REVENUE MEMORANDUM CIRCULAR NO. 158-2022 issued on December 27, 2022 clarifies the effect of non-submission of a cooperative of the Taxpayer Identification Number (TIN) of its members within six (6) months from issuance of its Certificate of Tax Exemption (CTE) pursuant to Item A3 of Revenue Memorandum Circular (RMC) No. 124-2020 and corresponding penalties to be imposed thereof.

In the original issuance of CTE to concerned cooperative, the TIN of members are required to be supplied in the List of Members, as among the requirements for CTE application pursuant to Section 236 of the National Internal Revenue Code of 1997, as amended. However, The BIR permitted the issuance of CTE despite the incomplete or non-submission of TIN of members, provided that within six (6) months from the original issuance of the CTE, the cooperative shall submit the TIN requirement. Otherwise, it shall be subject to the following penalties:

1st Offense –	Penalty of One Thousand Pesos (₱1,000) per member without TIN, provided the aggregate amount to be imposed for such failure during a calendar year shall not exceed Twenty-Five Thousand Pesos (₱25,000) as provided under Section 250 of the NIRC, as amended
2nd Offense –	Suspension of CTE until compliance of the required submission of the TIN of its members
3rd Offense –	Revocation and prohibition to apply for renewal of CTE for a period of 3 years from the date of revocation

The following circumstances, however, shall be considered as justifiable reasons within the scope of RMC No. 124-2020 that will prevent the imposition of penalties on cooperatives on the ground of failure to submit the TIN of its members within six (6) months from the issuance of CTE:

a. The TIN not submitted pertains to inactive members, provided these inactive members have already been delisted pursuant to Memorandum Circular (MC) No. 2022-14 of the Cooperative Development Authority (CDA).

   "List of Active Members with TIN and Inactive Members" must therefore be submitted even prior to the prescribed due date for its submission, which is a year after the CTE issuance to support the failure to complete the TIN of members; and

b. The failure was due to "force majeure" (e.g. state of emergency, state of calamity as declared by the National Government and the concerned Local Government Unit). However, once the "force majeure" ceased to exist, the submission should immediately be done.

All cooperatives which have been issued CTE (original application) despite non-submission of the TIN of their ACTIVE members are still required to submit to the Revenue District Office (RDO) concerned the TIN of the said members following the six-month grace period unless the non-submission falls within justifiable reasons as mentioned above.

A **List of Active Members with TIN and Inactive Members** pursuant to MC No. 2022-14 of the CDA, or updates, if any, shall be submitted a year after the issuance of the original CTE and yearly thereafter, to the RDO where the cooperative is registered pursuant to the terms and conditions (as indicated at the back of the issued CTE) per Revenue Memorandum Order No. 76-2010.

Accordingly, those cooperatives that are applying for the renewal of the CTE shall be required to complete and submit the TIN of their active members. It is mandatory that upon

renewal of the CTE, all active members have already secured their respective TINs. Failure to submit the TIN of their active members will not qualify the cooperative for the renewal of their CTE.

In order to ensure the compliance of all cooperatives in the submission of the TIN of their active members, including those with valid and existing CTE, all cooperatives are mandated to submit the **List of Active Members with TIN and Inactive Members** pursuant to MC No. 22-14 of the CDA, to the concerned RDO within thirty (30) days from the effectivity of this RMC, otherwise it will be subject to the penalties as herein imposed.