

REVENUE MEMORANDUM CIRCULAR NO. 60-2020 issued on June 10, 2020 notifies persons conducting business through any forms of electronic media regarding their tax obligations and the registration of their business with the BIR, pursuant to the provisions of Section 236 of the Tax Code, as amended.

The provisions of this Circular cover not only partner sellers/merchants, but also other stakeholders involved, such as the payment gateways, delivery channels, internet service providers, and other facilitators.

Persons doing business online with no Tax Identification Number (TIN) yet must register their business following the existing policies in securing TIN and registration of business. In general, the registration of a taxpayer/business and its updates are done in the Revenue District Office (RDO) having jurisdiction over the place where the Head Office of the business is located or over the place of residence of the individual taxpayer.

Individuals who already have TINs (whether their TIN was issued due to ONETT or employment) but their business is not yet registered, must register their business using BIR Form 1901 with the RDO having jurisdiction over their place of business, if with physical establishment, or with the RDO having jurisdiction over their place of residence. The concerned RDO shall effect the update of taxpayer classification (e.g., employee to sole proprietor, ONETT to sole proprietor); and include the business activity of online selling. Non-individuals who already have TINs must update their business registration using BIR Form 1905, and include the additional business activity of online selling.

The Certificate of Registration (COR) shall be issued to those engaged in business upon compliance with the requirements prescribed in Annex A of the Circular. Aside from the COR, the taxpayer shall receive a copy of the BIR-received Registration Form (1901 or 1903), Notice to Issue Receipt/Invoice (NIRI), Bureau of Internal Revenue Printed Receipt/Invoice (BPR/BPI) or Authority to Print (ATP) (per taxpayer's choice), and the proof of payment of registration fee.

All those who will register their business activity and/or update their registration status not later than July 31, 2020 shall not be imposed with penalty for late registration. Likewise, they are encouraged to voluntarily declare their past transactions subject to pertinent taxes, and pay the taxes due thereon, without corresponding penalty, when declared and paid on or before the said date. All those who will be found later doing business without complying with the registration/update requirements, and those who failed to declare past due taxes/unpaid taxes shall be imposed with the applicable penalties under the law, and existing revenue rules and regulations.

The newly-registered business entities, including the existing registrants, are advised to comply with the provisions of the Tax Code, as amended, and other applicable tax revenue issuances, particularly on the following:

- a. Issuance of registered Sales Invoice or Official Receipt for every sale of goods or services to clients/customers/buyers;
- b. Keeping of registered Books of Accounts and other accounting records of business transactions;
- c. Withholding of taxes, as applicable;
- d. Filing of required tax returns; and
- e. Payment of correct taxes due on time.