

EXECUTIVE ORDER NO. 114

**RESTRUCTURING OF THE BUREAU OF INTERNAL REVENUE
TOWARDS A TAXPAYER-FOCUSED ORGANIZATION**

WHEREAS, increased revenue collection is urgently needed to finance and sustain vital economic and developmental programs of the government;

WHEREAS, pursuant to this goal, a restructuring in the Bureau of Internal Revenue (BIR) is in order to reinforce its tax administration and enforcement capabilities;

WHEREAS, this restructuring of the BIR is intended to truly transform the BIR into an effective and efficient taxpayer-focused revenue-collecting agency;

WHEREAS, under Section 74 of the General Provisions of Republic Act No. 9162 or the General Appropriations Act, FY 2002, organizational changes may be authorized when the President of the Philippines so directs;

WHEREAS, under Presidential Decree No. 1416, as amended by Presidential Decree No. 1772, the President of the Philippines has continuing authority to reorganize the National Government;

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

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

1. The Office of the Commissioner, which shall have direct supervision over the following services, each of which shall be headed by an Assistant Commissioner:
 - 1.1 The Internal Audit Service, which shall be composed of four (4) divisions, namely: Information Systems Audit Division, Fiscal Audit Division, Performance Audit Division, and Personnel Investigation Division.



- 1.2 The Corporate Planning and Development Service, which shall be composed of three (3) divisions, namely: Strategic Management Division, Economic Research and Revenue Forecasting Division, and Business Intelligence Division.
 - 1.3 The Corporate Communications Service, which shall be composed of three (3) divisions, namely: Employee Communications Division, Public Affairs Division, and Taxpayer Communications Division.
The Finance Service, which shall be composed of three (3) divisions, namely: Budget Division, Disbursement Accounting Division, and Revenue Accounting Division.
2. The Legal Affairs Group, which shall be supervised by a Deputy Commissioner, shall be composed of the following services, each of which shall be headed by an Assistant Commissioner:

The Legal Service, which shall be composed of three (3) divisions, namely: Law Division, International Tax Affairs Division, and Appellate Division.

The Litigation and Prosecution Service, which shall be composed of two (2) divisions, namely: Litigation Division, and Prosecution Division.

The Legislative and Research Service.

3. The Information Systems Group, which shall be supervised by a Deputy Commissioner, shall be composed of the following offices:

- 3.1 The Information Systems Operations Service, which shall be headed by an Assistant Commissioner and shall be composed of four (4) divisions, namely: Systems Operations Division, Systems Support Division, Security Management Division, and Systems Standards and Technology Management Division.

- 3.2 The Information Systems Project Management Service.

- 3.3 The Revenue Data Centers (RDCs) shall report to the Deputy Commissioner for Information Systems Group and shall coordinate with the regional and district offices that they service. Each RDC shall be headed by a Revenue Data Center Head. It shall be composed of two (2) divisions, namely: Computer Operations, Network and Engineering Division and Facilities Management Division.



4. The Human Resource and Administrative Group, which shall be supervised by a Deputy Commissioner, shall be composed of the following services, each of which shall be headed by an Assistant Commissioner:

The Human Resource Development Service, which shall be composed of four (4) divisions, namely: Recruitment, Selection and Placement Division, Compensation, Benefits and Welfare Division, Training and Development Division, and Career and Performance Management Division.

The Administrative Service, which shall be composed of three (3) divisions, namely: Procurement Division, Accountable Forms Division, and Properties and Records Management Division.

5. The Operations Group, which shall be supervised by a Deputy Commissioner, shall be composed of the following services, each of which shall be headed by an Assistant Commissioner, and all regional offices:

The Large Taxpayers Service, which shall be composed of two (2) divisions, namely: Banks, Insurance and Service Sectors Division, and Manufacturing, Industry and Agricultural Sectors Division. Likewise, the Large Taxpayers Service shall have direct supervision over all Large Taxpayers District Offices in regions with identified large taxpayers.

The Excise Taxpayers Service, which shall be composed of five (5) divisions, namely: Alcohol, Wine and Liquor Sector Division, Tobacco, Cigar and Cigarette Sector Division, Petroleum, Mineral and Miscellaneous Sector Division, Data Reconciliation and Analysis Division, and Field Operations Division. Likewise, the Excise Taxpayers Service shall have direct supervision over all Large Excise Taxpayers District Offices and Non-Large Excise Taxpayers District Offices in regions with identified large and non-large excise taxpayers.

- 5.3 The Non-Large Taxpayers Service, which shall be composed of three (3) divisions, namely: Banks, Insurance and Service Sectors Division, Manufacturing,



Industry and Agricultural Sectors Division, and Emerging Industries/Business Sector Division.

The Individual Taxpayers Service, which shall be composed of three (3) divisions, namely: Compensation Earners Division, Mixed Income Earners Division, and Professionals, Self-Employed, Estates and Trusts Division.

The Government and Tax-Exempt Entities Service, which shall be composed of three (3) divisions, namely: Government Agencies Division, Tax-Exempt Entities Division, and Special Taxpayers Division.

5.6 The National Investigation Service.

5.7 The Regional Offices (ROs) shall be directly under the supervision of the Deputy Commissioner for Operations but shall execute and implement the policies and programs formulated and prescribed by the Non-Large Taxpayers Service, Individual Taxpayers Service, and Government and Tax-Exempt Entities Service for the enforcement of the internal revenue laws of the Philippines.

Each RO shall be headed by a Regional Director and shall have supervision and control over all divisions/offices, namely: Assessment Division, Legal Division, Human Resource Division, Administrative Division, Finance and Collection Monitoring Division, and Revenue District Offices (RDOs) within the region. The RO shall be responsible for directing and coordinating their operations.

SECTION 2. *Appointment of Officials.* - All Deputy Commissioners, Assistant Commissioners, Regional Directors, Revenue Data Center Heads and other holders of Director positions shall be appointed by the President, upon recommendation of the Commissioner of Internal Revenue ("Commissioner") and approval of the Secretary of Finance, pursuant to Section 47, Chapter 10, Book IV of the Administrative Code of 1987.

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 diminution in rank and/or compensation and shall take into account pertinent Civil Service laws and rules.



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. *Funding.* - The financial resources needed to carry out the provisions of this Executive Order shall be taken from funds available in the BIR: Provided, that the total cost of the approved staffing pattern at full implementation shall not exceed the available funds for Personal Services.

SECTION 5. *Implementing Authority.* - With the approval of the Secretary of Finance, the Commissioner is hereby authorized to determine the number of RDCs, ROs and RDOs consistent with the requirements of a computerized operation and the principles of economy, efficiency and effectiveness. The Commissioner is likewise authorized to further organize divisions under the Services and Offices authorized under this Executive Order, subject to DBM evaluation and approval.

SECTION 6. *Assignment of Internal Revenue Officers and Other Employees to Other Duties.* - The Commissioner may, subject to the laws on civil service, as well as the rules and regulations prescribed by the Secretary of Finance, upon the recommendation of the Commissioner, assign or reassign internal revenue officers and employees of the BIR, without change in their official rank and salary, to other or special duties connected with the enforcement or administration of the revenue laws as the exigencies of the service may require.

SECTION 7. *Implementing Rules and Regulations.* - The Commissioner, with the approval of the Secretary of Finance, shall issue rules and regulations and other issuances as may be necessary to ensure the effective implementation of the provisions of this Executive Order.

SECTION 8. *Effectivity.* - This Executive Order shall take effect immediately.



PGMA Outgoing # 13512



DONE in the City of Manila, this 29th day of July , in the year of Our Lord, Two Thousand and Two.



By the President:



ALBERTO G. ROMULO
Executive Secretary

