

**BDB Law**

DU-BALADAD AND ASSOCIATES

# ADVISORY

SERIES OF 2026

Clarification on the Lifting of the  
Suspension of Tax Audit and Field  
Operations

**CLARIFICATION ON LIFTING OF THE SUSPENSION OF TAX**  
**AUDIT AND FIELD OPERATIONS**

**I. Authorized Audit and Verification Instruments**

- ☑ A replacement eLA issued solely to maintain continuity of audit authority due to reassignment of Revenue Officers or organizational restructuring is not administrative adjustment and shall not be construed as issuance of new audit authority requiring separate Commissioner of Internal Revenue approval.
- ☑ Where the original LOA/eLA was validly issued and the taxpayer, taxable period and scope remain unchanged, the Replacement eLA merely preserves and continues the existing audit authority
- ☑ All LOAs/eLAs issued prior to the effectivity of RMO No 1-2026 remain valid and enforceable, provided that they were issued in accordance with the laws, rules, and regulations existing at the time of issuance.
- ☑ LOAs/eLAs, Mission Order (MO) and Tax Verification Notice (TVN) issued prior to the effectivity of RMO No. 1-2026 that are not subject to replacement are not required to bear the mandatory labels. Such instruments remain valid and enforceable and shall continue to be implemented.
- ☑ A TVN is limited to the specific transaction or claim stated therein. Its scope cannot be expanded beyond what is expressly stated in the notice.
- ☑ A Replacement eLA issued for purposes of continuity, consolidation or administrative realignment due to reassignment, substitution or transfer of a Revenue Officer is strictly limited to the same taxpayer and the same taxable periods covered by the subsisting LOA(s)/eLA(s).
- ☑ The filing or receipt of any communication assailing the validity of the Replacement eLA shall not suspend, interrupt, or delay audit and investigation procedures, nor divest duly authorized Revenue Officers of their authority to examine the taxpayer's books and records.

**II. Single Instance Audit Framework**

- ☑ If a taxpayer has two existing eLAs – one issued by RDO and another issued by the Value-Added Tax (VAT) unit or section- covering the same taxable period, these eLAs shall be subject to automatic consolidation into a single replacement eLA.
- ☑ During the transition to the Single-Instance Audit Framework, tax liabilities that have been assessed and already paid prior to the issuance of a Replacement eLA shall be treated as closed and settled.

**BUREAU OF INTERNAL REVENUE**  
**Revenue Memorandum Circulars No. 14-2026**  
**March 4, 2026**

**III. Consolidation of Pending audit**

☑ Important dates to remember for purposes of consolidation:

- March 13, 2026 – Deadline of taxpayers to file a written request for non-consolidation of VAT audit cases.
- March 20, 2026 – Automatic consolidation of pending LOA/eLA covering the same taxpayer and taxable period.
- May 15, 2026 – Deadline for VAT audit section and Large Taxpayer Vat unit to review, organize and prepare all ongoing audit and assessments for transfer to appropriate regular offices of the BIR, in accordance with RMO No. 1-2026.
- May 18, 2026 – All pending LOAs/eLAs covering the same taxpayer and taxable period, where multiple LOAs/eLAs exist and which were previously allowed to proceed separately, shall be automatically consolidated.

- ☑ The Replacement eLA must be properly issued and served upon the taxpayer in accordance with existing rules and procedures on service.
- ☑ The existing waiver remains valid and binding. All acts performed and records generated under the replaced LOA/eLA preserve their legal effect and are deemed part of the continuing audit process.
- ☑ The Checklist of Requirements, Notices or Subpoenas Duces Tecum (SDT) previously issued under a LOA/eLA remain valid and enforceable.

**IV. Transfer and Dissolution of VAT audit Offices and Task Forces**

- ☑ VATAS and LTVAU continue processing pending audit cases but only until May 15, 2026.
- ☑ VATAS and LTVAU shall no longer undertake audit function except VAT refunds and shall proceed with winding-up of operation until May 29, 2026.

*Source:*  
*Revenue Memorandum Circulars No. 14-2026*  
*March 4, 2026*

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