

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

July 3, 2003

REVENUE MEMORANDUM CIRCULAR NO. 40-2003

**SUBJECT: Effect of the Issuance and Receipt of Letter Notice to the Taxpayer's
Right to Amend its Tax Returns as Provided under Section 6 of the
National Internal Revenue Code**

TO : All Internal Revenue Officers and Others Concerned

For the information and guidance of all internal revenue officers and others concerned, please refer to the attached copy of the memorandum of Deputy Commissioner Jose Mario C. Buñag of the Legal and Inspection Group dated June 9, 2003 clarifying the following issue:

Whether or not the Letter Notice (LN) being served by the Bureau upon taxpayers who were found to have under-declared their sales or purchases through the Third Party Information Program can be considered a notice of audit or investigation which would in effect disqualify the taxpayers concerned from amending any return which is the subject of such audit or investigation.

The Deputy Commissioner for Legal and Inspection Group opines and I quote:

"LN being served by the Bureau upon taxpayers who were found to have under-declared their sales or purchases through the Third Party Information Program can be considered a notice of audit or investigation which would in effect disqualify the taxpayers concerned from amending any return which is the subject of such audit or investigation."

Please be guided accordingly.

(Original Signed)
GUILLERMO L. PARAYNO, JR.
Commissioner