

MALACAÑANG  
MANILA  
BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 430

FURTHER STREAMLINING THE BUREAU OF INTERNAL REVENUE IN  
LINE WITH ITS COMPUTERIZED INTEGRATED TAX SYSTEM

**WHEREAS**, the BIR is undertaking a major transformation to fulfill its vision and mission and achieve its strategic goals;

**WHEREAS**, the BIR has to provide and prepare for the full implementation of the Computerized Integrated Tax System (CITS) within the years 1997 and 1998 and therefore has to institute simultaneously the changes in its processes, values, skills and structure;

**WHEREAS**, under Section 20, Chapter 7, Title I, Book III of Executive Order No. 292 (Administrative Code of 1987), the President of the Philippines is empowered to exercise such powers and functions vested in him, which are provided for under the laws;

**WHEREAS**, under Section 76 of the General Provisions of Republic Act No. 8250 (FY 1997 General Appropriations Act), the President may direct changes in the organization and key positions in any department, bureau or agency;

**WHEREAS**, under Section 78 of the General Provisions of RA 8250, heads of departments, bureaus and agencies are directed to scale down, phase out or abolish activities no longer essential in the delivery of public services;

**NOW, THEREFORE, I, FIDEL V. RAMOS**, 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 define clearly the functions and responsibilities of the National Office and those of the Regional Offices and Revenue District Offices, and other units in the field, as follows:

1. The National Office shall develop and formulate broad national tax administration policies and programs for efficient and effective implementation of internal revenue laws and

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regulations, and establish general direction, guidance and control of the operations of the internal revenue service. For this purpose, the organizational changes indicated hereunder are adopted:

- 1.1 The existing functional groups in the BIR are modified to effect the reorientation and realignment of the different services and other units under them.
- 1.2 The **Commissioner** of Internal Revenue, hereinafter referred to as the Commissioner, shall be the Chief Executive Officer of the BIR and shall be appointed by the President upon the recommendation of the Secretary of Finance, hereinafter referred to as the Secretary. For consistent interaction with both the internal and external stakeholders, the following services are hereby created directly under the Office of the Commissioner:
  - 1.2.1 **Policy and Planning Service** which shall be responsible for the formulation of policies and guidelines on strategic and operational planning; establishment of performance evaluation measures; monitoring and evaluation of accomplishments and changes in policies, plans and programs; allocation of annual revenue goal; evaluation of the impact of new tax measures; monitoring of macro-economic performance; and such other related functions as may be assigned to it by the Commissioner.
  - 1.2.2 **Internal Affairs Service** which shall be responsible for the spot-checking of cash and property accountabilities of all accountable officers; inspection of procured supplies and services in compliance with approved specifications and standards; conduct of audit of personnel performance and internal systems, as well as computer systems; formulation of the internal security program; and such other related functions as may be assigned to it by the Commissioner.
- 1.3 The **Operations Group**, which shall be headed by a Deputy Commissioner to be appointed by the President

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upon recommendation of the Commissioner, shall be composed of the following Services:

1.3.1 **Collection Service** which shall be responsible for the formulation of policies and programs on collection activities; administration of a nationwide collection program; determination of compliance and measurement of performance with set programs; monitoring of collection accountabilities; and such other related functions as may be assigned to it by the Commissioner.

1.3.2 **Assessment Service** which shall be responsible for the formulation of policies and programs relative to assessment activities; administration of a nationwide assessment program; determination of compliance and measurement of performance with set programs; and such other related functions as may be assigned to it by the Commissioner.

1.3.3 **Taxpayers Assistance Service** which shall be responsible for the provision of one-stop-shop services to taxpayers' information and education program; maintenance of customers' feedback mechanism; analysis and evaluation of ways to improve services to taxpayers; conduct of studies on new service requirements of taxpayers; and such other related functions as may be assigned to it by the Commissioner.

1.4 The **Legal and Enforcement Group**, which shall be headed by a Deputy Commissioner who shall be appointed by the President upon recommendation of the Commissioner, shall be composed of the following Services:

1.4.1 **Legal Service** which shall be responsible for the formulation of policies and guidelines on the processing of requests for tax exemptions and claims for informer's reward; preparation of rulings and opinions of first impression; preparation of tax legislations, regulations and other issuances; drafting and interpretation of tax treaties; and such

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other related functions as may be assigned to it by the Commissioner.

1.4.2 **Enforcement Service** which shall be responsible for the investigation of tax fraud, industry audit and other policy cases; monitoring and evaluation of regulatory activities; institution of civil cases for the collection of taxes; filing of criminal cases on tax evaders; and such other related functions as may be assigned to it by the Commissioner.

1.5 The **Information Systems Group**, which shall be headed by a Deputy Commissioner to be appointed by the President upon recommendation of the Commissioner, shall be composed of the following Services and Data Centers:

1.5.1 **Information Systems Development Service** which shall be responsible for the development and acquisition of systems; maintenance and enhancement of existing information systems; conduct of researches and development programs on information technology; and such other related functions as may be assigned to it by the Commissioner.

1.5.2 **Information Systems Operations Service** which shall be responsible for the overall operation of all information systems linking the National Office with the Revenue Data Centers; maintenance of the data warehouse for various users, as well as external linkages required; systems management of all technical resources; and such other related functions as may be assigned to it by the Commissioner.

1.5.3 **Information Planning and Quality Service** which shall be responsible for planning of the information requirements to support the business plan of the Bureau; setting of policies and standards on information systems and resources; assuring the quality of systems development and operations; management of the security and access to all

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information systems, files and resources; and such other related functions as may be assigned to it by the Commissioner.

1.5.4 **Revenue Data Centers** (RDCs) which shall be responsible for handling the document processing requirements of the assigned Regional and District Offices; operation and management of the distributed information systems; ensuring the integrity of the accounts of taxpayers in the areas covered; and such other related functions as may be assigned to it by the Commissioner.

1.6 The **Resource Management Group**, which shall be headed by a Deputy Commissioner to be appointed by the President upon recommendation of the Commissioner, shall be composed of the following Services:

1.6.1 **Human Resource Development Service** which shall be responsible for personnel matters, career management, training, and personnel welfare; and such other related functions as may be assigned to it by the Commissioner.

1.6.2 **Financial Service** which shall be responsible for the preparation of the Bureau's annual budget; allocation of the budget appropriation in accordance with the program/project thrusts of the Bureau; maintenance of accounting records and books of accounts on expenditures and disbursements; submission of financial reports to management and other government agencies authorized to receive these reports; and such other related functions as may be assigned to it by the Commissioner.

1.6.3 **Administrative Service** which shall be responsible for the procurement and management of property and supplies; management of records and forms, and such other functions as may be assigned to it by the Commissioner.



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 and the Revenue District Offices (RDOs) shall report to the Deputy Commissioner for Operations.

2.1 Each RO shall have the supervision and control over the RDOs within the Region and shall be responsible for directing and coordinating their operations.

2.2 The RDOs shall have supervision and control over other units within the District.

**SEC. 2. Redeployment of Personnel.** The redeployment of officials and other personnel on the basis of the streamlining 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.

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

**SEC. 3. 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 available funds for Personal Services.

**SEC. 4. Implementing Authority.** With the approval of the Secretary, the Commissioner is hereby authorized to determine the number of ROs, RDCs and RDOs consistent with the requirements of the 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.

The authority herein granted to streamline the BIR shall be exercised only once.

**SEC. 5. Implementing Rules and Regulations.** The Commissioner, with the approval of the Secretary, 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.

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**SEC. 6. Effectivity.** This Executive Order shall take effect immediately.

**DONE** in the City of Manila, this 28<sup>th</sup> day of July in the year of Our Lord, Nineteen Hundred and Ninety-Seven.



By the President:



**RUBEN D. TORRES**  
Executive Secretary

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