REVENUE MEMORANDUM CIRCULAR NO. 39-2022 issued on April 6, 2022 prescribes the manner of payment of penalty relative to violations incurred by Registered Business Enterprises (RBEs) under the Information Technology-Business Process Management (IT-BPM) sector on the conditions prescribed regarding Work-From-Home arrangement.

It was prescribed in Revenue Memorandum Circular (RMC) No. 23-2022 that for the month the RBE committed violation, it shall be liable for the payment of the regular Income Tax of either twenty-five percent (25%) or twenty percent (20%), whichever is applicable. It was also mentioned in the said Circular that for RBEs which has no current transactions subject to regular Income Tax, they can voluntarily pay the penalty by indicating the taxable income under the column "regular" of BIR Form No. 1702-MX, while for RBEs which has existing transactions subject to the regular Income Tax, the voluntary payment of penalty shall use BIR Form No. 0605.

Since the use of BIR Form No. 1702-MX for RBEs with no transactions subject to regular Income Tax would create confusion and difficulty in accomplishing the said form, the Circular mandates the uniform manner of payment of the said penalty using BIR Form No. 0605 by choosing the radio button pertaining to 'Others' under 'Voluntary Payment' and by indicating in the field provided the phrase "Penalty pursuant to FIRB Res. No. 19-2021". The tax type code shall still be "IT" and the ATC to be indicated is "MC 200".

RBEs shall continue to file their Annual Income Tax Return (AITR) using BIR Form No. 1702-EX for those with Income Tax Holiday (ITH) incentive and BIR Form No. 1702-MX for those enjoying Gross Income Tax (GIT) incentive or those with mixed transactions. However, they are mandatorily required to complete the required information pertaining to allowable deductions pursuant to existing tax laws and regulations (i.e., Part VI-Schedule I for BIR Form No. 1702-EX and Part IV-Schedule 5 for BIR Form No. 1702-MX).

RBEs shall compute the penalty in the manner presented in the Circular, and the same shall be paid within thirty (30) days after the due date prescribed for the payment of Income Tax. If the same is paid beyond the said period, administrative penalties shall be imposed considering that the penalty pertains to 'Income Tax'.