

REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
**BUREAU OF INTERNAL REVENUE**

Quezon City

July 25, 2008

**REVENUE MEMORANDUM CIRCULAR NO. 56-2008**

**Subject : Procedure on the Handling of Taxpayer's Application for Cancellation of Business Registration, and Warning on the Use of Official Receipts/Sales Invoices of Dissolved Businesses for Purposes of Claiming Input Taxes.**

**To : All Internal Revenue Officers and Others Concerned.**

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Clarified hereunder is the procedure on the handling of application for cancellation of business registration thru the filing of a "Notice of Closure or Cessation of Business" to the Revenue District Office (RDO) where registered, by accomplishing the prescribed registration updates form. The application shall be granted whenever a taxpayer decides to voluntarily close shop, when a partnership/corporation decides to dissolve, in cases of merger or consolidation resulting to the dissolution of the absorbed entity/ies, or upon the death of the individual doing business under a sole proprietorship.

Upon filing of the duly accomplished "Notice of Closure or Cessation of Business", the taxpayer shall –

- (a) Submit to the Bureau of Internal Revenue (BIR) the following list, for evaluation:
  1. List of Inventory of Goods, Supplies and Capital Goods;
  2. List of Unused Sales Invoice, Official Receipts and Other Accounting Forms;
  3. List of Certificates, Permits, Notices, etc. issued to the taxpayer by the BIR.

and, upon effectivity of the closure or cessation of business,

- (b) Physically submit and/or surrender to the RDO where the taxpayer is registered or where the Authority to Print (ATP) is secured, all unused Sales Invoices, Official Receipts and other accounting forms, for destruction. Likewise, all BIR-issued Notices, Permits, Certificate of Registration, etc. shall be surrendered for cancellation. Where a taxpayer operates its business by maintaining a Head Office and branches, the place where the taxpayer is registered, for purposes of the physical submission herein required, is the place where the Head Office is registered.

Upon surrender of the unused Sales Invoice, Official Receipts and Other Accounting Forms by the taxpayer to the BIR personnel, said BIR personnel, in the presence of the taxpayer, shall destroy said documents by cutting them lengthwise and crosswise at the middle of the document and converting one sheet into four pieces such that the documents can no longer be used for the same purpose it was originally intended when printed. The destroyed blank forms or unused documents shall be returned to the taxpayer with the strict directive that these be properly disposed of and a warning that the taxpayer shall be liable if these documents are subsequently used as a source of spurious input taxes.

On the other hand, the surrendered BIR-issued Notices, Permits, Certificates, etc. shall be stamped by the BIR personnel with the word "CANCELLED" across the face of the document so bold and visible enough not to allow the reuse of said Certificates, Notices, Permits, etc. The cancelled certificates, notices and permits shall be returned to the taxpayer for safekeeping or proper disposition.

On the effective date of closure or cessation of business, the RDO shall "end date" all the tax types of the taxpayer. Whenever applicable, the RDO of the Head Office shall inform all the other RDOs where the branches are registered, of the closure/cessation of business. Likewise, the RDO of the Head Office shall submit a monthly report of cessation or closure of business to the Taxpayer Assistance Service, Attention: Chief, Taxpayer Service Programs Monitoring Division (TSPMD), for the issuance of Revenue Memorandum Circular (RMC) circularizing the names of taxpayers who have ceased business operations for every month.

All internal revenue officers are hereby enjoined to give this Circular as wide a publicity as possible.

(Original Signed)  
**LILIAN B. HEFTI**  
Commissioner of Internal Revenue