

## ADVISORY ON PENALTY PROVISIONS

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20/F Chatham House  
Valero cor. Rufino Sts.



Salcedo Village  
Makati Zip Code



[www.bdblaw.com.ph](http://www.bdblaw.com.ph)  
[info@bdblaw.com.ph](mailto:info@bdblaw.com.ph)



T: (632) 403-2001  
F: (632) 403-2001 loc. 130



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**BUREAU OF INTERNAL REVENUE**  
**REVENUE REGULATIONS**  
**NO. 13-2021**

## Implementation of the Penalty Provisions under the TRAIN Law

### Penalty provisions

Offenses/Violations	Penalty
Attempt to evade or defeat tax imposed under the NIRC or payment thereof.	<ul style="list-style-type: none"> <li>➤ Fine of not less than P500,000 but not more than P10M; and</li> <li>➤ Imprisonment of not less than 6 years but not more than 10 years.</li> </ul> <p><b>Note:</b> The fine and penalty shall be in addition to other penalties provided for by law. The conviction or acquittal shall not be a bar to the filing of a civil suit for the collection of taxes.</p>
Violation related to the printing of receipts and invoices, such as: <ul style="list-style-type: none"> <li>a) Printing of receipts or sales or commercial invoices without authority from the BIR</li> <li>b) Printing of double or multiple sets of invoices or receipts;</li> <li>c) Printing of unnumbered receipts or sales or commercial invoices, not bearing the name, business style, Taxpayer Identification Number, and business address of the person or entity; or</li> <li>d) Printing of other fraudulent receipts or sales or commercial invoices.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Fine of not less than P500,000 but not more than P10M; and</li> <li>➤ Imprisonment of not less than 6 years but not more than 10 years.</li> </ul>

Offenses/Violations	Penalty
<p>Failure to transmit sales data to the BIR's electronic sales reporting system under Section 237-A of the NIRC, as amended.</p>	<p>For each day of violation, an amount equivalent to whichever is higher between:</p> <ul style="list-style-type: none"> <li>➤ 1/10 of 1% of the annual net income reflected in the taxpayer's audited financial statement for the second year preceding the current taxable year; or</li> <li>➤ P10,000</li> </ul> <p>Additional penalty – permanent closure if the aggregate number of days of violation exceeds 180 days.</p> <p><b>Note:</b> Shall not apply if the failure to transmit is due to force majeure or any causes beyond the control of the taxpayer.</p>
<p>Purchase, use, possession, sale or offer to sell, installation, transfer, update, upgrade, keeping, or maintaining of sales suppression devices, which include:</p> <ul style="list-style-type: none"> <li>a) Suppressing the creation of electronic records of sale transaction that a taxpayer is required to keep under existing tax laws and/or regulations; or</li> <li>b) Modifying, hiding, or deleting electronic records of sale transactions and providing a ready means of access to them.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Fine of not less than P500,000 but not more than P10M; and</li> <li>➤ Imprisonment of not less than 2 years but not more than 4 years.</li> </ul> <p>Economic sabotage – in case of cumulative suppression of electronic sales record in excess of P50M, the maximum penalty shall apply.</p>

Offenses/Violations	Penalty
Offenses related to fuel marking	
a) Engaging in the sale, trade, delivery, distribution, or transportation of unmarked fuel in commercial quantity held for domestic use or merchandise,	<ul style="list-style-type: none"> <li>➤ First Offense – P2.5M</li> <li>➤ Second Offense – P5M</li> <li>➤ Third Offense – P10M;</li> </ul>
b) Causing the removal of the official fuel marking agent from marked fuel, and the adulteration or dilution of fuel intended for sale to the domestic market, or the knowing possession, storage, transfer or offer for sale of fuel obtained as a result of such removal, adulteration or dilution.	<p><b>Note:</b> Penalty for third offense includes the revocation of license to engage in any trade or business.</p>
c) Willfully inserting, placing, adding, or attaching, directly or indirectly, through any overt or covert act, whatever quantity of any unmarked fuel, counterfeit additive or chemical in the person, house, effects, inventory, or in the immediate vicinity of an innocent individual for the purpose of implicating, incriminating or imputing the commission of any violation of offenses related to fuel marking.	<ul style="list-style-type: none"> <li>➤ Fine of P5M but not more than P10M; and</li> <li>➤ Imprisonment of not less than 4 years but not more than 8 years.</li> </ul>
d) Making, importing, selling, using, or possessing fuel markers without express authority.	<ul style="list-style-type: none"> <li>➤ Fine of P1M but not more than P5M; and</li> <li>➤ Imprisonment of not less than 4 years but not more than 8 years.</li> </ul>
e) Making, importing, selling, using, or possessing counterfeit fuel markers.	
f) Causing another person or entity to commit any of the two preceding acts in (d) and (e) hereof.	

Offenses/Violations	Penalty
<p>Offenses related to fuel marking</p> <p>g) Causing the sale, distribution, supply, or transport of legitimately imported, in-transit, manufactured or procured controlled precursors and essential chemicals, in diluted, mixtures or in concentrated form, to any person or entity penalized in (a), (b), (d), (e) and (f) hereof, including but not limited to, packaging, repackaging, labeling, relabeling or concealment of such transaction through fraud, destruction of documents, fraudulent use of permits, misdeclaration, use of front companies or mail fraud.</p>	<ul style="list-style-type: none"> <li>➤ Fine of P1M but not more than P5M; and</li> <li>➤ Imprisonment of not less than 4 years but not more than 8 years.</li> </ul>
<p>Any person who is authorized, licensed, or accredited to conduct fuel tests, who issues false or fraudulent fuel test results knowingly, willfully, or through gross negligence.</p>	<p>Additional penalty:</p> <ul style="list-style-type: none"> <li>➤ Imprisonment of 1 year and 1 day to 2 years and 6 months.</li> <li>➤ In case of a practitioner – revocation of the license to practice his profession.</li> <li>➤ Closure of the fuel testing facility.</li> </ul>

**Note:** The penalties for offenses related to fuel marking are in addition to penalties imposed under Title X of the NIRC, as amended, Section 1401 of RA No. 10863 or the "the "Customs Modernization and Tariff Act (CMTA)", and other relevant laws.

Source:

Revenue Regulation No. 13-2021