BIR Requires Online Sellers to Register Businesses

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Report from Nina Umar, Editor, IBFD

The Bureau of Inland Revenue (BIR) has announced that all persons doing business and earning income in any manner or any form, specifically those conducting digital transactions through any electronic platforms and media, as well as any other digital means, must be registered with the BIR and ensure tax compliance. These include not only partner sellers/merchants but also other stakeholders involved, such as payment gateways, delivery channels, Internet service providers and other facilitators. Registration of business activities and/or updating the registration status not later than 31 July 2020 will not be subject to penalty for late registration. The BIR also encourages voluntary declaration of past transactions that are subject to relevant taxes and payment of the taxes due. These will not be subject to a penalty, provided that they are declared and paid not later than 31 July 2020. After the said date, businesses that are not compliant with the registration or update requirements, and fail to declare past taxes due or unpaid taxes, will be subject to applicable penalties under the law and existing revenue rules and regulations. All newly registered business entities, as well as existing registrants, are advised to comply with the provisions of the National Internal Revenue Code, as amended, and other applicable tax revenue issuances, in particular the following:

- issuance of a registered sales invoice or official receipt for every sale of goods or services to clients/customers/buyers;
- retention of registered book of accounts and other accounting records of business transactions;
- withholding of taxes, where applicable;
- filing of required tax returns; and
- payment of taxes due on time.

Details of the registration guidelines are available in Revenue Memorandum Circular No. 60-2020 of 1 June 2020 (see here).

See also

Philippines - Corporate Taxation - Country Surveys sections 1.3.1., 1.8.2., 1.8.3.
Philippines - Individual Taxation - Country Surveys sections 1.2.1., 1.10.2., 1.10.3.
Philippines - Country Analyses - Corporate Taxation sections 1.2.1., 1.11.1., 1.11.4.
Philippines - Country Analyses - Individual Taxation sections 1.2.1., 1.11.1., 1.11.4.