



Bringing In Revenues
for Nation-Building

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE



MAR 04 2026

REVENUE MEMORANDUM ORDER NO. 006-2026

SUBJECT : AMENDMENTS AND SUPPLEMENTAL GUIDELINES GOVERNING THE IMPLEMENTATION OF REVENUE MEMORANDUM ORDER (RMO) NO. 1-2026

TO : All Officials, Employees, and Others Concerned

I. BACKGROUND

Following the issuance of RMO No. 1-2026, certain concerns and implementation matters have been identified with respect to its application, particularly on the consolidation of Electronic Letters of Authority (eLAs), including its scope, effects, and procedural implications.

Accordingly, this RMO is hereby issued to prescribe amendments, supplemental procedures, and clarificatory guidelines to RMO No. 1-2026 to address such concerns and ensure the consistent, uniform, and orderly implementation of the consolidation framework and related audit reforms provided therein.

II. AMENDMENTS

1. The following dates in RMO No. 1-2026 are hereby amended:

EVENT	FROM	TO
Deadline for filing written Requests for Non-Consolidation of VAT Audit Cases	February 16, 2026	March 13, 2026
Automatic consolidation of all pending eLAs except where a written Request for Non-Consolidation is duly filed	March 4, 2026	March 20, 2026
Last day of audit operations for VAT Audit Sections (VATAS) and Large Taxpayers VAT Audit Unit (LTVAU)	April 30, 2026	May 15, 2026
Automatic consolidation of all pending eLAs which were previously allowed to proceed separately pursuant to a Request for Non-Consolidation	May 4, 2026	May 18, 2026
Last day of VATAS and LTVAU for purposes of winding up its operations	May 15, 2026	May 29, 2026

BY: **ADMIN UNIT - 1**
TIME: **5:30pm**

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2. Annex "A" of RMO No. 1-2026 is hereby revised as follows:

- a) *Item No. 7* under *1. Mandatory Case**, a. *To be covered by Electronic Letter of Authority (eLA)* shall now read as follows:

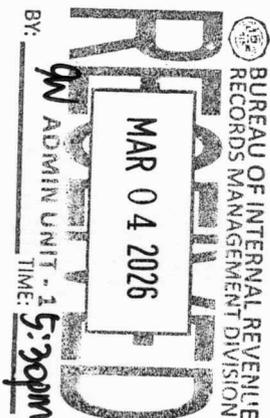
Selection Criteria	Selection Code
xxx xxx xxx	xxx xxx xxx
<p>7. <i>Taxpayers requesting for tax clearance whose gross sales of the immediately preceding year exceed <u>Three Million Pesos (P3,000,000.00)</u> or whose gross assets upon retirement exceed <u>Eight Million Pesos (P8,000,000.00)</u>, due to:</i></p> <ul style="list-style-type: none"> a. <i><u>Death of the taxpayer;</u></i> b. <i><u>Taxpayers retiring from business; or</u></i> c. <i><u>Taxpayers undergoing merger/consolidation/split-up/spin-off and other types of corporate reorganizations</u></i> 	TRC

Revised Annex A of RMO No. 1-2026, reflecting all the amendments above, is attached in this Order as **Annex A**.

III. RULES ON CONSOLIDATION OF ASSESSMENT

A. ABSOLUTE PROHIBITIONS

1. **No Consolidation at Final Decision on Disputed Assessment (FDDA) Stage** – No consolidation shall be allowed if any case has reached the FDDA stage. Cases that have reached the FDDA stage must proceed independently.
2. **No Consolidation of Final and Executory Final Assessment Notice (FAN)** – No consolidation shall be allowed if a FAN has already become final, executory, and demandable. Once finality attaches, the assessment shall no longer be disturbed.
3. **No Consolidation of Cases Involving FAN Stage and Cases at Stages Prior to Issuance of Preliminary Assessment Notice (PAN)** – Cases at the FAN stage shall not be consolidated with cases that remain at stages prior to the issuance of a PAN, whether with or without a Notice of Discrepancy (NOD). This rule is intended to prevent undue delay in the resolution of cases at the FAN stage, in view of the remedies available to the taxpayer under Section 228 of the National Internal Revenue Code of 1997, as amended (Tax Code), including the right to appeal to the Court of Tax Appeals.



4. **Exception: Allowed FAN-Level Consolidation** – Consolidation involving any FAN-stage case may be allowed only if:

- a. The FAN was validly issued and properly served;
- b. The protest period is still running, or a valid protest has been timely filed;
- c. The assessment has not yet become final and executory;
- d. All safeguards under Section III(C) of this Order are complied with; and
- e. Where a protest has already been filed, the Consolidated FAN is issued before the lapse of the applicable one hundred eighty (180)-day period under Section 228 of the Tax Code.

Failure to satisfy any of the foregoing conditions shall preclude consolidation.

B. CONSOLIDATION CASES

The following rules shall guide Revenue Officers in determining whether consolidation may be effected. If the mandatory safeguards under Section III(C) of this Order are not fully complied with, the cases shall proceed independently in accordance with their respective procedural stages.

1. Consolidation Prior to FAN Stage

Situation	Action	Mandatory Safeguards
No NOD + No NOD	Consolidate at NOD	<ol style="list-style-type: none"> 1. Issue Consolidated NOD; 2. Preserve discrepancy discussion rights (Discussion of Discrepancies); and 3. Observe proper service of NOD.
No NOD + NOD	Consolidate at NOD	<ol style="list-style-type: none"> 1. Secure a Written Conformity to Consolidation (Annex B). If the taxpayer refuses to agree to the consolidation, cases shall proceed independently; 2. Issue a Consolidated NOD expressly superseding the prior NOD; 3. Preserve discrepancy discussion rights (Discussion of Discrepancies); and 4. Observe proper service of NOD.
NOD + NOD	Consolidate at NOD	<ol style="list-style-type: none"> 1. Secure a Written Conformity to Consolidation (Annex B). If the taxpayer refuses to agree to the consolidation, cases shall proceed independently; 2. Issue a Consolidated NOD expressly superseding the prior NODs; 3. Preserve discrepancy discussion rights (Discussion of Discrepancies); and 4. Observe proper service of NOD.


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No NOD + PAN	Elevate to PAN stage after proper completion of NOD for the lower-stage case	<ol style="list-style-type: none"> 1. The case at No NOD stage must first undergo the discrepancy discussion process after the issuance and proper service of the NOD; 2. Secure a Written Conformity to Consolidation (Annex B). If the taxpayer refuses to agree to the consolidation, cases shall proceed independently; 3. Issue a Consolidated PAN expressly superseding the prior PAN; 4. Observe proper service; 5. A fresh fifteen (15)-day response period shall run from receipt of the Consolidated PAN; and 6. Secure a Waiver of Prescription, if necessary (Annex C).
NOD + PAN	Consolidate at PAN	<ol style="list-style-type: none"> 1. Secure a Written Conformity to Consolidation (Annex B). If the taxpayer refuses to agree to the consolidation, cases shall proceed independently; 2. Issue Consolidated PAN expressly superseding the prior PAN; 3. Observe proper service; 4. A fresh fifteen (15)-day response period shall run from receipt of the Consolidated PAN; and 5. Secure a Waiver of Prescription, if necessary (Annex C).
PAN + PAN	Consolidate at PAN	<ol style="list-style-type: none"> 1. Secure a Written Conformity to Consolidation (Annex B). If the taxpayer refuses to agree to the consolidation, cases shall proceed independently; 2. Issue Consolidated PAN expressly superseding the prior PANs; 3. Observe proper service; 4. A fresh fifteen (15)-day response period shall run from receipt of the Consolidated PAN; and 5. Secure a Waiver of Prescription, if necessary (Annex C).



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2. Consolidation at FAN Stage

Situation	Action	Mandatory Safeguards
No NOD + FAN	No consolidation	Not applicable.
NOD + FAN	No consolidation	Not applicable.

PAN + FAN	Proceed to consolidation at the FAN stage after completion of the PAN process for the PAN-stage case	<ol style="list-style-type: none"> 1. The PAN-stage case must first complete the fifteen (15)-day response period, unless the taxpayer submits a written response earlier. 2. Upon completion of the PAN stage, consolidation at the FAN level may be effected, provided that: <ol style="list-style-type: none"> a. The existing FAN was validly issued and properly served; b. The FAN has not become final and executory; c. The protest period is still running, or a valid protest has been timely filed; d. All safeguards under Section III(C) of this Order are complied with; and e. Where a protest has already been filed, the Consolidated FAN is issued before the lapse of the one hundred eighty (180)-day period under Section 228 of the Tax Code. 3. If consolidation is pursued, the following are required: <ol style="list-style-type: none"> a. Written Conformity to Consolidation (Annex B); b. Waiver of Prescription (Annex C); c. Issue a Consolidated FAN expressly superseding the prior FAN solely for purposes of consolidation under RMO No. 1-2026; d. Effect proper service; and e. A fresh thirty (30)-day protest period shall run from receipt of the Consolidated FAN. <p>Failure to satisfy any of the foregoing conditions shall preclude consolidation.</p>
FAN + FAN	Consolidation may proceed at the FAN stage through issuance of a	<ol style="list-style-type: none"> 1. Consolidation shall be allowed only if: <ol style="list-style-type: none"> a. Both FANs have been validly issued and properly served;



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	Consolidated FAN	<p>b. Neither of the previously issued FANs has become final and executory;</p> <p>c. The protest period is still running for both, or valid protests have been timely filed;</p> <p>d. All safeguards under Section III(C) of this Order are complied with; and</p> <p>e. Where protest has already been filed, the Consolidated FAN is issued before the lapse of the applicable one hundred eighty (180)-day period under Section 228 of the Tax Code.</p> <p>If consolidation is pursued:</p> <p>a. Written Conformity to Consolidation (Annex B);</p> <p>b. Waiver of Prescription (Annex C);</p> <p>c. Issue a Consolidated FAN expressly superseding the FANs solely for purposes of consolidation under RMO No. 1-2026;</p> <p>d. Effect proper service; and</p> <p>e. A fresh thirty (30)-day protest period shall run from receipt of the Consolidated FAN.</p> <p>Failure to comply with any of the foregoing requirements shall result in independent continuation of the cases.</p>
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3. Cases with FDDA

Situation	Action
Any + FDDA	No consolidation. Proceed independently.

C. MANDATORY SAFEGUARDS FOR FAN-LEVEL CONSOLIDATION

Consolidation involving any FAN-stage case shall not proceed unless ALL of the following are secured:

- 1. Written Conformity to Consolidation (Taxpayer Undertaking) Applicable to Consolidated NOD, PAN, and FAN**

The taxpayer must expressly agree in writing that:

- a. The identified audit case(s)/eLA(s) covering the same taxable period may be consolidated pursuant to RMO No. 1-2026;
- b. The taxpayer voluntarily conforms to the issuance of a consolidated notice that shall supersede the specifically identified prior notice(s) solely for consolidation purposes under RMO No. 1-2026;
- c. Fresh response and/or protest periods shall run only upon proper service and receipt of the consolidated/superseding notice, in accordance with existing due process rules; and
- d. The conformity is procedural only, does not constitute an admission of liability, and does not waive substantive defenses or legal remedies available under law.

The prescribed template for the Written Conformity to Consolidation is provided in **Annex B** of this Order.

2. Waiver of Prescription

The Waiver of Prescription pursuant to Sections 203 and 222 of the Tax Code:

- a. Must strictly comply with the requirements and form guidance under RMO No. 14-2016, Revenue Memorandum Circular No. 141-19, and related issuances;
- b. Must be signed by the taxpayer or a duly authorized representative, provided that the authorized representative must show a written authority which shall form part of the official record;
- c. Must clearly specify the taxable period covered and a definite expiration date; and
- d. While the taxpayer shall have the duty to retain a copy of the submitted waiver, a copy of the duly executed waiver showing BIR acceptance should form part of the docket.

A template of the Waiver of Prescription is hereto attached as **Annex C**.

3. Standard Supersession Clause at the NOD/PAN/FAN Level

If a Consolidated NOD/PAN/FAN is to be issued:

- a. Any previously issued NOD/PAN/FAN covering the same taxable period shall be formally superseded for purposes of consolidation.
- b. The Consolidated NOD/PAN/FAN must clearly identify the prior NOD(s)/PAN(s)/FAN(s) being superseded and state that it shall govern the audit moving forward.
- c. The Consolidated NOD/PAN/FAN must contain the following clause:

"This Consolidated [NOD/PAN/FAN] supersedes the [NOD(s)/PAN(s)/FAN(s)] dated ___ duly received on ___ day of _____, 2026, solely for purposes of consolidation under RMO No. 1-2026, without prejudice to substantive rights and



remedies available under law. This Consolidated [NOD/PAN/FAN] shall constitute the operative [NOD/PAN/FAN] for the taxable period concerned.”

d. Proper service must be effected in accordance with applicable regulations.

4. Proper Service

All consolidated notices must strictly comply with service rules under Revenue Regulations No. 12-99, as amended. Failure in service may result in nullity of the notices.

5. No Regression Rule

Consolidation should not result in the reversal of a case to an earlier procedural stage in the statutory due process sequence. Accordingly:

- a. A case that has reached the FAN stage shall not be reverted to the PAN or NOD stage;
- b. A case that has reached the PAN stage shall not be reverted to the NOD stage; and
- c. A validly served notice shall not be disregarded, nullified, or replaced except through a formal and properly documented supersession (or withdrawal, where appropriate) effected prior to finality.

Attached herewith as **Annex D** is the Consolidation Compliance Checklist, which shall guide Revenue Officers in determining whether consolidation may be effected.

IV. SUPPLEMENTARY RULES ON VAT REFUND APPLICATIONS

During the wind-up and transition period of the VATAS and the LTVAU pursuant to RMO No. 1-2026, the following rules shall govern the authority to receive and process VAT refund applications, to ensure continuity of service and clarity of jurisdiction:

A. Receipt of New VAT Refund Applications

VATAS/LTVAU may continue to receive new VAT refund applications only until March 31, 2026. Beginning April 1, 2026, all new VAT refund applications shall be filed with and processed by the appropriate Revenue District Office or the Large Taxpayers Service having jurisdiction over the taxpayer.

All refund applications received before April 1, 2026 shall be fully evaluated by the said offices. Accordingly, all corresponding reports must be completed on or before said date. Thereafter, the case shall be endorsed to the appropriate reviewing office.

B. Processing of Pending VAT Refund Applications

VATAS and LTVAU may continue to process VAT refund applications already received only until May 29, 2026.



This Section is issued as a suppletory provision to clarify jurisdictional authority during the transition period and to ensure orderly turnover and uninterrupted processing of VAT refund applications.

V. EFFECTIVITY

This Order shall take effect immediately upon issuance.

VI. REPEALING CLAUSE

All orders, memoranda, and issuances inconsistent herewith are hereby repealed or modified accordingly.




CHARLITO MARTIN R. MENDOZA
Commissioner of Internal Revenue

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