

CLARIFICATION ON THE ISSUANCE OF OFFICIAL RECEIPT AS REQUIRED BY GOVERNMENT AUDITORS AS EVIDENCE OF RECEIPT OF PAYMENT FOR DISBURSEMENTS WHERE THE PAYEE/RECIPIENT IS A DEALER, S...

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The Bureau has been receiving numerous queries regarding the requirement of Government Auditors on the issuance of Official Receipt as the acceptable evidence of receipt of payment for disbursements where the payee/recipient is a dealer, supplier or business establishment required by the BIR to issue the same in the sale/lease of goods or properties, and/or sale of services. That Sales Invoices are demanded as evidence of delivery, agreement to sell or transfer of goods and services, and Official Receipt as evidence of payment. In fine, both Sales Invoices and Official Receipts are required on one transaction, by some government agencies.

Revenue Regulations No. 18-2012 and Revenue Memorandum Order (RMO) No. 12-2013 in relation to Sections 106, 108, 113 and other pertinent provisions of the National Internal Revenue Code (NIRC), as amended, mandate that:

- Sales Invoice (Cash or Charge) shall be issued as Principal evidence in the sale of goods and/or properties;
- Official Receipt shall be issued as Principal evidence in the sale of services and/or lease of properties; and
- Commercial Receipts/Invoices such as delivery receipts, order slips, purchase orders, provisional receipts, acknowledgment receipts, collection receipts, credit/debit memo, job orders and other similar documents that form part of the accounting records of the taxpayer and/or issued to their customers evidencing delivery, agreement to sell or transfer of goods and services, shall be Supplementary evidence only.

In relation thereto, Section II (H) of RMO No. 12-2013 provides that:

“II. POLICIES

xxx

H. The buyer of goods on account or credit evidenced by a Charge Sales Invoice shall be entitled to claim input taxes. Upon collection of the account by the seller, a Collection Receipt (Supplementary Receipt) shall be issued to the client/buyer to evidence the receipt thereof;

xxx”

Based on the foregoing, the Sales invoice shall serve in lieu of Official Receipt in the sale of goods or properties for evidentiary purposes in terms of audit.

In view thereof, this Circular is hereby issued to reiterate that the provisions set forth in RR No. 18-2012 and RMO No. 12-2013, in the issuance of Principal and/or Supplementary Receipts/Invoices in the ordinary course of business and the consequent examination of evidence of receipt of payment, shall be strictly observed.

All internal revenue officials and employees are hereby enjoined to give this Circular as wide a publicity as

possible.

(SGD) KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

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