



FINEX Supports RMO 1-2026: Advancing Audit Transparency Toward a Fairer and More Predictable Tax Administration

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The Financial Executives Institute of the Philippines (FINEX) welcomes the Bureau of Internal Revenue's issuance of Revenue Memorandum Order (RMO) No. 1-2026, which introduces revised policies, controls, and procedures governing tax audits. The stated objectives—strengthening audit integrity, preventing misuse of authority, and ensuring due process—address long-standing concerns raised by taxpayers.

For years, taxpayers and stakeholders have expressed concerns about irregularities and inconsistencies in audit practices. The reforms outlined in RMO 1-2026 represent a crucial step toward greater transparency and equitable enforcement of tax regulations.

One of the most notable reforms is the adoption of the **Single-Instance Audit Framework**, which provides immediate relief by prohibiting the issuance of multiple eLAs for the same taxpayer and the same taxable year. By reducing redundant audits, taxpayers can dedicate more time to growing their businesses instead of constantly monitoring multiple ongoing audit processes.

The RMO also addresses long-standing concerns regarding perceived concentration of audits on a limited pool of taxpayers. The introduction of a **System-Assisted Audit Selection** establishes defined criteria and centralized approval process for audit selection. This ensures objectivity and integrity in the taxpayer selection process.

With all the improvements introduced by the RMO, FINEX is optimistic that the BIR will continue addressing implementation gaps to complement the audit reforms. Businesses face inconsistent application and interpretation of tax rules and memoranda across Revenue District Offices. Such variation creates opportunities for erroneous practices—ones that conflict with the due-process safeguards provided in RMO 1-2026. True integrity in tax administration depends on consistent nationwide enforcement, uniform interpretation of tax rules, and accountability at all levels.

A predictable, rules-based, and transparent tax regime is a critical driver of investment. Both domestic enterprises and foreign investors place a premium on certainty, fairness, and the consistent application of tax laws. When tax administration is perceived as arbitrary or negotiable, it raises the cost of doing business and deters long-term capital. The reforms introduced by the BIR strengthen investor confidence and help in making the Philippines a more competitive destination for foreign direct investment.

FINEX stands ready to support reforms that advance governance, transparency, and accountability in tax administration. We will continue to engage constructively with the BIR and the Department of Finance, while remaining vigilant where implementation falls short or taxpayer rights are compromised. A fair and credible tax system is essential to building business confidence, attracting investment, and sustaining inclusive economic growth.

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