



REPUBLIC OF THE PHILIPPINES  
Department of Finance  
Bureau of Internal Revenue  
*Quezon City*

June 15, 2010

**REVENUE MEMORANDUM CIRCULAR NO. 51-2010**

**SUBJECT:** Clarification of Issues in the Implementation of the Electronic Documentary Stamps Tax (eDST) System Pursuant to the Provisions of Revenue Regulations No. 7-2009

**TO:** All Internal Revenue Officials and Employees, and Others Concerned

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Over the years, the Documentary Stamps Tax (DST) system has contributed an increasingly significant volume of internal revenues to the BIR's collection performance. In this regard, the BIR initiated efforts to automate the DST System in the year 2000, and thereby enhance the efficiency of the DST collection process.

The issuance of Revenue Regulations (RR) No. 7-2009 dated June 29, 2010 launched significant enhancements to the DST System, through its introduction of the eDST System. Relative thereto, this Circular is being issued to clarify certain issues on the use of the eDST System, and to ensure the System's effective implementation.

**Question 1: What is Documentary Stamp Electronic Imprinting Machine (DSEIM)?**

Answer 1: First used by authorized taxpayers in accordance with the provisions of RR No. 9-2000 (as amended by RR No. 15-2001), the **Documentary Stamps Electronic Imprinting Machine (DSEIM)** is an electronic device that imprints the value of the DST paid, as well as other pertinent data, on the face of the taxable document. The machine has a remote loading and resetting feature, and a built-in-modem, both of which allow its users to load the corresponding value of a specified volume of Documentary Stamps through an on-line set-up or via electronic data transmission with the BIR.

**Q2: What is the eDST System?**

A2: The eDST System is a web-based application system that provides an on-line mechanism through which taxpayers can utilize and imprint secured Documentary Stamps on taxable documents, using a prescribed laser printer.

The eDST System may be accessed on the BIR Website at <http://www.bir.gov.ph>. However, the System can be opened only on the Internet Explorer 7 (and higher versions), and is not supported by other Internet browsers.

**Q3: What are the advantages of the eDST System vis-à-vis the DSEIM?**

A3: The eDST System has at least four (4) major advantages in comparison to the DSEIM:

1. **Ease of Use and Cost-Effectiveness.** The eDST System requires only three items: a personal computer, a 1200-dpi laser printer, and an Internet connection. The DSEIM, on the other hand, must be purchased by the taxpayer at a cost of approximately P98,000.00.
2. **Expanded Printing Capacity.** Under the eDST System, a taxpayer may imprint an amount ranging from P0.01 to P999,999,999.99 per affixture. In contrast, the amount that may be imprinted per affixture using the DSEIM ranges from P0.01 to P999,999.99 only.
3. **Enhanced Generation of DST Data.** The eDST System allows for the generation of vital data such as DST payments made, DST utilization, Account Owner's Ledgers, and other information, for the use of the BIR management. On the other hand, the DSEIM's data generation capacity is limited to total DST loaded and DST remittances only.
4. **Longevity.** The eDST System is not limited by an end-of-life cycle, and can be used until such time that a new System is introduced by the BIR. In contrast, the life span of a DSEIM is limited to only 255 refills, or a maximum loading capacity of P215,000,000.00, whichever occurs first.

**Enrollment in the eDST System**

**Q4: How can a taxpayer enroll in the eDST System?**

A4: A taxpayer can enroll in the eDST System by submitting the following documents to the Collection Programs Division (CPD):

1. A Letter of Intent, stating the name of the designated Account Owner, and his/her an e-Mail address(es) and contact number(s);
2. A Board Resolution authorizing the designated Account Owner;
3. A photocopy of the Company/Corporation's Certificate of Registration (BIR Form No. 2303); and
4. A photocopy of the Account Owner's Company Identification Card (ID).

The CPD shall then conduct the appropriate pre-verification/pre-screening of the submitted application (together with its supporting documents), and tag the taxpayer's account in the

eDST System. Following these activities, the taxpayer may then proceed to on-line enrollment via the BIR Website, upon his/her receipt of an official notification through phone or an e-Mail message from the CPD.

The on-line enrollment process may be commenced by clicking the eDST icon that appears on the BIR Website, and following the instructions provided in the subsequent webpages. Once all documentary requirements have been submitted to the CPD, and the correct (and complete) information has been submitted through the on-line enrollment process, the taxpayer's application will be processed. Approval of the application shall be granted within three (3) working days.

**Q5: What is an Account Owner?**

A5: An Account Owner is a taxpayer who has successfully enrolled in the eDST System, and who shall be responsible for maintaining the company's DST account balance, as well as creating (if necessary) the Branch User(s) for and in behalf of the company.

**Q6: What is a Branch User?**

A6: A Branch User can be a Branch, a Department or a Unit within a company's head/branch office who is created and authorized by the Account Owner to utilize DST for and in behalf of the company.

**Q7: When enrolling, how many characters can a User/Account Owner enter in the "Username" and "Password" fields?**

A7: Each Username and Password must be exactly eight (8) characters long. These characters may be alphabetical or numeric, or a combination of both.

Taxpayers must exercise great care in choosing and encoding their Usernames and Passwords, because both are *case sensitive*.

**Q8: Can a User/Account Owner supply a custom-challenge question?**

A8: Yes. To supply a custom-challenge question, the User/Account Owner shall select "**Others**" in the Challenge Question drop-down list.

**Q9: If a User/Account Owner does not know his/her zip code, is there a search facility that can be used to find the correct zip code?**

A9: Yes. A "Zip Code" button is provided at the right-hand side of the "Zip Code" box. Clicking this button will enable the User/Account Owner to search for the appropriate zip code.

**Q10: Can the same Username, an e-Mail Address and Password be used to create more than one eDST account?**

A10: No. Every Account must have a *unique* Username and an e-Mail Address. Upon enrollment, if a taxpayer supplies/encodes a Username or an e-Mail Address that already exists in the eDST System's database, the System will prompt the taxpayer to supply a different Username or an e-Mail Address. Or, the taxpayer may click the "Check" button to verify if the Username or an e-Mail Address he/she supplied has not yet been used in the System.

A Password, however, can be used more than once.

For purposes of this and other pertinent questions, the term "User" shall refer to either an Account Owner or a Branch User.

**Q11: Can a single Branch User have several accounts?**

A11: Yes. A single Branch User can, when allowed/authorized by the Account Owner, have multiple accounts, *provided that the Branch User utilizes different usernames and an e-Mail addresses in opening each account.*

**Q12: If there are numerous DST transactions that must be entered into the eDST System, can a single User log-in simultaneously on different computers?**

A12: No. Only one (1) Username is allowed per session in the eDST System. A succeeding log-in will terminate the session

**Q13: How many times can a User log-in unsuccessfully before an Account is locked by the System?**

A13: The Account will be locked after three (3) *consecutive* unsuccessful tries to supply the correct Username/Password. The same number of unsuccessful attempts shall apply for responses to the custom-challenge question.

**Q14: What are the possible reasons why a User cannot log-in to his/her Account?**

A14: There are at least four (4) reasons for an unsuccessful log-in attempt

1. The Username/Password/Challenge Question response that was supplied is incorrect (i.e., a Username that was originally encoded in lowercase characters is entered in uppercase letters, or is spelled incorrectly);
2. The taxpayer's eDST Account has not yet been activated;
3. The taxpayer's application for enrolment has not yet been approved; or,
4. If the User is a Branch User, it is possible that the Account has been deactivated by the Account Owner.

It should be noted that the eDST System does not allow Users to skip the challenge question field when logging into the System. The Challenge Question is a mandatory field that must be answered correctly, in order to gain access/log in to the eDST System.

**Q15: If a User's Account was locked, how can it be unlocked?**

A15: An Account Owner must file a request for resetting of the Password/challenge question through an e-Mail sent to the CPD at [cpd.repcom@bir.gov.ph](mailto:cpd.repcom@bir.gov.ph).

Requests for resetting that are sent before 12:00 PM shall be acted upon within the day, while those received after 12:00 PM shall be addressed the following day.

Branch Users whose Accounts are locked must submit their requests for resetting to their respective designated Account Owners.

**Q16: Can a User make changes to his/her Account Profile?**

A16: Yes. A User who wants to edit/make changes to his/her Account Profile may go to the **"My Account"** facility in the eDST Menu, then click the **"My Profile"** link. The User's Account Profile will then be loaded and displayed onscreen. Once the entire Profile page appears, the User can click the **"Edit"** button situated at the bottom of the page, and the **"User Information"** page shall then be loaded. The User can then make the necessary changes to the data that appears on the **"User Information"** page. Once the User has finished editing the relevant fields, he/she must click the **"Save"** button to confirm and upload all the changes that were made to his/her Account Profile.

**Q17: Can a User also change the custom-challenge question and its corresponding answer?**

A17: Yes. The custom-challenge question can be changed by following the procedures for editing the User's Account Profile in Answer 16.

There is no limit to the number of times that the custom-challenge question and its answer can be changed.

**Q18: How can an Account Owner add a Branch User?**

A18: To add a Branch User, the Account Owner must click on the **"User List"** link under the **"My Account"** facility in the eDST Menu. Once the List is loaded and appears onscreen, the User can then click the **"Add"** button, and supply the required information for the additional Branch User(s) in the fields provided by the System. Clicking **"Save"** button will confirm and upload the information about the additional Branch User(s).

**Q19: How many Branch Users can an Account Owner create?**

A19: There is no limit to the number of Branch Users that can be created by an Account Owner.

**Q20: Can an Account Owner create a Branch User within the Head Office?**

A20: Yes. This is allowed by the eDST System.

**Q21: Can an Account Owner be a Branch User at the same time?**

Q21: Yes. An Account Owner can be a Branch User at the same time, provided that the Account Owner enrolls/creates *another* account as a Branch User. A different Username and an e-Mail address should be maintained by the concerned company official who performs dual functions as an Account Owner and a Branch User. However, he can make use of the same password, challenge questions and answers.

**Q22: How is the Branch User's Account and password created?**

A22: A Branch User's password is initially system-generated, and will be sent to the an e-Mail address specified by the Branch User. The default system-generated password can be changed by the Branch User upon his first log-in or activation of his eDST Account.

**Q23: How can a Branch User create his challenge questions?**

A23: The System will prompt the Branch User to provide his challenge questions and answers during his first log-in session.

**Q24: At the first log-in, the User will be asked to change the default password. Can this action be done at a later time?**

A24: Yes, but such a delay is not advisable and is strongly discouraged. Upon the first log-in/activation of the eDST Account, the User must immediately change the default password, for security reasons.

**Q25: Can an Account Owner disallow the access of a Branch User?**

A25: Yes. The Account Owner can disallow the access of one or more of his Branch Users, or reactivate a previously-disallowed Branch User, by clicking on the ***"Deactivate User/Reactivate User"*** link module of the eDST Menu, which is located at the left-hand side of the screen.

**Q26: Is there a deadline for pilot companies to enroll in the eDST?**

A26: Pursuant to Revenue Regulations (RR) No. 7-2009, all taxpayers who are required to use the eDST System must have enrolled in the System by January 2010. However, in light of the issuance of Revenue Memorandum Circular (RMC) No. 1-2010, mandatory implementation of RR No. 7-2009 was deferred to March 1, 2010. Subsequently, RMC No. 24-2010 extended the full implementation of the eDST System to June 30, 2010. Therefore, the pilot companies, as well as all taxpayers mandated to use the eDST System pursuant to RR No. 7-2009, have until the end of June 2010 to enroll in the System.

**Q27: Is there a penalty for non-enrollment in the eDST System if a taxpayer required to use the System was not able to enroll prior to the deadline?**

A27: In accordance with RMO 19-2007 and other related issuances, a compromise penalty for non-enrollment will be imposed on taxpayers who fail to enroll in the eDST System in accordance with RR No. 7-2009 prior to the deadline. Moreover, the concerned taxpayer shall be considered as an automatic candidate for an audit investigation.

### **Managing an eDST Account**

**Q28: What is an “account threshold”?**

A28: The term “account threshold” refers to the value indicator of an eDST Account which, when reached, enables the System to notify the concerned Account Owner that payments must be made immediately, and thereby preventing the Account from reaching a “zero balance”. The following procedures may be followed by an Account Owner to set his account threshold:

1. Click the “My Profile” link located in the Left Menu tab, to display the User Information Details page;
2. Click the “Edit” button, and the “Edit Profile” page will appear;
3. Go to the “Threshold” portion and encode the desired amount in the “Threshold” field; and
4. Click the “Save” button to confirm and upload the changes.

**Q29: Once the Account Owner has specified an account threshold, can this amount be changed at a later time? Is there a limit to the number of times an account threshold can be changed?**

A29: Yes, the Account Owner may change a previously-specified account threshold, and there is no limit to the number of times the account threshold amount can be changed.

**Q30: Can a User verify and/or monitor his/her transactions through the eDST System?**

A30: Yes. The eDST System has a Report facility through which Account Owners and Branch Users can verify and/or monitor their transactions. An Account Owner can verify/monitor his transactions, and those of his Branch User(s). A Branch User, however, can only access information on his own DST utilizations.

**Q31: What is a Reference File?**

A31: The term “Reference File” refers to the list of DST utilizations of an eDST Branch User.

In the case of taxpayers who are currently using the DSEIM machine, the Reference File refers to the proof list, transaction list, premium register, or any equivalent document wherein the user’s daily DST transactions are listed. The eDST System, however, requires its Users to

provide additional information that is needed for each type of DST transaction. The details of the required fields are provided in Answer No. 32.

**Q32: What is the prescribed format for the Reference File?**

A32: The Reference File makes use of the Comma Separated Value format. Users may click on the “View Instruction” link in the “Multiple Clients Will Utilize” screen to view the instructions for the creation of a Reference File.

Transactions should be logged in an Excel spreadsheet, separate fields by rows. The following column specifications must be used:

- Column A:** TIN
- Column B:** Branch Code
- Column C:** Reason why Client has no TIN (to be filled up only if Cols. A and B are empty)
- Column D:** Company
- Column E:** First Name
- Column F:** Middle Name
- Column G:** Last Name
- Column H:** Tax Base (omit if the Alphanumeric Tax Code [ATC] is the flat rate)

Sample:

	A	B	C	D	E	F	G	H
1	111222333	1111		AB Company	Juan	Reyes	de la Cruz	100
2	222333444	2222		EF Company	Maria	Cruz	Bonifacio	20000
3			Client not a TP		Pedro	Santos	Reyes	55

2) Click on **File -> Save As**. Save the file as type **CSV**.



**Note: Use the following format for special cases:**

**Special Case #1 – Term is required**

Column I: Terms (in no. of days or years, depends on the need of ATC)

	A	B	C	D	E	F	G	H	I
1	111222333	1111		AB Company	Juan	Reyes	de la Cruz	100	3
2			Client not a TP	CD Company	Pedro	Santos	Reyes	55	4
3	222333444	2222		EF Company	Maria	Cruz	Bonifacio	20000	1

Tax Base      Terms

**Special Case #2 – Tax Base is computed by Par Value times Number of Shares**

Column H: Par Value

Column I: Number of Shares

	A	B	C	D	E	F	G	H	I
1	111222333	1111		AB Company	Juan	Reyes	de la Cruz	100	2
2	222333444	2222		EF Company	Maria	Cruz	Bonifacio	20000	2
3			Client not a TP		Pedro	Santos	Reyes	55	2

Par Value      Shares

**Special Case #3 – Tax Base is in Foreign Currency**

Column H: 3-letter Currency (YEN, USD, etc)

Column I: Tax Base in Foreign Currency

Column J: Forex

	A	B	C	D	E	F	G	H	I	J
1	111222333	1111		AB Company	Juan	Reyes	de la Cruz	USD	100	48
2	222333444	2222		EF Company	Maria	Cruz	Bonifacio	USD	20000	48
3			Client not a TP		Pedro	Santos	Reyes	USD	55	48

Currency      Tax Base (Foreign)      Forex

**Q33: What is the turnaround time for the eDST System to compute the DST due after the Reference File has been attached/uploaded?**

A33: The eDST has the capability of computing 200,000 lines in thirty (30) seconds.

**Q34: Can a User verify/view the details of his Reference File?**

A34: Yes. A User can verify/view the details of his Reference file through the “Transaction List” facility, by clicking each item on the list.

**Q35: Due to the numerous details that are required in the Reference File, the preparation of the File may cause delays in its submission and the affixture of DST on the concerned document. Can the taxpayer submit only the total DST usage for the month per ATC?**

A35: No. All required information should be encoded in the Reference File. The Reference File itself is already an existing requirement even prior to the implementation of the eDST System, and was known by different names, i.e., the proof list/transaction list (for banks), or the premium register (for insurance companies).

In the case of computerized taxpayers, the basic information needed by the BIR can easily be extracted from the existing data being used by the taxpayer in generating his proof list/transaction list/premium register. The additional fields required by the eDST System are minimal.

Moreover, the creation of the Reference File under the eDST System should be done by the Branch User outside the eDST System, using the Excel spreadsheet application. The eDST System does not limit the uploading of the Reference File since it can be attached to the System

at any day within the month of the transaction date, or until the 5<sup>th</sup> day following the close of the said month.

**Q36: Can a User prepare and save the Reference File outside the eDST System, and affix the DST and upload the Reference File at a later date?**

A36: The Reference File can be saved outside the eDST System. However, when affixing the DST to the document (e.g. proof sheet, premium register, transaction list, and other similar documents), the Reference File must be converted to the CSV file format and attached to the eDST System.

The Reference File cannot be uploaded at a later date because, in the eDST System, the computation of DST due is based on the ATC selected and the Reference File that is attached to the System.

**Q37: In the case of time deposits with different maturity dates, but whose correct DST due are covered by the same ATC, what must a User do to reflect the said transactions in the Reference File in such a way that the correct DST due can be computed in the eDST System?**

A37: The eDST System automatically computes the DTS due on a per line basis. Therefore, the User must provide the specific terms of the deposits (in number of days) for each and every transaction. This information must be clearly encoded in the Reference File to be attached to the eDST System, to ensure that the correct DST due on the concerned transactions is correctly computed.

**Q38: If there are DST payments that have not yet been loaded on-line to the DSEIMs as of 31 December 2009, and such DST due has not yet been affixed on the designated documents, can the taxpayer still load such payments to the eDST System? And, if the DST is not affixed on the documents on or before 5 January 2010, in light of the non-loading of the DST payments to the eDST System, will the taxpayer will be held liable for penalties for the late affixture of DST?**

A38: DST payments which have not yet been loaded into the DSEIM can be transferred to the eDST System upon request of the concerned taxpayer, subject to the verification/audit of whichever of the following BIR offices that has jurisdiction over the taxpayer:

1. LT Regular Audit (LTRA) 1 to 4 or LT Excise Audit (LTEA) 1 and 2
2. LT Collection Enforcement Division (LTCED)
3. LT District Office (LTDO)
4. Revenue District Office (RDO)

The liability of the taxpayer for late affixture of DST shall be based on the following rules and guidelines:

1. If the taxpayer did not request for transfer of DST balances from defective DSEIMs and enrollment in the eDST System prior to June 30, 2010, the said taxpayer is liable for payment of penalties;
2. If the taxpayer requested for enrollment in the eDST System but did not request for transfer of DST balances prior to July 1, 2010, the said taxpayer is also liable for penalties;

If a taxpayer did not request for transfer of the DST balance in the DSEIMs until June 30, 2010, any unutilized DST balances loaded thereon shall be deemed utilized/ affixed by the taxpayer. Pursuant to Sections 7.1 and 7.4 of Revenue Regulations No. 7-2009, *“All DSEIMs currently being used by taxpayers/ users and duly covered by permits issued by the BIR can still be used until December 31, 2009 xxx or file an application to the web-based eDST System; xxx existing DSEIMs with loaded DST balance can still be used by their branches/departments not yet enrolled in the eDST System until December 31, 2009 or upon full utilization of the DST balance thereof, whichever comes first. xxx”* However, due to the extension of the effective date of implementation of the eDST under Revenue Memorandum Circular (RMC) 24-2010 to June 30, 2010, all concerned taxpayers have until July 1, 2010 within which to request for the transfer of DST balance from the DSEIMs to eDST.

3. If the taxpayer requested for enrollment in the eDST System and transfer of the DST balances prior to June 30, 2010, but the BIR failed to process and transfer the same, the said taxpayer is not liable to pay the penalties for late affixture of DST; and
4. If the taxpayer requested for the loading of the DST from one DSEIM to another DSEIM prior to December 31, 2009 but the BIR was not able to effect the requested load transfer due to reasons not attributable to the taxpayer, no penalty shall be imposed against the taxpayer.

Provided that in both cases (3 and 4) the amount of DST balance is sufficient for the total DST utilization for the said period; otherwise, the taxpayer will still be liable for the said penalties.

For transactions covering the period December 1 to 31, 2009 wherein the DST due thereon is required to be paid and the stamp affixed on the taxable documents on or before January 5, 2010, the taxpayer must submit a Summary of DST Utilizations duly certified by the taxpayer's authorized representative indicating therein the following information:

1. TIN (If the DST due represents own liability of the taxpayer, the TIN to be indicated should be his/her/its own TIN. However, if the DST due represents the liability of his/her/its clients, the TIN to be reflected in the list should be that of the client/customer);
2. Name of taxpayer/client;
3. Applicable ATC;

4. Tax base; and
5. DST due.

The said Summary of DST Utilizations shall be prepared on a per DSEIM basis and shall be submitted on or before July 31, 2010 to the Asst. Commissioner, Large Taxpayers Service-Regular/Excise or to the concerned RDO having jurisdiction over the taxpayer, copy furnished the Asst. Commissioner, Collection Service, Attention: The Chief, Collection Programs Division (CPD). The Summary of DST Utilizations will be used by the CPD in the preparation of the Certification of the Utilized DST for the said period and the remaining DST balance for transfer to eDST. Prior to the issuance of this Certification, necessary verification must first be conducted by the concerned BIR Office to determine the correct DST balance. Furthermore, the original copy of this Certificate issued by CPD shall be attached to the Summary of DST Utilization to serve as sufficient proofs of payment and constructive affixture of the DST.

In case of failure to submit the said Summary of DST Utilizations on or before July 31, 2010, the same shall constitute the taxpayer's waiver to avail of this payment and affixture scheme.

**Q39: If the taxpayer did not request for the verification and transfer of the DST balance loaded in the DSEIM after the 31 January 2010 deadline, what will become of the unused DST balance?**

A39: In cases where the taxpayer does not request for the verification and transfer of DST balances prior to the June 30, 2010 deadline, the said balance can still be transferred to the eDST System. However, such transfer will be effected only upon the taxpayer's submission to the CPD of a request for the verification and transfer of such DST balances, together with a duly-notarized Sworn Statement. Copies of the request must also be furnished the Asst. Commissioner – Large Taxpayers Service (Regular/Excise) or the RDO having jurisdiction over the taxpayer.

The Sworn Statement to be submitted with this request should clearly state the amount of unused DST balance in the DSEIM, and that the same has not yet been utilized. The said DST balance shall be transferred only after the required verification/audit thereof by the BIR Office having jurisdiction over the taxpayer, and the receipt by the CPD of the corresponding certification attesting to such verification/audit by the said BIR Office.

#### **Surrendering the DSEIM Machine**

**Q40: What should the taxpayer do with the DSEIMs (whether obsolete or functional) that are still in his possession?**

A40: The implementation of the eDST System has effectively rendered all DSEIMs obsolete, for BIR purposes. These machines should thus be retired, after the proper verification of any loaded but unused DST balances by the concerned BIR Office. Company-owned DSEIM machines, however, can either be kept or disposed of, at the taxpayer's option, after the conduct of the required verification.

BIR-owned DSEIM machines, however, should be surrendered by the concerned users to the BIR, through the General Services Division at Room B-1 (Warehousing and Distribution Section), Basement Floor, BIR National Office Bldg., Quezon City. *It is imperative that these BIR-owned*

*DSEIM Machines be surrendered by their users, since these items are considered as government property that are subject to inventory and audit by the Commission on Audit and/or other concerned government agencies and institutions.*

For BIR-owned machines that do not have any unused DST balance, these should be surrendered to the BIR on or before June 30, 2010, in order to avoid paying the cost of the DSEIM.

**Q41: Since the Model E700 DSEIM Machine has already been declared obsolete by the Service Provider, should the taxpayer pay the full-cost for a BIR-owned machine, in the event that it can no longer be surrendered to the BIR?**

A41: In the case of damaged or lost BIR-owned DSEIM Machines, the user shall – pursuant to the Memorandum of Agreement between the BIR and the user – reimburse the BIR for the entire cost of the DSEIM machine, in the amount of US\$ 898.00, converted to Philippine currency at the prevailing exchange rate at the time of actual reimbursement, *without any deduction for depreciation.*

However, since these machines are already declared obsolete by the service provider, the taxpayer-user will no longer be held liable to pay the foregoing DSEIM cost if the machines are already damaged, provided that these are duly surrendered to the BIR immediately after the necessary verification thereon has been conducted by the BIR.

**Q42: In surrendering BIR-owned DSEIM machines, is it necessary for the users – particularly those who are situated outside Metro Manila – to bring the Machines to the BIR National Office?**

A42: Due to the large number of DSEIMs that must be verified by the BIR National Office, there may not be sufficient storage space at the National Office for all these machines. Therefore, and in order to expedite the verification of these machines and their DST balance, if any, by representatives of the BIR and the DSEIM service provider, taxpayers who were assigned DSEIM machines and are located within Metro Manila are encouraged to gather all machines in their possession at their respective Head Offices/major Branch Offices in Metro Manila, where the verification can be conducted.

In the case of DSEIMs issued to users located outside Metro Manila, verification of these machines shall be done by the RDO having jurisdiction over the concerned taxpayer's place of business.

**Q43: Is there a deadline for the verification/retirement of DSEIMs?**

A43: The deadline for the verification/retirement of DSEIMs in the presence of representatives from the service provider was set on 19 February 2010.

However, the BIR verification period of the machines, if conducted after February 19, 2010, is expected to last longer, since they will be subjected to thorough audit and verification by the concerned BIR auditing office prior to retirement and transfer of DST balance, if any.

**Q44: Where can a taxpayer file a request for verification of a DSEIM?**

A44: Requests for verification shall be addressed, and sent to, the Asst. Commissioner, Collection Service, Attention: The Chief, Collection Programs Division, Room 603, BIR National Office Bldg., BIR Road, Diliman, Quezon City.

**Q45: What is the tax treatment for company-owned DSEIM Machines that were rendered obsolete by the implementation of the eDST System?**

A45: The tax treatment of company-owned DSEIM Machines will depend on the accounting policy adopted by the company itself. If the company treated the DSEIM as a depreciable asset, the net book value thereof may be claimed as an outright deduction against the company's taxable income in the year that the DSEIM was retired. However, in the case of those DSEIMs that are claimed as an expense at the time of purchase or acquisition, no further claims for expense deductions shall be allowed for tax purposes.

**Q46: How long will it take the BIR to conduct the verification of the DST balance, and effect its transfer to the eDST System?**

A46: It is expected that the BIR will receive numerous requests for the verification and transfer of DST balances. However, the CPD can effect the transfer of DST balance to the eDST System within one (1) week from the receipt of the verification reports from the concerned BIR Office, subject to the immediate conduct of the verification procedures by the concerned BIR Audit Divisions.

**Q47: If, after 31 December 2009, a taxpayer still has in his possession a DSEIM Machine that is defective or has reached the end of its life cycle, but still contains unused DST load balance/unloaded DST payments, and there are documents in his custody on which DST should be affixed, can he defer the affixture of DST until the outstanding DST balance has been transferred to the eDST System?**

A47: No. As a rule, the affixture of DST must be done on or before the 5<sup>th</sup> day of the following month, and no deferments are allowed for such affixture. However, the taxpayer has the option of adopting the Constructive System/Receipt System for the affixture of DST on such documents, as provided in RMC No. 1-2010; or adopting the payment and affixture scheme prescribed under Answer No. 38 of this Circular.

#### **Utilizing the DST Balance and Affixture of DST**

**Q48: Upon utilization of the DST, a Branch User inadvertently used an incorrect ATC. Does the eDST System have a facility to correct such an error?**

A48: If the DST "Print" button has not yet been clicked, and the corresponding amount of DST due not yet deducted from the User's available balance, the User may simply click the "Back" button and choose the correct ATC.

However, if the DST has already been imprinted on the document, the User's recourse is to cancel the document and apply for a tax credit/refund with the concerned RDO having jurisdiction over the User.

**Q49: If a client cannot provide his/her TIN because he/she is not yet employed or is not a business taxpayer, can the Branch User make use of the TIN and information of the company to comply with the data requirements of the eDST System?**

A49: No. The Branch User must not use the TIN and information of his company as a substitute for the data that cannot be provided by the client. However, the Branch User can use the dummy TIN "000-000-000" for transactions where a client has no TIN, *provided* that all other client information – including the reason why the client's TIN cannot be supplied – are encoded by the Branch User into the eDST System.

**Q50: In case of a taxpayer who has voluminous daily transactions, can he/she pay and affix the DST even before the 5<sup>th</sup> day of the following month? Can the DST be affixed on a daily basis?**

A50: Yes. The DST due can be paid, and affixed, at any time, as long as this is done on or before the 5<sup>th</sup> day of the following month.

DST transactions for a particular month can be affixed at any time between the actual date of the transaction up to the 5<sup>th</sup> day of the following month. The taxpayer can opt to pay even before the 5<sup>th</sup> day of the succeeding month, such as in cases where a client requests that the DST be affixed on the actual day of the transaction.

There is no limit to the number of times that the payment and affixture of DST can be done. In fact, a User can affix the DST on the taxable document without the need for the complete accounting of all transactions that were made during any given month.

**Q51: In the event that the DST due for a transaction was affixed after the prescribed deadline, will the eDST System automatically deduct from the DST balance the amount corresponding to the penalty for late affixture?**

A51: No. The eDST System has no facility for computing penalties for the late affixture of DST, and only calculates the actual DST due, based on the nature of the transaction concerned or the ATC supplied by the User. As with all other taxes, computations of the penalties due for late affixture shall be done by the concerned BIR Office having jurisdiction over the taxpayer, after the conduct of the appropriate audit investigation.

**Q52: Due to voluminous daily transactions, is it possible for a User of the eDST System to affix the DST on the Summary of transactions for the day/week, instead of affixing the DST on each transaction?**

A52: Yes. A User can affix/imprint the DST on the Summary of transactions, or on the printed Reference File, provided that the Reference File is prepared on a per ATC basis, converted into a CSV file, and attached/uploaded into the eDST System upon utilization of the DST. Item in the Reference File must conform with the Summary of transactions. Affixture of the DST on the taxable document can be done at any time during the month of the transaction and/or until the 5<sup>th</sup> day of the succeeding month. Moreover, Section 3 of RR No. 15-2001 (dated 16 October 2001), allows the imprinting of DST on the following documents:

DOCUMENT	WHERE TO STAMP
Warehouse receipts, certificates of stocks and/or contract of stock subscription, passage tickets and other documents having stubs or duplicates thereof,	Stubs or duplicate thereof
Shares of stock without a certificate issued	Memorandum of sale or purchase or confirmation slip or its equivalent
Issuance of numerous shares of stock at one time	Stock and transfer book/register (discretion of CIR)
Checks drawn against current account, manager's /cashier's/treasure's check	Requisition/purchase slip
Insurance policies	Premium register or its equivalent
Taxable transactions of banks	Proof sheets of each department

A note, bearing the initials of a responsible person on the face of the document or facility that evidences the taxable transaction, must be made and state as follows:

“Documentary Stamp in the value of Php \_\_\_\_\_ has been affixed to *(state the type of document to which the DST has been affixed)*.

**Q53: If a Branch User will be utilizing his Account's DST for the company's own DST liabilities, what are the options available to him in the Utilization Menu of the eDST System?**

A53: A Branch User has two (2) alternatives in the Utilization Menu if he wishes to make use of the Account's DST for the company, depending on the type of document(s) on which the DST will be affixed:

1. The “I Will Utilize” option – This option can be used for a single transaction where the Branch User wants to affix the DST on the document itself.
2. The “Multiple Client Will Utilize” option – This option can be used if the Branch User wants to affix the DST on the transaction list, proof list, premium register or its equivalent document. However, a Reference File must be prepared in accordance with the Format prescribed in Answer No. 32 of this Circular, and attached/uploaded into the eDST System.

In both cases, the Branch User must then supply the relevant company information, i.e., TIN, Branch Code, First Name, Middle Name, Last Name, Business Name, RDO, PSIC, PSOC, Address, Zip Code. However, in the case of corporate taxpayers, the information on *First Name, Middle Name* and *Last Name* can be omitted.

**Q54: If the Branch User will be utilizing the DST for a client, what are the options he may use in the Utilization Menu?**

A54: As in the previous case, a Branch User has two (2) alternatives in utilizing DST for a client, depending on the type of document on which the DST will be affixed:

1. The “A Client Will Utilize” option – This option shall be used for a single transaction where the DST will be affixed on the document itself.
2. The “Multiple Client Will Utilize” option – This option can be used if the DST will be affixed on the transaction list, proof list, premium register or its equivalent document. However, a Reference File must be prepared in accordance with the Format prescribed in Answer No. 32 of this Circular, and attached/uploaded into the eDST System.

In both cases, the relevant client information should be supplied by the Branch User, i.e., TIN, Branch Code, First Name, Middle Name, Last Name, Business Name, RDO, PSIC, PSOC, Address, Zip Code. However, in the case of corporate taxpayers, the information on *First Name, Middle Name* and *Last Name* can be omitted.

**Q55: A taxpayer with several Branches/Offices has decided to centralize the affixture of DST in one Branch/Office; however, the documents on which DST must be imprinted are located in another Branch/Office. Can the taxpayer prepare a Summary Report of all taxable transactions across all its Branches/Offices, and affix the corresponding DST on the said Report, in lieu of affixing the DST on the actual documents or on the transactions lists/proof lists or equivalent documents?**

A55: The eDST System allows for the centralization of DST affixture in a single Branch/Office. However, all original taxable documents must be forwarded to the designated DST imprinting Branch/Office prior to the actual imprinting of DST. Moreover, the following rules should be observed in imprinting DST on taxable documents:

1. The DST must be affixed on the *original* copy of the taxable document, if the document can fit into the laser printer to be used in imprinting the DST.
2. If the document cannot fit into the laser printer, the detailed procedures provided in Answer No. 68 shall be followed.

The Summary Report on DST utilized for documents under Item (2) shall be prepared and submitted by the DST imprinting Branch/Office to the concerned RDO within the prescribed period.

**Q56: An insurance agent requested for the renewal of a comprehensive motor vehicle policy for his client. However, when the agent delivered the policy to the client, the latter informed him that the concerned motor vehicle had already been sold; thus, the agent returned the policy to the insurance company for cancellation/spoilage. Can the DST paid for the policy be refunded/credited back into the insurance company’s account?**

A56: The cancellation of an insurance policy that was automatically renewed by the insurance agent and for which the prescribed DST was already affixed on the policy, covering proof sheet,

transaction list, and premium register (or any equivalent document), but which was subsequently rejected by the insured client, does not fall under the provisions of Section 204 (C) of the National Internal Revenue Code, because under the eDST System – and unlike the loose internal revenue stamps – there is no stamp that can be returned to the BIR.

As far as the BIR is concerned, the insurance policy is – at the time of its issuance and the affixture of the DST due – is a valid taxable document, and its subsequent cancellation will not give rise to a tax credit or refund of the DST that was affixed.

In general, the cancellation of a taxable document with a previously-affixed DST – whether or not it will give rise to the issuance of another document in lieu thereof – will not result in any DST refund or credit. However, adjustment of the DST balance is allowed under the eDST System, if the re-issuance of another document as a replacement of the previously-issued document that was already affixed with DST was carried out due to an incomplete/misspelled name, or other typographical errors in certain information.

**Q57: How is the adjustment of DST balance handled by the eDST System?**

A57: If the adjustment of DST balance is due to the replacement of a previously-affixed document in order to correct misspelled/incomplete names and other typographical errors, the User must submit a request for adjustment with the BIR Office where he is registered. The request must clearly state the transaction number concerned and the reason for the cancellation of the document. Also, the following documents must be submitted together with the request:

1. A copy of the document (please refer to Answer No. 52) where the DST was affixed;
2. An original copy of the cancelled document; and
3. A photocopy of the new document issued in lieu of the cancelled document.

Following the conduct of the necessary verification, the concerned BIR Office shall make the appropriate adjustments to the User's eDST Balance.

**Q58: A taxpayer has several clients with the same type of transaction and term (e.g., fifty clients with Promissory Notes, each carrying a term of thirty [30] days). Can the taxpayer summarize all these transactions and use the "I Will Utilize" option or the "Client Will Utilize" option in affixing the DST, using only the aggregate tax base, applicable ATC and term period?**

A58: No. Because this situation involved numerous transactions with different clients, the Branch User can only use the "Multiple Clients Will Utilize" option in affixing the DST for these transactions. A Reference File containing all the details of the concerned clients should then be created and uploaded to the eDST System. The actual DST due for the transactions listed in the Reference File shall be computed on a per line basis, and not on the aggregate basis.

**Q59: The Tax Code requires that the payment of DST be made on or before the 5<sup>th</sup> day of the following month. Why does the eDST System require the payment of DST in advance?**

A59: eDST Users must ensure that the DST due must be paid in advance, because a taxpayer cannot utilize or affix DST on a taxable document under the eDST System if the DST account balance is not sufficient to cover the amount of DST that must be imprinted on the document.

The requirement for the advance payment of DST before a User can affix the DST onto a taxable document is already being observed under the Revenue Collection Verification System (RCVS), which makes use of the DSEIMs.

The implementation of the eDST System did not introduce any changes in the existing procedures of the RCVS. Similarly, the procedures for the payment of the corresponding DST, filing of DST Declarations (BIR Form No. 2000), and affixture of the DST paid, remain unchanged. The eDST System has simply enhanced the mode or tool for affixing the DST on the taxable document.

**Q60: Will the BIR impose a penalty if the DST was paid ahead of the deadline (the 5<sup>th</sup> day of the following month), but the payment was not posted in the Collection and Bank Reconciliation (CBR) System of the BIR's Integrated Tax System (ITS)?**

A60: As a general rule, the non-affixture/late affixture of DST on the taxable document is still subject to the applicable penalties, even if the DST was paid in advance. The DST is deemed paid only when the payment is made and the actual affixture on the document is done, pursuant to Section 200 of the Tax Code.

However, the BIR will not impose penalties for the late affixture of DST, if any of the following conditions applies:

1. Posting of payment in the ITS – CBR is suspended;
2. The payment data from the concerned Authorized Agent Bank (AAB) has not yet been uploaded into the ITS – CBR;
3. The payment data from the AAB that represents the payment of its own DST liabilities, as credited by the Bangko Sentral ng Pilipinas (BSP), has not yet been transmitted to the BIR by the BSP, or has not yet been encoded by the concerned RDO having jurisdiction over the AAB;
4. The payment was made through a BIR Revenue Collection Officer (RCO), and the same has not yet been encoded into the ITS – CBR.

The non-imposition of penalties for late affixture of DST shall be granted only if the DST Declaration Form (BIR Form No. 2000), and any of the following corresponding proof of payment is submitted to the BIR through the CPD, at least four (4) days prior to the prescribed due date for the payment of DST:

1. Confirmation Receipt, for DST paid through the eFPS;
2. Deposit Slip, for DST paid over-the-counter at an AAB;
3. Transmittal Slip from the BSP for Approved Transaction, for DST payments made through the EFTIS facility; or
4. Revenue Official Receipt (ROR), for DST paid through the RCO.

**Q61: Why should the taxpayer be required to pay the DST in advance if Section 200(B) of the Tax Code provides that the deadline for the filing and payment of DST shall be on the 10<sup>th</sup> day of the close of the month when the taxable documents was made, signed, issued accepted or transferred?**

A61: The time for filing and payment of DST pursuant to Section 200(B) of the Tax Code provides that: *“Except as provided by rules and regulations promulgated by the Secretary of Finance, upon recommendation of the Commissioner, the tax return prescribed in this Section shall be filed within ten (10) days after the close of the month when the taxable document was made, signed, issued, accepted, or transferred, and the tax thereon shall be paid at the same time the aforesaid return is filed.”* As such, the change in the filing and payment of DST from the 10<sup>th</sup> day to the 5<sup>th</sup> day of the following month being implemented since 2001 under RR No. 6-2001 is still valid, since it is within the abovementioned exception clause provided in the Tax Code.

**Q62: If the amount of DST due is higher than the remaining DST balance in the User’s eDST System Account, will the System affix the available balance only?**

A62: No. If the Account Owner’s DST balance is not enough to cover the amount of DST due, the eDST System will not allow the affixture of DST on the document. Instead, a pop-up box will appear onscreen with the message *“Current balance is not enough to cover transaction.”*

Therefore, and in order to ensure that the required DST can be affixed to the taxable document, the Account Owner must purchase the sufficient amount of DST stamps or replenish his DST balance prior to imprinting the document. A User must purchase DST to replenish his Account balance at least three (3) days prior to the intended affixture date of DST on a taxable document, to provide the BIR with sufficient time within which to validate the existence of such purchase, and credit the same to the User’s Account Ledger.

**Q63: What action shall the eDST System take if the taxpayer did not supply the following mandatory information: TIN, RDO Code, PSIC or PSOC?**

A63: The eDST System will permit Users to not supply information for the “Name” and “TIN” fields only for those transactions covered by the Bank Secrecy Law (i.e., Certificates of Time Deposits and other similar instruments), provided that the specific reason “RA No. 1405” or “Bank

Secrecy Law” is indicated in the “Reason” field of the Utilization Screen (for single transactions), or in Column C of the Reference File (for multiple clients). However, the RDO Code, PSIC and PSOC fields are mandatory fields, the data for which can be selected from the drop-down list provided by the eDST System.

**Q64: If on the 5<sup>th</sup> day after the end of the month, a taxpayer still has sufficient DST balance credited to his account to cover the DST due for the previous month, can the taxpayer still affix the DST due for the previous month after the 5<sup>th</sup> day of the present month without incurring penalties for late affixture?**

A64: No, the taxpayer cannot. The payment and affixture of DST must be made within five (5) days after the end of the month when the taxable document was made, signed, issued, accepted or transferred. Section 200 (D) of the Tax Code specifically provides that DST is deemed paid only through both the purchase **and** affixture of documentary stamps on the taxable document, in the manner prescribed by established rules and regulations.

The purchase of documentary stamps, which is the manner through which payment of DST is made, represents the first stage of the payment process, while the affixture – or imprinting, as the case may be – on the document or instrument is the final stage, and serves to ensure that the corresponding DST has been paid. Therefore, a taxpayer is considered fully compliant with the payment of DST only when the DST has been affixed on the document. Under existing rules and regulations, should the taxpayer fail to affix the proper documentary stamps to the taxable document or instrument, he shall be liable to pay the 25% surcharge, plus 20% interest per annum, as prescribed in Sections 248 and 249 of the Tax Code.

**Q65: A number of insurance companies issue Open/Running Policies, which are insurance policies that are issued upon the inception of the contract, using estimated insurance values and premium charges. The DST for such policies is paid upon the issuance of the concerned policy, and is computed based on the said estimated values. If, at the end of the term of the policy contract, the DST paid is found to be more than the amount of the estimated insurance coverage that is subject to DST, can the eDST System allow the refund of the excess DST that was paid? Conversely, in the event that the actual insurance coverage is more than the estimated value of the policy, will the taxpayer be liable for deficiency DST?**

A65: The BIR will not refund alleged overpayments of DST in such a case. Section 173 of the Tax Code provides that there shall be levied, collected and paid upon documents, instruments and papers evidencing the act done or transaction had or the agreement or contract has been perfected, documentary stamp taxes on all policies of insurance upon property. Also, Section 184 of the Tax Code holds that DST shall be based on the amount of premium charged.

DST shall be due upon the issuance of the insurance policy, and the premium charged on the estimated insurance coverage – as it is reflected on the face of the policy – shall be the amount on which the DST due shall be based. However, if the actual insurance coverage should exceed the face value of the policy where the insurance company charges additional premiums, the BIR shall collect additional DST based on the amount of additional premiums charged, irrespective of whether or not a new policy is issued.

**Q66: Does the eDST System also cover the payment and affixture of DST on Compulsory Third Party Liability (CTPL) and Comprehensive Insurance Policies for motor vehicles?**

A66: A different mode of collection of insurance premiums for policies on motor vehicles, and the remittance of the applicable internal revenue taxes, will be adopted by the Land Transportation Office (LTO), the Insurance Commission (IC), and the BIR, pursuant to a Memorandum of Agreement (MOA) entered into by the three agencies on 20 January 2010. Therefore, the payment and affixture of DST on CTPL and Comprehensive Insurance Policies shall not be made through the facilities of the eDST System. The policies and procedures to be observed in the payment and affixture of DST under the LTO-IC-BIR MOA will be provided in a separate revenue issuance.

**Q67: In a bank-financed importation, there is a series of three (3) transactions: the issuance/opening of the Letter of Credit (LC); the negotiation of the LC; and the execution of the Trust Receipts. Are all three transactions subject to DST?**

A67: The DST shall be imposed upon the issuance of the LC, pursuant to Section 182 of the Tax Code. The LC is a contract by and between the Local Bank and its Correspondent Bank in a foreign country. The LC is opened by the Local Bank in favor of a client/importer who has a credit line; through the LC, the Local Bank orders its Correspondent Bank to pay the supplier of goods in the foreign country, upon presentation of proof that the goods have been laden on board a vessel or an aircraft, and the title over the goods is legally transferred to the Local Bank, pursuant to the shipping arrangement.

The negotiation of the LC, on the other hand, is the supplier's compliance with its obligation to ship the goods, as evidenced by the Bill of Lading, Commercial Invoices, and Consular Invoice. The DST specified under Section 191 of the Tax Code is not imposed upon the negotiation of the LC because the goods concerned originate from a foreign country. The Local Bank will allow the importer to withdraw the goods from customs' custody by signing a bank guarantee, provided that the importer pays the *entire* amount paid by the Local Bank to the Correspondent Bank; or, the importer executes a Trust Receipt acknowledging the legal title of the Local Bank over the imported goods, and that these goods are released to the importer under a trust agreement.

The Trust Receipt (Customer's Liability and Acceptances Under Trust Receipt) is a separate contract by and between the importer and the Local Bank, being in the nature of a contract loan where the imported goods are used by the borrower/importer as collateral, and is therefore subject to another type of DST under Section 195 of the Tax Code.

### Technical Specifications for Imprinting DST

**Q68: If the taxpayer uses only one (1) printer for all the transactions of his office, can this printer also be used for imprinting DST stamps, or is it necessary for the taxpayer to have a dedicated printer for the eDST System?**

A68: A shared printer can be used for eDST imprinting purposes, provided that extra care is exercised by the taxpayer during the affixture of the DST. This is essential in order to ensure that no other individual will be using the printer at the time when the DST is being imprinted. However, it is advisable to have a dedicated printer for the use of the eDST System, to avoid the occurrence of any problems during the imprinting of eDST.

**Q69: Can any type of paper be used in imprinting the DST?**

A69: Under the eDST System, the taxpayer can use any type of paper in imprinting the DST, provided that the paper to be used will fit into the printer and not cause any paper jams. The use of standard paper sizes, such as A4, letter-sized or legal-sized bond paper is preferred.

However, if the taxpayer should elect to use pre-printed irregular-sized forms, the following options may be employed in the imprinting of DST:

1. Customizing the paper size before clicking the "Printer" icon; or
2. Folding the paper to fit into the laser printer's manual feeder tray.

Taxpayers are not encouraged to use continuous forms, as these do not fit even into the manual feeder trays of most laser printers. The use of carbonized paper is also not encouraged, as these will not reflect the characters imprinted by the laser printer.

When imprinting DST on other types of paper that have printer constraints, such as onion skin paper, the taxpayer may adopt the following procedures:

1. Photocopy the first page of the taxable document on a sheet of paper that can fit into the laser printer;
2. Feed the photocopied document into the laser printer, and imprint the DST onto the photocopy;
3. Attach the photocopy bearing the imprinted DST to the original copy of the taxable document. *Failure of the taxpayer to attach the photocopy to the taxable document shall be deemed as non-payment and failure to affix the DST due on the concerned transaction;*

4. Summarize all the DST transactions per utilization that adopt this DST affixture scheme containing, among others, information such as Type and ATC of taxable document, Name and TIN of the taxpayer/client, Date of the document, Affixture date, Taxable base, Amount of DST paid/affixed, Branch Username, and other information relevant to the transaction;
5. Submit, on or before the 10th day of the following month, the monthly summary report to the concerned BIR Office having jurisdiction over the eDST System User.

**Q70: In some cases, a paper jam may occur during the imprinting of DST on a taxable document, or the printer may fail to imprint the DST. Does the eDST System have a facility through which the DST may be reprinted? What is the taxpayer's recourse in such situations?**

A70: The eDST System has a facility that will allow a taxpayer to re-print the DST. Initially, this facility has been made available to the LTRA Division/LTEA Division/LT District Office/RDO having jurisdiction over the concerned taxpayer. A request for the re-print of the DST amount concerned may be made by the taxpayer, provided that such request is submitted together with the *original* copy of the document to be imprinted with the DST, and the taxpayer supplies the corresponding transaction number to the concerned BIR Office.

It must be noted, however, that the BIR is currently reviewing this policy, in order to enhance taxpayer convenience without sacrificing safety measures against abuse of the facility for the re-printing of DST amounts. Taxpayers will be duly informed of any changes in this policy in subsequent Circulars that shall be issued for this purpose.

**Q71: If a taxpayer is using a non-branded printer, can it be used for the imprinting of DST? Does the BIR require a specific brand of laser printer for imprinting purposes?**

A71: The BIR does not require or recommend any specific brand of laser printer to be used in the eDST System. The only specification mandated by the BIR is that the laser printer used is capable of 1200 dpi resolution.

**Q72: Is a specific brand of laser printer toner required for the imprinting of DST?**

A72: To ensure the best print quality of the imprinted DST, and to avoid problems that may be caused by the use of non-branded, over-the-counter laser printer toner, it is recommended that the standard toner for the printer brand used by the taxpayer be utilized in imprinting the DST. There is no specific brand of toner required by the eDST System, as long as the printer to be used conforms with the technical specifications set by the BIR.

**Q73: Is it necessary to access the eDST System through a separate DSL connection?**

A73: No, a separate DSL connection is not required to access the eDST System. The eDST System can be accessed through the taxpayer's existing Internet facility. If the taxpayer has a firewall, however, he simply has to allow access to Port 443 (<https://>)

**Q74: If the taxpayer does not have a postpaid Internet connection, can he make use of the Globe Tattoo or Smart Bro facilities in accessing the eDST System?**

A74: Yes, but the BIR does not recommend this. The User may encounter Internet connection problems due to insufficient load balances (in case of prepaid accounts), and line signal strength and speed, the latter being dependent on the area where the User is located.

**Q75: In case of a system breakdown, technical difficulties, and/or unavailability of the eDST Server, what are the remedies open to the taxpayer? How can the taxpayer utilize/affix DST in such situations?**

A75: In cases of downtime or system breakdown on the side of the taxpayer, he should immediately inform the BIR of this development through the BIR Contact Center (Tel. No. 981-8888) or the BIR Helpdesk (Tel. No. 981-7000, local 7050), and request that he be given a Trouble Ticket Number, to serve as proof that the reported downtime or system breakdown did occur.

After reporting the situation, the taxpayer can adopt the “constructive affixture” or “receipt system” method of affixing DST, as provided in RMO No. 14-2008 and RMC No. 1-2010. However, the taxpayer’s existing DST balance in the eDST System cannot be used as payment for transactions under either of these two methods. As such, a separate DST payment should instead be done on or before the 5<sup>th</sup> day of the following month, using the DST Declaration (BIR Form No. 2000).

In cases involving a system breakdown on the side of the BIR, or the unavailability of the eDST Server, the BIR will issue an Advisory of System Unavailability/Slow-Down through an e-Mail and/or through the BIR Website ([www.bir.gov.ph](http://www.bir.gov.ph)), to inform all eDST Users of incidences of system unavailability or breakdown of the eDST System Server. During such cases, payment and affixture of the DST due shall be made in accordance with the procedures provided in RMO No. 14-2008 and RMC No. 1-2010.

**Q76: Can the User generate, through the eDST System, reports using the “Name of the Client” as a parameter?**

A76: No. At present, the eDST System can only generate reports using any of the following parameters:

1. ATC
2. TIN
3. Revenue Region (RR)
4. Revenue District Officer (RDO)
5. Branch User
6. Date of the Transaction and/or Range of Period(s) Covered by the Transactions

However, a User can generate ad hoc reports outside the eDST System following a desired format, by extracting the necessary data from the System and reformatting the information using the MS Excel software application.

All concerned are hereby enjoined to give this Circular as wide publicity as possible.

*(Original Signed)*

**JOEL L. TAN-TORRES**

Commissioner of Internal Revenue

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