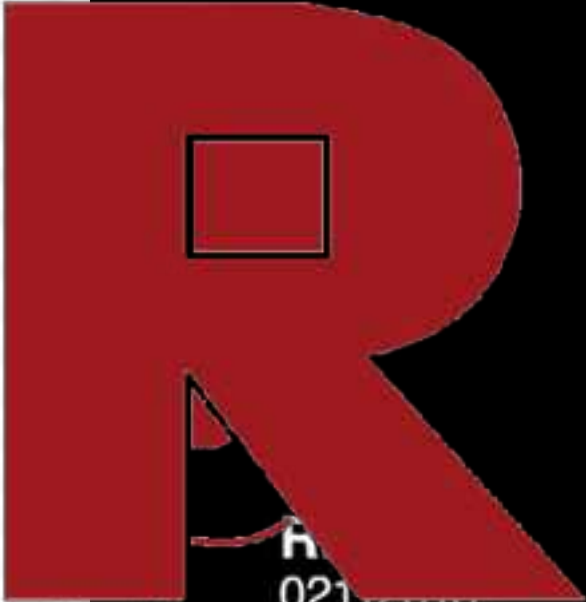
Mobile Payment



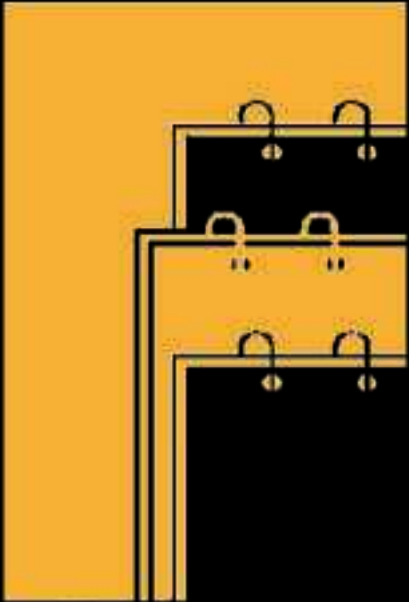
Pay Online



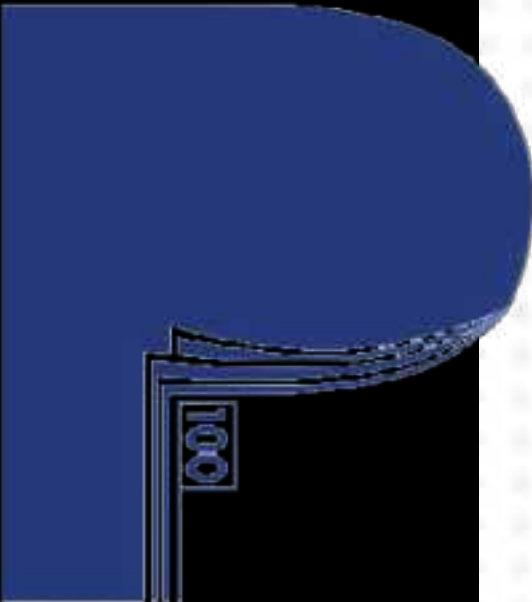
EFFECTIVE TAXPAYER COMPLIANCE SYSTEMS



REGISTER



FILE



PAY



ACCREDITED MF-NGOs with Source of Income from Purely Microfinance Operations

FILE RETURN & PAY TAXES

RMC No. 92-2018
RMO No. 2-2018

KIND OF TAX	TAX RATE	BIR FORM	FREQUENCY
INCOME TAX	2%	1702Q	Quarterly
		1702MX	Annually
BUSINESS TAX - VAT - PERCENTAGE TAX		Not applicable	
WITHHOLDING TAX	Various	0619E/0619F	Monthly
		1601EQ/1601FQ	Quarterly
		1604E/1604-CF	Annually



ACCREDITED MF-NGOs with Income from Non-Microfinance Operations

FILE RETURN & PAY TAXES

RMC No. 92-2018
RMO No. 2-2018

KIND OF TAX	TAX RATE	BIR FORM	FREQUENCY
INCOME TAX	30% or 2% MCIT	1702Q	Quarterly
		1702MX	Annually
BUSINESS TAX - PERCENTAGE TAX	3%	2551Q	Quarterly
		- VAT	12%
WITHHOLDING TAX	Various	0619E/0619F	Monthly
		1601EQ/1601FQ	Quarterly
		1604E/1604-CF	Annually

MF-NGOs



FILE RETURN & PAY TAXES

RMC No. 92-2018
RMO No. 2-2018

MF-NGOs

Existing Payment Channels

Payment Channels	Mode of Payment
Authorized Agent Bank	Over-the-Counter Payments (OTC) <ul style="list-style-type: none">• Cash Payment• Checks• Bank Debit System• Tax Debit Memo
Electronic Filing and Payment System (EFPS)	
Mobile Payments	M-Payment/G-Cash
Pay thru PHILPASS	
Pay thru the Revenue Collection Officers (RCOs)	



FILE RETURN & PAY TAXES

RMC No. 92-2018
RMO No. 2-2018

Additional Authorized Agent Bank to provide Electronic Payment Facility

Authorized Agent Bank	Electronic Payment Facility	Effectivity Date
Land Bank of the Philippines	LinkBiz Portal	October 2017
Development Bank of the Philippines	Tax Online	October 2017
Union Bank	Online Web and Mobile Payment Facility	April 15, 2019



TIN Issuance to Clients of Microfinance Non-Government Organizations (MF-NGOs) Pursuant to RMO No. 2-2018

§ The Circular was issued to address the issues being encountered by the Microfinance Non-Government Organizations (MF-NGOs) accredited by the Microfinance NGO-Regulatory Council (MNRC) in facilitating the TIN applications of their clients pursuant to Section III(7) of Revenue Memorandum Order (RMO) No. 2-2018.



RMC NO. 91-2018

TIN Issuance to Clients of Microfinance Non-Government Organizations (MF-NGOs) Pursuant to RMO No. 2-2018

- § Only MF-NGOs accredited by MNRC shall be granted eREG System access.

- § Interested MF-NGOs are required to submit their application for system access by submitting the following requirements to the Client Support Service



RMC NO. 91-2018

TIN Issuance to Clients of Microfinance Non-Government Organizations (MF-NGOs) Pursuant to RMO No. 2-2018

- § The eREG System access of the MF-NGOs shall be automatically revoked by the BIR upon revocation or expiration of its accreditation issued by the MNRC, whichever comes earlier.

- § MF-NGOs shall ensure that their clients do not have existing TIN before they apply for TIN.



TIN Issuance to Clients of Microfinance Non-Government Organizations (MF-NGOs) Pursuant to RMO No. 2-2018

- § MF-NGOs shall require their clients who are engaged in business and were granted a loan amounting to Fifty Thousand Pesos (P50,0000) and above to proceed to the concerned RDO having jurisdiction over the client's place of business address for business registration.

- § MF-NGOs shall be responsible for the correctness of all the information being provided in the eREG System.

RMC NO. 91-2018

MF-NGOs



§ **TIN issuance to Clients**

- (1) One user account to process thousands of clients**
- (2) eREG unavailability**
- (3) RDOs refusal to process voluminous manual application during eREG downtime**

§ **MF-NGOs to require borrowers (amounting to P50,000.00 above) to register**



Thank you!

ATTY. TERESITA M. ANGELES

Assistant Commissioner

Client Support Service