

EXECUTIVE ORDER NO. 175

**ORGANIZATIONAL RESTRUCTURING OF THE BUREAU OF INTERNAL REVENUE TO IMPROVE ADMINISTRATIVE CONTROL OVER CERTAIN CATEGORIES OF TAXPAYERS**

**WHEREAS**, increased revenue collection is urgently needed to finance vital economic and developmental programs of the government and, to attain fiscal stability in the midst of the current Asia's economic crisis;

**WHEREAS**, pursuant to these goals, a further streamlining of the organizational structure of the Bureau of Internal Revenue is in order to reinforce the tax administration and enforcement capabilities of the Bureau;

**WHEREAS**, certain deficiencies in the structure of the Bureau under Executive Order No. 430 require further strengthening and refinement through a focus on core operational functions such as collection, assessment and enforcement, including regulatory functions relative to excise tax administration;

**WHEREAS**, there is a need for a well-defined institutional structure for dealing with large taxpayers in order to strengthen control over large taxpayers;

**WHEREAS**, this streamlining of the organizational structure of the Bureau is intended to truly transform the Bureau into an effective and efficient revenue collecting agency;

**WHEREAS**, Section 3, Article XVIII of the Philippine Constitution, grants the President of the Philippines the continuing authority to reorganize the national government, which includes the power to group, consolidate bureaus and agencies, to abolish offices, to transfer functions, to create and classify functions, services and activities; and which authority was upheld by the Supreme Court in G.R. No. 112745 relative to Presidential Decree Nos. 1416 and 1792, [October 16, 1997];

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**WHEREAS**, under Section 78 of the General Provisions of Republic Act No. 8522 or the General Appropriations Act, FY 1998, organizational changes may be authorized when the President of the Philippines so directs;

**WHEREAS**, under Section 20, Book III of the Revised Administrative Code of 1987, the President is empowered to exercise such other powers and functions vested in him which are provided for under the laws;

**NOW, THEREFORE, I, JOSEPH EJERCITO ESTRADA**, President of the Republic of the Philippines, by virtue of the power vested in me by law, do hereby order:

**SECTION 1. Organizational Structure.** The organizational structure of the BIR shall be as follows:

The **National Office** shall develop and formulate broad national tax administration policies and programs, for efficient and effective implementation of internal revenue laws and regulations and establish general direction, guidance and control of the entire operations of the internal revenue service.

1.1 The following Services shall be placed directly under the **Office of the Commissioner**:

The **Enforcement Service**, which shall be headed by an Assistant Commissioner, shall be composed of two (2) divisions namely: Tax Fraud Division and Policy Cases Division.

1.2 The **Policy and Planning Service**, which shall be headed by an Assistant Commissioner, shall be composed of four (4) divisions namely: Planning Division, Management Division, Statistics Division and Corporate Communications Division.

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.1.3 The **Large Taxpayers Service**, which shall be headed by an Assistant Commissioner, shall be composed of five (5) divisions in the National Office namely: Large Taxpayers Assistance Division, Large Taxpayers Collection and Enforcement Division, Large Taxpayers Assessment Division, Large Taxpayers Programs Division and Large Taxpayers Document Processing and Quality Assurance Division. Likewise, Large Taxpayers Division under the direct supervision of Large Taxpayers Service shall be established in Regional Offices with identified Large Taxpayers.

1.2 The **Operations Group**, which shall be supervised by a Deputy Commissioner, shall be composed of the following Services:

1.2. The **Taxpayer Assistance Service**, which shall be headed by an Assistant Commissioner, shall be composed of two (2) divisions namely: Taxpayer Information and Education Division and Taxpayer Service Programs and Monitoring Division.

The **Assessment Service**, which shall be headed by an Assistant Commissioner, shall be composed of three (3) divisions namely: Assessment Programs Division, Audit Information, Tax Exemption and Incentives Division and Asset Valuation Division.

The **Collection Service**, which shall be headed by an Assistant Commissioner, shall be composed of four (4) divisions namely: Collection Programs Division, Withholding Tax Division, Revenue Accounting Division and Collection Enforcement Division.



- 1.2.4 The **Excise Taxpayers Service**, which shall be headed by an Assistant Commissioner, shall be composed of four (4) divisions namely: Excise Taxpayers Assistance Division, Excise Taxpayers Operations Division, Excise Taxpayers Programs Division and Excise Taxpayers Document Processing and Quality Assurance Division.
- .3 The **Legal and Inspection Group**, which shall be supervised by a Deputy Commissioner, shall be composed of the following Services:

The **Legal Service**, which shall be headed by an Assistant Commissioner, shall be composed of five (5) divisions namely: Law Division, Appellate Division, Litigation Division, Prosecution Division and International Tax Affairs Division.

- 1.3.2 The **Inspection Service**, which shall be headed by an Assistant Commissioner, is hereby re-established. It shall be composed of three (3) divisions namely: Internal Security Division, Internal Audit Division and Personnel Inquiry Division.
- 4 The **Information Systems Group**, which shall be supervised by a Deputy Commissioner, shall perform such functions to support the Bureau's operations. It shall be composed of the following Services:

The **Information Systems Operations Service**, which shall be headed by an Assistant Commissioner, shall be composed of two (2) divisions namely: Systems Operations Division and Systems Support Division.

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**The Information Planning and Quality Service**, which shall be headed by an Assistant Commissioner, shall be composed of three (3) divisions namely: Security Management Division, Quality Assurance Division and Systems Standards and Technology Management Division.

**The Information Systems Development Service**, which shall be headed by an Assistant Commissioner, shall be composed of two (2) divisions namely: Systems Development Division and Systems Maintenance and Support Division.

- 1.5 **The Resource Management Group**, which shall be supervised by a Deputy Commissioner, shall perform such functions to support the Bureau's operations. It shall be composed of the following Services:

**The Human Resource Development Service**, which shall be headed by an Assistant Commissioner, shall be composed of four (4) divisions namely: Personnel Division, Training Management Division, Training Delivery Division and Medical, Dental and Welfare Division.

**The Financial and Administrative Service** which shall be headed by an Assistant Commissioner, shall be composed of six (6) divisions namely: Budget Division, General Services Division, Accounting Division, Procurement Division, Accountable Forms Division and Records Management Division.

2. **The Regional Offices (ROs)** shall execute and implement the national policies and programs prescribed by the National Office for the enforcement of the internal revenue laws of the Philippines. The ROs shall report to the Deputy Commissioner for Operations Group.



2. Each **RO** shall be headed by a Regional Director and shall have supervision and control over all divisions namely: Assessment Division, Collection Division, Legal Division, Finance Division, Administrative Division, Special Investigation Division and Revenue District Offices (RDOs) within the Region. The RO shall be responsible for directing and coordinating their operations.
- 2.2 The **RDOs** shall have supervision and control over the sections within the District.
3. The **Revenue Data Centers (RDCs)** shall be responsible for the operation, management, security and maintenance of the distributed information systems; and ensuring the integrity of payment data transaction upload to the Integrated Tax System (ITS) database. The RDCs shall report to the Deputy Commissioner for Information Systems Group and shall coordinate with the Regional Directors of the revenue regions and Revenue District Officers of the district offices that they service. Each RDC shall be headed by a Revenue Data Center Head equivalent to the rank of a Director I. Its shall be composed of two (2) divisions namely: Facilities Management Division and Computer Operations, Network and Engineering Division.

**SECTION 2. Appointment of Officials and Personnel.** All Deputy Commissioners, Assistant Commissioners, Regional Directors, Revenue Data Center Heads and other holders of Director I position shall be appointed by the President, upon the recommendation of the Commissioner, and approval of the Secretary of Finance. All other personnel appointments shall be made by the Secretary of Finance, based on but not restricted to the recommendation made by the Commissioner.

**SECTION 3. Redeployment of Personnel.** The redeployment of officials and other personnel on the basis of the structural realignment embodied in this Executive Order shall not result in the diminution in rank and compensation of existing personnel and shall take into account pertinent Civil Service laws and rules.

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On the basis of the organizational changes in this Executive Order, the Commissioner shall, upon approval of the Secretary of Finance, submit to the Department of Budget and Management (DBM) for evaluation and final approval the resultant staffing pattern of the BIR.

**SECTION 4. Implementing Authority.** With the approval of the Secretary of Finance, the Commissioner is hereby authorized to determine the number of Regional Offices, Revenue Data Centers and Revenue District Offices consistent with the requirements of the Computerized Integrated Tax System (CITS) and the principles of economy, efficiency and effectiveness. The Commissioner is likewise authorized to organize such units under the Services and Offices authorized under this Executive Order, subject to DBM evaluation.

**SECTION 5. Transfer of Presidential Appointees.** The Commissioner of Internal Revenue is hereby authorized, with the approval of the Secretary of Finance, to transfer and assign appointees of the President to positions or assignments of equivalent rank in the Bureau if the exigencies of the service so require.

**SECTION 6. Implementing Rules and Regulations.** The Commissioner, with the approval of the Secretary of Finance, shall issue the rules and regulations and other issuances as may be necessary to ensure the effective implementation of the provisions of this Executive Order.

**SECTION 7. Effectivity.** This Executive Order shall take effect immediately.

DONE in the City of Manila, this 3rd day of November in the year of Our Lord, Nineteen Hundred and Ninety-Nine.

By the President:

*Zamora RB*

Executive Secretary

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Received

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Date

*[Handwritten Signature]*

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