



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

March 5, 2010

**REVENUE MEMORANDUM CIRCULAR No. 19-2010**

**SUBJECT** : Tax Investigation of Cooperatives

**TO** : All Internal Revenue Officers and Others Concerned

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The Joint Rules and Regulations Implementing Republic Act (RA) No. 9520, otherwise known as the Philippine Cooperative Code of 2008, has been jointly signed by the Department of Finance, Cooperative Development Authority (CDA), and the BIR last February 5, 2010. With the approval of this issuance, all concerned BIR Offices are hereby directed to continue with all pending tax investigations and issue tax assessments if so warranted: Provided, however, That the following tax audit guidelines shall be observed:

- a. For tax cases existing prior to the effectivity date of RA No. 9520 last March 22, 2009, the old Cooperative Code under RA No. 6938 shall govern since the new law (RA No. 9520) did not provide for any retroactive effect;
- b. For the audit/investigation of 2008 internal revenue tax returns of Cooperatives, including tax returns of fiscal period taxpayers whose taxable year ended before March 22, 2009, all BIR Offices are authorized to issue notices of investigation following the procedures under the applicable Audit Program; and,
- c. For all other tax cases covering the period beyond March 22, 2009, BIR Offices are required to obtain prior authorization from the CDA which shall be released by the CDA or its Extension Office having jurisdiction over the Cooperative, copy furnished the concerned Cooperative, within twenty (20) days from receipt of the request from the BIR.

All concerned are hereby enjoined to be guided accordingly and to give this Circular as wide a publicity as possible.

(Original Signed)  
**JOEL L. TAN-TORRES**  
Commissioner of Internal Revenue