



Bringing In Revenues  
for Nation-Building

REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
BUREAU OF INTERNAL REVENUE



24 NOV 2025

REVENUE MEMORANDUM CIRCULAR (RMC) NO. 107-2025

**SUBJECT :** Suspension of all Audit and Other Field Operations of the Bureau of Internal Revenue Until Lifted by the Commissioner of Internal Revenue

**TO :** All Internal Revenue Officials, Employees, and Others Concerned

**I. RATIONALE AND LEGAL BASIS**

The Bureau of Internal Revenue (BIR) is mandated to protect taxpayers from irregular, untimely, or intrusive audits and to strengthen internal discipline by limiting discretionary field operations, thereby ensuring a fair, transparent, and efficient tax system that promotes compliance and fosters trust among taxpayers.

The Letter of Authority (LOA) is the BIR's primary legal document that authorizes revenue officers to examine a taxpayer's books and records. It grants the Commissioner the authority to conduct audits based on a clear legal foundation, with proper identification of the examiner and adherence to due process. Complementing this is the Mission Order (MO), an administrative instrument for authorizing surveillance, verification, site inspections, and other limited fact-finding activities. Unlike an LOA, an MO does not authorize audits, examination of books of account, or the issuance of assessments.

Given the importance of the audit system, its regulatory framework must be implemented with care and integrity. This authority clearly depends on the Commissioner's statutory powers under the National Internal Revenue Code (NIRC) of 1997, as amended. Section 4 grants the Commissioner exclusive authority to interpret tax laws and oversee enforcement; Sections 5 and 6(A) authorize the Commissioner to gather information, establish examination procedures, and regulate the issuance of LOAs; and Section 7 states that LOA issuance, as a delegated authority, can be recalled, restricted, or suspended at any time to maintain administrative integrity. Jurisprudence, especially *CIR v. Sony Philippines, Inc.* (G.R. No. 178697, November 17, 2010), confirms that a valid assessment requires a valid LOA.

In view of numerous complaints from taxpayers, stakeholders, and internal units regarding irregularities and inconsistencies, and to protect the integrity of audit operations, the BIR will conduct a comprehensive review of existing policies and procedures. To prevent exposure to potential abuse and operational weaknesses and to strengthen the credibility and defensibility of the BIR's audit process, the following are hereby ordered.

BUREAU OF INTERNAL REVENUE  
RECORDS MANAGEMENT DIVISION

**RECEIVED**  
NOV 24 2025  
ADMIN UNIT - 1  
TIME: 4:35pm

Regional Office Bldg., Senator Miriam Defensor-Santiago Avenue, Diliman, Quezon City

Website: [www.bir.gov.ph](http://www.bir.gov.ph)

Trunkline: 8981-7000 ; 8929-7676

## II. ORDER

In line with the principles of control and supervision, as well as the standards of accountability, integrity, and transparency mandated by Republic Act No. 6713, or the Code of Conduct and Ethical Standards for Public Officials and Employees, and to allow the BIR to address systemic issues, protect taxpayer rights, and develop a transparent, standardized, and modernized audit framework, all ongoing field audits and related field operations, such as issuing LOA, MO, examination, and verification of taxpayers' books of accounts, records, and other related transactions, are hereby ordered **SUSPENDED** until the order is lifted by the Commissioner.

However, it is imperative to stress that efforts to maximize revenue collection should be maintained throughout the year. Therefore, the issuance of Assessment Notices, Warrants, and Seizure Notices shall continue under the exceptions outlined in Section IV. Additionally, taxpayers may voluntarily pay their known deficiency taxes without needing approval from the appropriate revenue officials.

## III. COVERAGE

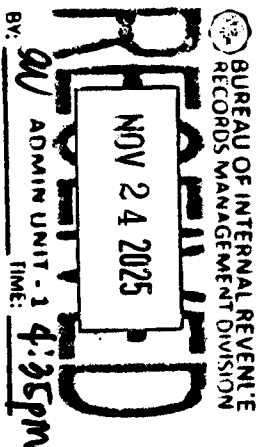
This order applies to all operating offices of the BIR that conduct field audits and related field operations, including but not limited to:

1. Large Taxpayers Service (LTS);
2. Revenue Regions (RRs);
3. Revenue District Offices (RDOs);
4. National and Regional Investigation Divisions;
5. Assessment Divisions;
6. VAT Audit Unit (LTS);
7. VAT Audit Sections;
8. Office Audit Sections;
9. All other offices, committees, and task forces authorized to conduct examinations, verification of taxpayers' books of account, records, and other related transactions or investigations.

## IV. EXCEPTIONS

During this suspension period, the issuance of written orders to audit or investigate taxpayers' internal revenue liabilities is suspended, except in the following circumstances:

1. Investigation of cases prescribing within six (6) months from the date of this Order;
2. Processing and verification of estate tax returns, donor's tax returns, capital gains tax returns, and withholding tax returns on the sale of real properties or shares of stocks, together with the documentary stamp tax returns related thereto;
3. Examination or verification of internal revenue tax liabilities of taxpayers retiring from business;
4. LOAs/MOs necessary for active criminal probes conducted by duly authorized enforcement units through verified intelligence reports, inter-agency referrals, third-party data validation, or risk-scoring anomalies that require immediate audit action where delay would prejudice the government's case;
5. Claims for refund where the issuance of an LOA is statutorily required; and



6. Other matters/concerns where deadlines have been imposed or under the orders of the Commissioner.

## V. SPECIFIC DIRECTIVES

All concerned offices, committees, and task forces must submit an inventory of all pending or unserved LOAs, revalidated or expired LOAs, and supplementary or related LOAs, MOs, including their status, to the Office of the Commissioner within fifteen (15) working days from the effective date of this Order.

No revalidation, extension, replacement, or supplementary LOA and MO shall be issued during the suspension period unless it falls under the exceptions in Section IV.

The Technical Working Group/Review Committee on LOA Integrity and Audit Reforms is directed to evaluate existing policy frameworks, identify operational and systemic vulnerabilities, recommend a revised, integrity-based LOA issuance protocol, and integrate digital safeguards and uniform audit standards.

The Committee shall submit its recommendations within the period prescribed by the Commissioner.

## VI. MONITORING AND ACCOUNTABILITY

Failure to comply with this Order shall constitute an administrative offense. Erring personnel shall be subject to appropriate disciplinary action, without prejudice to any applicable civil or criminal liability.

All internal revenue officers and others concerned shall ensure strict enforcement within their areas of responsibility.

## VII. EFFECTIVITY

This Order shall take effect immediately upon issuance.



*[Signature]*  
**CHARLITO MARTIN R. MENDOZA**  
Commissioner of Internal Revenue

