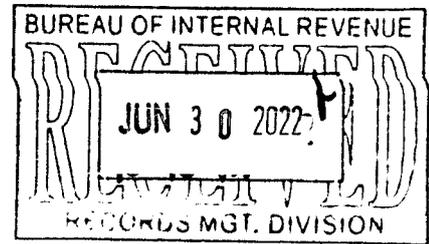




REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
BUREAU OF INTERNAL REVENUE

Quezon City



June 28, 2022

REVENUE MEMORANDUM CIRCULAR NO. **82-2022**

SUBJECT : Clarification on the Service of Letter of Authority Pursuant to  
Revenue Audit Memorandum Order (RAMO) No. 1-2000

TO : All Internal Revenue Officials and Revenue Officers Concerned

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This Circular is hereby issued to address the issues and concerns on the service of the electronic Letter of Authority (eLA) to the taxpayer within the 30-day period from the date of issuance thereof.

Item No. VIII of RAMO No. 1-2000 provides:

*"2.3 A Letter of Authority must be served or presented to the taxpayer within 30 days from its date of issue, otherwise, it becomes null and void unless revalidated. The taxpayer has all the right to refuse its service if presented beyond the 30-day period depending on the policy set by top management. Revalidation is done by issuing a new Letter of Authority or by just simply stamping the words 'Revalidated on \_\_\_\_\_' on the face of the copy of the Letter of Authority issued"*

In the Decision of the Court of Tax Appeals (CTA) in the case of Dakay Construction and Development Corporation vs. Commissioner of Internal Revenue (CTA EB No. 1294), which Decision is anchored on the above quoted provision, the CTA-En Banc ruled that ***"The Letter of Authority no longer has any force or effect having been served on the petitioner beyond the prescribed 30-day period. The assessment conducted by the Revenue Officers was already unauthorized, because there is no valid LOA covering it."***

Let it be clarified, that RAMO No. 1-2000 was already amended by RAMO No. 1-2020, thereby deleting the above quoted provision to read as follows:

***"1. Serving of eLA***

- a. *On the first opportunity of the RO to have a personal contact with the taxpayer, he should present the eLA together with the checklist of requirements. The eLA should only be served by the RO assigned to the case. He should have the proper identification card and should be in uniform. However, the service of eLA may likewise be done in other manners as prescribed in existing policies.*
- b. *An eLA authorizes or empowers a designated RO to examine, verify and scrutinize a taxpayer's books and records in relation to his internal revenue tax liabilities for a particular period.*

**2. Request for Accounting Records**

Xxx... xxx... xxx....”

While the timeline for the “service of eLA” is not explicitly provided therein, it is still for the best interest of the government that the eLA should be served to the taxpayer immediately upon issuance/assignment thereof.

Hence, it should be necessary for all concerned Revenue Officers (RO) as a duty or responsibility to serve the eLA immediately, considering that the entire audit process must be completed within a period of 180 days for RDO cases/240 days for LT cases from the date of issuance of eLA. Non-observance on the aforesaid timeline is gross neglect of duty which is a grave offense subject to appropriate administrative sanctions pursuant to Revenue Memorandum Order No. 53-2010.

Further, the deletion of the 30-day period to serve the eLA shall in no case be an excuse for the concerned RO to delay its service nor for a taxpayer to refuse its service or to question its validity, in case the same is served beyond the 30-day period. Again, what is crucial is that the entire audit process shall be completed within a period of 180 days for RDO cases/240 days for LT cases from the date of issuance of eLA. Therefore, eLA which remains unserved upon the effectivity of this Circular or have been served beyond the 30-day period from the date of its issuance shall still be considered valid and enforceable, provided that the 180-day/240-day period to complete the audit process has not yet expired.

All other issuances inconsistent herewith are hereby repealed and modified accordingly.

All internal revenue officials/officers, employees and others concerned are hereby enjoined to give this Circular a wide publicity as possible.



CAESAR R. DULAY

Commissioner of Internal Revenue

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