

BDB Law

DU-BALADAD AND ASSOCIATES

ADVISORY

SERIES OF 2026

Further Amendments to the
Policies, Controls, and
Procedures for Tax Audit and
Assessment

BUREAU OF INTERNAL REVENUE
Revenue Memorandum Order No. 006-2026
March 4, 2026

FURTHER AMENDMENTS TO THE POLICIES, CONTROLS, AND PROCEDURES FOR TAX AUDIT AND ASSESSMENT

Amended Dates in RMO No. 1-2026

EVENT	FROM	TO
Deadline for filing written requests for Non-Consolidation of VAT Audit Cases	February 16, 2026	March 13, 2026
Automatic Consolidation of all pending eLAs except where a written request was filed	March 4, 2026	March 20, 2026
Last day of audit operations for VATAS and LTVAU	April 30, 2026	May 15, 2026
Automatic consolidation of all pending eLAs which were allowed to proceed separately	May 4, 2026	May 18, 2026
Last day of VATAS and LTVAU for purposes of winding up its operations	May 15, 2026	May 29, 2026

Amendment to Annex “A” of RMO No. 1-2026 – List of Audit Selection Criteria

One of the selection criteria of mandatory cases to be covered by Electronic Letter of Authority (eLA) is hereby amended:

FROM	TO
7. Taxpayers requesting for tax clearance whose gross sales is more than Php 1,000,000.00 or gross assets is more than Php 3,000,000.00 due to: xxx xxx xxx	7. Taxpayers requesting for tax clearance whose gross sales of the immediately preceding year exceed Php 3,000,000.00 or whose gross assets upon retirement exceed Php 8,000,000.00 due to: xxx xxx xxx

Prohibited Consolidations

1. Consolidation at FDDA Stage
2. Consolidation of final and executory FAN
3. Consolidation of cases involving FAN Stage and cases at stages prior to issuance of PAN

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- Exceptions: Allowed FAN-level Consolidation
 1. The FAN was validly issued and properly served;
 2. The protest period is still running, or a valid protest has been timely filed;
 3. The assessment has not yet become final and executory;
 4. All safeguards under Section III(C) of this Order are complied with; and
 5. Where a protest has already been filed, the Consolidated FAN is issued before the lapse of the applicable one hundred eighty (180)-day period under Section 228 of the Tax Code.

Mandatory Safeguards

Consolidation Prior to FAN Stage

Situation	Action	Mandatory Safeguards
No NOD + No NOD		<ol style="list-style-type: none"> 1. Issue Consolidated NOD; 2. Preserve discrepancy discussion rights (Discussion of Discrepancies); and 3. Observe proper service of NOD.
No NOD + NOD	Consolidate at NOD	<ol style="list-style-type: none"> 1. Secure a Written Conformity to Consolidation. If the taxpayer refuses to agree to the consolidation, cases shall proceed independently; 2. Issue a Consolidated NOD expressly superseding the prior NOD; 3. Preserve discrepancy discussion rights (Discussion of Discrepancies); and 4. Observe proper service of NOD.
NOD + NOD		<ol style="list-style-type: none"> 1. Secure a Written Conformity to Consolidation. If the taxpayer refuses to agree to the consolidation, cases shall proceed independently; 2. Issue a Consolidated NOD expressly superseding the prior NODs; 3. Preserve discrepancy discussion rights and 4. Observe proper service of NOD
No NOD + PAN	Elevate to PAN stage after proper completion of NOD for the lower-stage case	<ol style="list-style-type: none"> 1. The case at No NOD stage must first undergo the discrepancy discussion process after the issuance and proper service of the NOD; 2. Secure a Written Conformity to Consolidation. If the taxpayer

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		<p>refuses to agree to the consolidation, cases shall proceed independently;</p> <ol style="list-style-type: none"> 3. Issue a Consolidated PAN expressly superseding the prior PAN; 4. Observe proper service; 5. A fresh 15-day response period shall run from receipt of the Consolidated PAN; and 6. Secure a Waiver of Prescription, if necessary.
NOD + PAN	Consolidate at PAN	<ol style="list-style-type: none"> 1. Secure a Written Conformity to Consolidation. If the taxpayer refuses to agree to the consolidation, cases shall proceed independently; 2. Issue Consolidated PAN expressly superseding the prior PAN; 3. Observe proper service; 4. A fresh 15-day response period shall run from receipt of the Consolidated PAN; and 5. Secure a Waiver of Prescription, if necessary.
PAN + PAN		

Consolidation at FAN Stage

Situation	Action	Mandatory Safeguards
No NOD + FAN	No consolidation	Not Applicable
NOD + FAN		
PAN + FAN	Proceed to consolidation at the FAN stage after completion of the PAN process for the PAN-stage case	<ol style="list-style-type: none"> 1. The PAN-stage case must first complete the 15-day response period, unless the taxpayer submits a written response earlier. 2. Upon completion of the PAN stage, consolidation at the FAN level may be effected, provided that: <ol style="list-style-type: none"> a. The existing FAN was validly issued and properly served; b. The FAN has not become final and executory; c. The protest period is still running, or a valid protest has been timely filed; d. All safeguards under Section III(C) of this Order are complied with; and

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		<p>e. Where a protest has already been filed, the Consolidated FAN is issued before the lapse of the 180-day period under Section 228 of the Tax Code.</p> <p>3. If consolidation is pursued, the following are required:</p> <ul style="list-style-type: none"> a. Written Conformity to Consolidation; b. Waiver of Prescription; c. Issue a Consolidated FAN expressly superseding the prior FAN solely for purposes of consolidation under RMO No. 1-2026; d. Effect proper service; and e. A fresh thirty (30)-day protest period shall run from receipt of the Consolidated FAN. <p>Failure to satisfy any of the foregoing conditions shall preclude consolidation</p>
FAN + FAN	Consolidation may proceed at the Fan stage through issuance of a Consolidated FAN	<p>1. Consolidation shall be allowed only if:</p> <ul style="list-style-type: none"> a. Both FANs have been validly issued and properly served; b. Neither of the previously issued FANs has become final and executory; c. The protest period is still running for both, or valid protests have been timely filed; d. All safeguards under Section III(C) of this Order are complied with; and e. Where protest has already been filed, the Consolidated FAN is issued before the lapse of the applicable 180-day period under Section 228 of the Tax Code. <p>If consolidation is pursued, the following are required:</p> <ul style="list-style-type: none"> f. Written Conformity to Consolidation; g. Waiver of Prescription; h. Issue a Consolidated FAN expressly superseding the prior FAN solely for purposes

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		<ul style="list-style-type: none"> i. of consolidation under RMO No. 1- 2026; j. Effect proper service; and k. A fresh thirty (30)-day protest period shall run from receipt of the Consolidated FAN. <p>Failure to satisfy any of the foregoing conditions shall preclude consolidation</p>
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Cases with FDDA

Situation	Action
FDDA	No Consolidation.

Refund Applications

Receipt of New VAT Refund Applications

Period	Receiving and Processing Office
Until March 31, 2026	VATAS/ LTVAU
April 1, 2026 onwards	Revenue District Office/ Large Taxpayers Service

Processing of VAT Refund Applications

Period	Receiving and Processing Office
Until May 29, 2026	VATAS/ LTVAU

Effectivity

This Order shall take effect immediately upon issuance.

Source:
 BIR Revenue Memorandum Order No. 06-2026
 March 04, 2026

Learn more:

email us at info@bdblaw.com.ph
 or call +632 8403-2001
 visit us at: www.bdblaw.com.ph

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