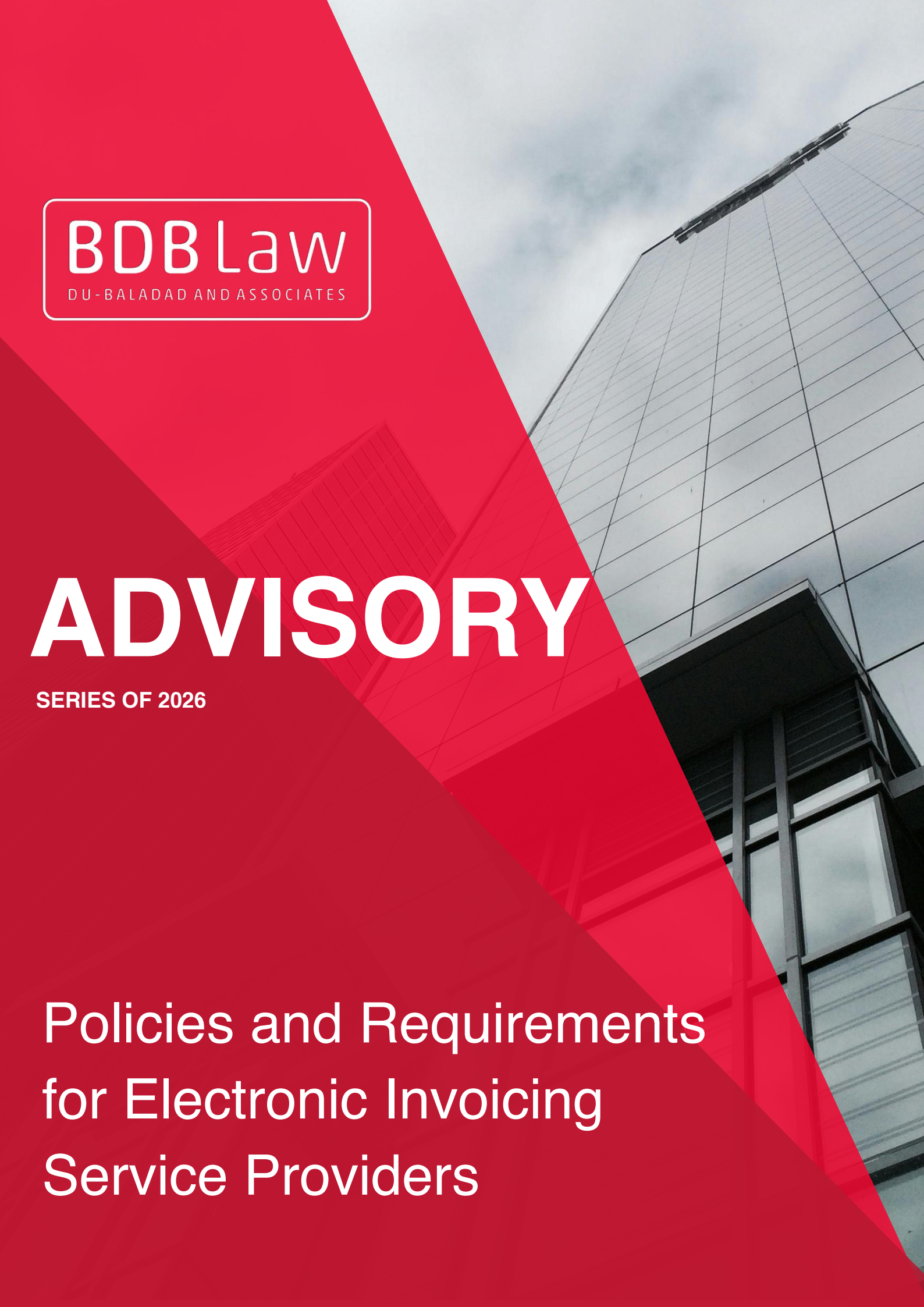




BDB Law

DU-BALADAD AND ASSOCIATES

ADVISORY

SERIES OF 2026

Policies and Requirements
for Electronic Invoicing
Service Providers

BUREAU OF INTERNAL REVENUE
Revenue Memorandum Circular No. 110-2026
October 12, 2026

**POLICIES AND REQUIREMENTS FOR THE ACCREDITATION AND
REGULATION OF ELECTRONIC INVOICING SOLUTIONS OF
ELECTRONIC INVOICING SERVICE PROVIDERS**

I. Coverage

This applies to electronic invoicing (e-invoicing) solutions of E-invoicing Service Providers (“ESP”).

Notes:

- ☒ A system/service offered to a related-party, franchisee, customer, or any other separate juridical entity shall be treated as an ESP service.
- ☒ Exemption may be granted if requested in writing with the concerned Revenue District Office (RDO) or Large Taxpayers Service (LTS) Office.
- ☒ Non-coverage: An internally developed system, or licensed-software operated on the taxpayer’s own infrastructure, used exclusively by one taxpayer and its branches is governed by existing Computerized Accounting System (“CAS”), Point-of-Sale (“POS”), or other registration rules.

II. E-invoicing Service Provider

An ESP is a juridical entity (*i.e.* corporation, partnership, joint venture, or consortium) **organized or duly licensed to do business in the Philippines** that provides e-invoicing, electronic sales reporting, integration, storage, preservation, retrieval, validation, reconciliation, migration, audit-support services, middleware, and related services to taxpayers.

It shall maintain an authorized representative and accountable technical, compliance, data protection, and security officers in the Philippines.

Notes:

- ☒ For joint ventures or consortiums, the accreditation requirements may be satisfied by any one member designated as the lead member or principal applicant.
- ☒ All members of the joint venture or consortium are solidarily responsible to the BIR for compliance, data security incidents, and any obligations or violations arising from the accredited service.

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III. Scope of Services of an ESP

An accredited ESP shall provide **end-to-end service** supporting the issuance of e-invoice and electronic sales reporting, including:

- ☑ Providing an e-invoicing system capable of generating and preserving structured e-invoice data that comply with BIR requirements;
- ☑ Ensuring that the Permit to Issue (“PTI”) Electronic Invoice Number is properly reflected on the e-invoice;
- ☑ Facilitating the application for, issuance of, or updating of the client-taxpayer’s PTI Electronic Invoice;
- ☑ Transmitting e-invoice and sales data in real time or near real time within three (3) calendar days from the date of transaction; and
- ☑ Managing all required Application Programming Interface (“API”) integrations, certifications, and pre-production testing on behalf of the client-taxpayer, upon written authorization.

IV. Mandatory Accreditation of E-Invoicing Solution

An ESP is prohibited from providing e-invoicing solutions and electronic sales reporting services to taxpayers unless its solution has been accredited by the BIR and it holds a valid **Electronic Invoicing Solutions Accreditation Certificate**¹.

Accreditation is specific to the particular solution, version, modules, interfaces, and deployment configuration evaluated and approved by the BIR.

Notes:

- ☑ Accreditation of the e-invoicing solution shall not replace the taxpayer-level CAS, POS, Permit to Issue (“PTI”) Electronic Invoice, Electronic Invoicing System (“EIS”) Certification, or other system registration and approval.
- ☑ As a condition of accreditation, ESPs shall be required to disclose standard packages, fees, material price changes, and charges imposed for onboarding, storage, transmission, retrieval, migration, and termination. There should also be no:
 - 🔒 hidden charges or fees that are not disclosed in the service agreement or that exceed the ESPs documented cost; or
 - 🔒 contractual restrictions preventing a change in provider or record retrieval.
- ☑ Product demonstrations and controlled pre-production testing are permitted, provided that the service is clearly identified as unauthorized for production use and does not process live taxpayer transactions.
- ☑ Updates that are not classified as material changes do not require reaccreditation.

¹ A certification issued by the BIR confirming that an e-invoicing solution offered by an ESP has been approved for use in live taxpayer transactions.

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V. Qualification and Accreditation Requirements

ESP Qualifications – An ESP shall:

1. Comply with the documentary requirements under Annex A of RMC No. 110-2026;
2. Comply with mandatory technical, security, data privacy, business continuity, disaster recovery, interoperability, auditability and data portability requirements of the BIR;
3. Provide a detailed system overview;
4. Designate authorized technical and compliance focal persons;
5. Disclose beneficial owners, directors, officers, key technical personnel, subcontractors, cloud service providers, and relevant affiliates.

Notes:

- ☒ Incomplete, inaccurate, misleading, or falsified documents shall be a ground for non-acceptance or denial of the application.
- ☒ Disclosure updates are required before engaging or changing any material subcontractor, hosting/cloud provider, affiliate, or foreign processor.

Mandatory Stages in Accreditation

1. Documentary completeness review;
2. Fit-and-proper and financial capacity review;
3. Technical architecture and end-to-end data-flow review;
4. Assessment of data privacy, Executive Order (“EO”) No. 119 series of 2026 on Government Data Classification and Data Residency, cybersecurity, which shall include, but not limited to, the following:
 - a. Certification on compliance with EO No. 119 series of 2026 and applicable government data governance requirements;
 - b. Certification attesting that the platform and all BIR data are protected against threats, hackers, and other malicious behavior through various security layers;
 - c. Certification attesting that the platform undergoes, at a minimum, Source Code Review and Vulnerability Assessment and Penetration Testing indicating a favorable or secured result;
 - d. Certification to ISO/IEC 27001, ISO/IEC 27017 and ISO/IEC 27018 System Organizational Control 1 and 2 or its equivalent;
5. System/solution demonstration;
6. Interoperability and end-to-end transmission testing; and
7. Load stress, scalability, concurrency, failover, back-up, and recovery testing.

Notes:

- ☒ Failure of a mandatory stage shall prevent progression until the deficiency is corrected and successfully retested. Documentary compliance alone is insufficient.
- ☒ Third-party certifications or assurance reports are considered as supporting documents but shall not replace BIR testing or independent verification.

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- ☒ The ESP shall demonstrate that, for each of the immediately preceding three (3) years, it has successfully operated or supported systems collectively capable of processing at least five million (5,000,000) transactions annually and supporting at least one thousand (1,000) active user or customer accounts per year.

VI. Electronic Invoicing Solutions Accreditation Certificate

Upon approval of the e-invoicing solution, the BIR shall issue an Electronic Invoicing Solutions Accreditation Certificate identifying the approved system, version, interfaces, infrastructure, environment, and material conditions of production use. The accreditation shall be subject to the following:

1. Five (5)-year validity period, subject to annual compliance review;
2. Immediate revalidation following a material change or significant incident;
3. To be renewed at least sixty (60) calendar days prior to expiration; and
4. Failure to maintain the validity of the accreditation may result in the suspension of the PTI Electronic Invoice to use such system.

Note:

- ☒ The PTI Electronic Invoice shall remain valid as long as the Electronic Invoicing Solutions Accreditation Certificate remains valid.

VII. Data Ownership, Access, and Portability

1. Ownership and Control of Data

Data	Ownership/Control/Responsibility
Books, records, invoices, and source business data	Taxpayer
E-invoices and sales data (either already transmitted to the BIR or still stored by the ESP)	BIR <i>The data shall constitute official tax administration records.</i>

Notes:

- ☒ The ESP shall use the data only for authorized e-invoicing purposes.
- ☒ No third-party service provider may access or process covered data unless disclosed to and approved by the BIR and contractually bound to obligations at least equivalent to the ESP.
- 2. BIR Access** – ESPs must provide the BIR with complete, direct, secure, timely, and continuous access to relevant electronic invoices, sales data, metadata, audit logs, acknowledgments, error records, and other tax administration information.

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3. Summary and Detailed Reports

Report	Turnaround Time
Standard summary reports	1 working day upon lawful request
Complete transaction-level extracts in a structured, machine-readable, and non-proprietary format	3 working days, or sooner when required for specified circumstances

4. Storage Pending BIR Readiness – Retention of data by ESPs shall be:
- For the period required under the Tax Code; and
 - Thereafter until the BIR authorizes in writing the discontinuance of storage.

Retention of data by the ESP shall likewise not be affected by termination of a taxpayer contract, insolvency, cessation of business, merger, or change in control.

5. Portability and Migration – ESPs must enable the export and transfer of relevant data, metadata, logs, and audit trails to the taxpayer, the BIR, or another accredited ESP without unreasonable delay or cost.
6. No Vendor Lock-In – ESPs cannot withhold, disable, delete, or restrict access to taxpayer data because of unpaid service fees, contractual disputes, termination, or a change of provider.

VIII. Accountability and Liability

Accountabilities and Liabilities of an ESP

- Compliance with the Circular and the conditions of the accreditation.
- Indemnification for direct losses and reasonable remediation costs arising from fraud, willful misconduct, gross negligence, material breaches, unauthorized data access or alteration, invoice manipulation, transmission failures, cybersecurity incidents, and failures involving data preservation, accessibility, portability, or system continuity.
- The BIR may also require an ESP to maintain a performance bond, cyber risk insurance, professional liability insurance, or other financial assurance proportionate to its service model and risk exposure.

Accountabilities and Liabilities of a Taxpayer

- Engaging an ESP does not relieve a taxpayer of its statutory responsibility to issue accurate invoices, maintain books and records, file tax returns, report sales, and pay the correct taxes.

However, a taxpayer shall not be administratively penalized for a transmission failure established to have been caused solely by the ESP of an accredited electronic invoicing solution, provided that the taxpayer exercised reasonable diligence, timely reported the incident, and complied with prescribed contingency procedures. This does not affect the assessment or collection of the correct taxes.

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Note:

- ☑ A contractual limitation of liability, exclusion of responsibility, data-access restriction, or waiver inconsistent with RMC No. 110-2026 shall not be recognized for BIR accreditation purposes.

IX. Corrective Actions and Sanctions

1. The Commissioner of Internal Revenue may order corrective action, restrict new client onboarding, suspend accreditation, or revoke accreditation for violations such as:
 - a. Failure to meet technical or security requirements;
 - b. Repeated transmission failures;
 - c. Unauthorized data access;
 - d. Invoice falsification;
 - e. Failure to provide BIR access;
 - f. Unauthorized outsourcing or material system changes; and
 - g. Circumstances threatening operational continuity.
2. Immediate temporary suspension may be imposed by the BIR when continued operation presents an imminent and material risk to taxpayers, revenue, data security, system integrity, or continuity of tax administration.
3. Suspension or revocation does not extinguish the ESP's obligations concerning data preservation, BIR access, taxpayer assistance, migration, remediation, audit cooperation, confidentiality, and incident reporting.

X. Effectivity

This Circular shall take effect immediately.

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