

The logo for BDB Law is contained within a white rounded rectangle on a red background. It features the text "BDB Law" in a large, white, sans-serif font, with "DU-BALADAD AND ASSOCIATES" in a smaller, white, sans-serif font directly below it.

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DU-BALADAD AND ASSOCIATES

ADVISORY

SERIES OF 2026

Simplified and Streamlined
Guidelines and Procedures in
the Closure and/or
Cancellation of Business
Registration with the Bureau
of Internal Revenue

BUREAU OF INTERNAL REVENUE
Revenue Memorandum Circular No. 047-2026
May 19, 2026

SIMPLIFIED AND STREAMLINED GUIDELINES AND PROCEDURES
IN THE CLOSURE AND/OR CANCELLATION OF BUSINESS
REGISTRATION WITH THE BUREAU OF INTERNAL REVENUE

I. Coverage

- Business taxpayers registered with the BIR, whether domestic or foreign, resident or non-resident, that have permanently ceased business operations or are subject to closure or cancellation of business registration, including but not limited to the following:
 - Individual taxpayers engaged in business or professional practice, whether self-employed or professionals, including those deriving income through digital or online platforms;
 - Non-individual taxpayers, including corporations, partnerships, joint ventures, associations, cooperatives, and other juridical entities duly registered with the BIR;
 - Estates and Trusts, Government Agencies and Instrumentalities (GAls), Government-Owned and Controlled Corporations (GOCCs) and Government Financial Institutions (GFIs); and
 - Business taxpayers classified as Micro, Small, Medium, or Large taxpayers, in accordance with existing laws, and revenue issuances.

II. Modes and Venue of Filing of Application for Closure and/or Cancellation of Business Registration

- Applications for closure and/or cancellation of business registration, together with the required documents, shall be submitted to the RDO where the taxpayer's Head or Branch Office is registered either:
 - Electronically by sending the documents to the RDO's official email address, using the taxpayer's official email address duly registered with the BIR;
 - Electronically through the BIR's electronic registration facilities (i.e. TRRA Portal and ORUS);
 - Manually by personally submitting the documents to the concerned RDO
- Note: the unused invoices and original BIR Notices and BIR Permits issued to the taxpayer must be submitted manually*

III. Documentary Requirements

- BIR Form 1905 (2 original copies);
- List of ending inventory of goods and supplies, including capital goods, for VAT-registered taxpayers (1 original copy);

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- ☑ Unused invoices/supplementary documents and all other unutilized accounting forms such as vouchers, debit/credit memos, delivery receipts, purchase orders, as may be applicable together with the Inventory thereof; and
- ☑ Original BIR Notices and Permits issued to the taxpayer, as applicable:
 - Certification of Registration (COR)/Electronic COR (BIR Form No. 2303);
 - Authority to Print;
 - Notice to Issue Invoice;
 - Accreditation Certificate and Permit to Use – for Cash Register Machine/Point-of-Sales; and
 - Electronic Invoicing/Receiving System (EIS) Certificate and Permit to Transmit.
- ☑ For applications filed by a representative of the taxpayer:
 - For individual taxpayers: Notarized SPA authorizing the representative to process the closure or cancellation of the taxpayer's registration, with a photocopy of the valid government-issued ID of both the taxpayer and the authorized representative bearing original specimen signature.
 - For non-individual taxpayer (including One Person Corporation (OPCs)): Notarized Board Resolution or Written Resolution in case of OPC, or Secretary's Certificate, authorizing the representative to process the application for the closure and/or cancellation of the taxpayer's registration, with a photocopy of any government-issued ID of the OPC or Corporate Secretary and of the authorized representative, both with original specimen signatures.
 - For closure and/or cancellation due to the death of an individual proprietor: Death Certificate and any competent document/s evidencing the authority of the heir/executor/administrator to act for the estate of the decedent.

IV. Filing and Payment of Final Tax Returns

- ☑ The taxpayer must file and pay all final or short period tax returns covering the period from the beginning of the taxable year until the date of closure.
- ☑ For periods during which there was no business activity, the taxpayer shall file zero returns.

V. Effect of Submission of Documentary Requirements and Completion of the Closure and/or Cancellation of Business Registration Process

- ☑ The registration of the taxpayer shall be cancelled upon the filing and submission of the complete requirements.
 - Penalties for unfiled returns shall not accrue upon the submission of the required documents. To prevent the generation of open cases, the taxpayer's registered form types shall be placed under "deregistered" upon submission of complete documents

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- ☑ For micro taxpayers or those with gross sales not exceeding Php 3,000,000 or gross assets not exceeding Php 8,000,000, the tax clearance will be issued within three working days after complete document submission and payment of any liabilities. Their registration status will then be updated to “Closed,” and they are not subject to mandatory audit.
- ☑ For individual taxpayers, the closure process is completed once the registration status is updated to “Closed.” For non-individual taxpayers, the process is completed after the TIN is cancelled.
- ☑ Taxpayers with a pending audit, gross sales exceeding Php 3,000,000 in the previous years, or gross assets exceeding Php 8,000,000 upon retirement can only complete the closure or cancellation process after the audit is terminated and a Tax Clearance is issued.

VI. Effect of Failure to Apply for Closure and/or Cancellation of Business Registration

- ☑ Taxpayers who stop operating a business without filing the required documents for closure and/or cancellation of their business registration with the BIR shall remain liable for all tax obligations, including the filing of tax returns and payment of taxes and penalties, until the closure and/or cancellation of registration is completed with the BIR.

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Learn more:

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*DISCLAIMER: This is for general information only and is not intended, nor should be construed as a substitute for tax, legal or financial advice on any specific matter.

Du-Baladad and Associates (BDB Law) is a multi-awarded, global tax law firm in the Philippines that offers services around 3 major areas of practice – **tax**, **legal** and **consulting**.

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