

PN-ACM-811

Fiscal Policy Analysis Activity

HISTORICAL EVOLUTION OF DOCUMENTARY STAMP TAXES

August 2000

Contract No. 492-C-00-97-00035-00

A project of the Department of Finance – Domestic Finance Group
In cooperation with the United States Agency for International
Development and Barents Group, LLC

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Historical Evolution of Documentary Stamp Taxes

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August 2000**

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Historical Evolution of Documentary Stamp Taxes

I. INTRODUCTION

Taxation is a fiscal policy instrument imposed on persons, property objects, services and transactions for the purpose of raising government revenues for public needs. The government continues to seek for potential revenue sources, not just to burden its citizens with higher taxes, but to provide them the luxury of living in a civilized society.

In line with this thought, a study is done on the development of Documentary Stamp Taxes to illustrate its importance as a stable and potential source of revenue. Tables, flow charts, and graphs support this, and other relevant data in connection with the collection of documentary stamp taxes.

II. HISTORICAL DEVELOPMENT OF THE DOCUMENTARY STAMP TAX

Introduction: What is DST?

Taxes on documents, instruments, and papers as proof of acceptance, assignment, sale or transfer of an obligation, rights, or property are defined as Documentary Stamp Taxes or DST. As such, it is a tax on the privilege to enter into a transaction, and every time a transaction changes hands, documentary stamp taxes are imposed. These taxes have been imposed as early as 1915, and through time, it has undergone several changes with respect to the tax rates and sections in the National Internal Revenue Code (NIRC). Metering machines were introduced in 1924, while electronic metering was used later in 1998. In trying to monitor closely the documentary stamp tax collection, a study is done to explain the evolution of documentary stamp taxes and provide the necessary data for further economic analysis and its simulation. However, this study only covers the years 1972 up to the present.

Importance of Documentary Stamp Taxes

Documentary stamp taxes can be regarded as one of those taxes overlooked by the government, which, in turn, can generate a significant amount of revenue. Somehow, they failed to acknowledge the collection of documentary stamp taxes as a stable source of revenue, and thus, they incorporated documentary stamp tax collection as "Other Taxes" in their annual reports. The percentage contribution of documentary stamp tax collection to the total BIR revenue collection, as shown in Appendix 1, reflects only a small percentage, but this should not be considered as an insignificant value. Compared to the total revenue collection, an amount such as 2% or even 5% may seem negligible, but this already translates into billions of pesos good enough to support one city. Also, comparing this with other tax collections to the total BIR collection in the year

1998, specifically the excise tax collections for cigarettes, distilled spirits, and fermented liquor, total documentary stamp tax collections translates to a greater revenue collection at 5.61%. This is summarized in the Table 1.

Table 1
Comparative Tax Collections
to Total BIR Collection (1998)

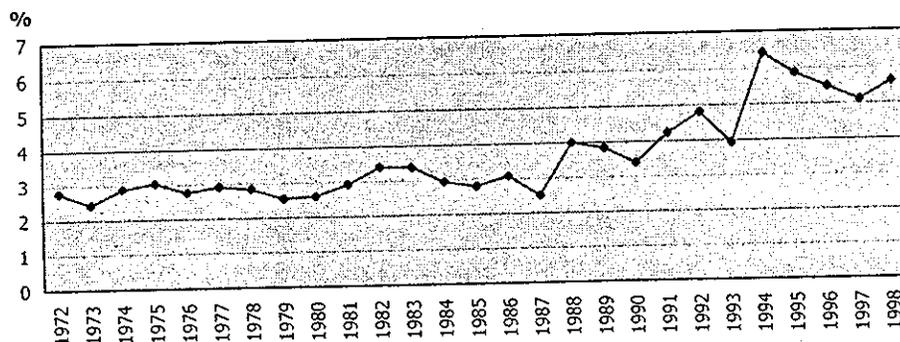
Type of Tax	% to Total BIR Collection
Documentary Stamp Tax	5.61 %
Cigarettes	4.97 %
Fermented Liquor	3.10 %
Distilled Spirits	0.59 %

**1998 collections for the different kinds of taxes were obtained from the BIR Annual Report and divided by the total BIR collection for the year 1998.*

Many changes were incorporated since 1972 with the thought of improving the efficiency of documentary stamp tax collection. Major changes, especially during the years 1972, 1978, 1984, 1995, and 1997, were reflected in the tax rates and bases, as well as in the amendments (Appendix 2 and 7). The corresponding provisions enacted by the legislative body of our government basically caused the changes in the tax rates.

There are other equally significant factors affecting documentary stamp taxes and these contribute to its overall importance. From the data that was obtained, banks proved to be one of the largest contributors of this tax. With this in mind, variables, such as interest rates, can be manipulated to account for the fluctuations in the documentary stamp tax collections. This is one angle. Another is you can look at the stability of the political environment at a particular time. In trying to explain the major fluctuations in the graph below, the years 1973, 1987, 1988, 1992, 1993, 1994, and 1997 stood out.

Graph 1
Percentage of DST in
Total BIR Collections



Martial law was declared in 1972, and during that period, there were a lot of banks that closed. This can be translated into lower documentary stamp taxes levied since major transactions came from banks. This can be a reason for the drop in the collection percentage in 1973.

In 1986, there was a new set of tax rates and bases for documentary stamp taxes, which went as high as 30-50%. It is a known fact that when taxes increase, purchase of goods and services usually decrease. This can explain the sharp drop in the graph. During President Aquino's term, liberalization was the issue. Interest rates went down to encourage investments in the country. Probably, collections have increased due to the export and import bills of exchange transactions subject to documentary stamp tax during that period.

In 1990, the drop in collections may be traced to the twenty (20) tax treaties signed on December 31, 1990. In theory and in practice, the more taxes imposed, the more people tried to evade from paying it. But in the next two years (1991-1992), documentary stamp tax collections increased and this can be attributed to the Five-Point Tax Administration Improvement Program, which included: a new payment control system (NPCS), Taxpayer's Identification Number (TIN), final withholding tax system, large taxpayer unit, and the monthly Value Added Tax (VAT) payment.

The year 1994 posted the highest percentage of DST collections to the total BIR collections. Prior to this year, documentary stamp taxes were applied only to transactions issued in the Philippines, which meant that transactions done by some Philippine companies in other foreign countries were not subject to documentary stamp taxes. By imposing Revenue Regulations No. 9-94, this problem was addressed and thereby explains the increase in the tax collection for the said year. But after a while, in the years 1995-1997, collections decreased again due to legislation, specifically on the Comprehensive Tax Reform Program or CTRP.

Despite the slump in the economy that was reflected in the year 1998, collections of documentary stamp taxes increased. The Comprehensive Tax Reform Program or CTRP included a law (Revenue Regulations No. 3-97) which was directed towards the Reverse Repurchase Agreements entered into and between the Bangko Sentral ng Pilipinas (BSP) and any authorized agent bank for liquidity purposes.

The changes presented from 1972 up to 1998 clearly show the significance of documentary stamp taxes in being a potential source of revenue for the Philippine government.

Tax Rates and Bases

The distribution of the different documents and transactions in the National Internal Revenue Code (NIRC) are divided into 23 sections, as shown in Table 2. Every now and then, there are instruments added or deleted from a section or the section number changes due to legislation and presidential decrees. There are instruments that are simply reclassified. To illustrate, bonds, in 1972-1984, were under Section 223, but

in 1995 up to the present, were transferred to Section 177. Also, other new sections are added or even deleted. For instance, pre-need plans were not included before. It was only in 1984 that these transactions were imposed documentary stamp taxes. Other changes, as well as the transactions covered, are summarized in Tables 3 and Additional Tables – Table 1.

Table 2
Transactions Subject
to Documentary Stamp Taxes

NIRC Sec.	Transaction/Document	Documentary Stamp Tax
174	DST on debentures and certificates of indebtedness	P1.50 for every P200 or fractional part thereof
175	DST on original issues of stocks	P2.00 for every P200 or fractional part thereof
176	DST on sales, agreement to sell, memoranda of sales, deliveries or transfer of due bills, certificates of obligation of shares, or certificates of stock	P1.50 for every P200 or fractional part thereof
178	DST on certificates of profits or interest in property or accumulations	P0.50 for every P200 or fractional part thereof
179	DST on bank checks, certificates of deposits not bearing interest and other instruments	P1.50 on each bank check, certificate of deposit
180	DST on all bonds, loan agreements, promissory notes, bills of exchange, drafts, instruments and securities issued by the government on any of its instrumentality, deposit-substitute debt instruments, certificates of deposit bearing interest, and other not payable on sight or demand	P0.30 for every P200 or fractional part thereof
181	DST upon acceptance of bills of exchange and others	P0.30 for every P200 or fractional part thereof
182	DST on foreign bills of exchange and letters of credit	P0.50 for every P200 or fractional part thereof
183	DST on life insurance policies	P0.50 for every P4.00 or fractional part thereof
184	DST on policies of insurance upon property	P0.50 for every P4.00 or fractional part thereof
185	DST on fidelity bonds and other insurance policies	P1.50 for every P200 or fractional part thereof
186	DST on policies of annuities and pre-need plans	P0.50 for every P500 or fractional part thereof
187	DST on indemnity bonds	P0.30 for every P4.00 or fractional part thereof
188	DST on certificates	P15
189	DST on warehouse receipts	P15
190	DST on jai-alai, horse race tickets, lotto or other authorized number game	P0.10 for every ticket that does not exceed P1.01
191	DST on bills of lading or receipts	P1.00 if the value of goods is less than P1000 and P10.00 if the face value exceeds P1000
192	DST on proxies	P15
193	DST on power of attorneys	P5
194	DST on leases and other hiring agreements	P3.00 for the first P2000 or fractional thereof, and an additional P1.00 for every P1000 in excess of the first P2000

Table 2 (continuation)

NIRC Sec.	Transaction/Document	Documentary Stamp Tax
195	DST on mortgages, pledges and deeds of trust	P20 if the amount secured is not more than P5000 and P10 for every additional P5000
196	DST on deeds of sale and conveyance of real property	P15 if the amount does not exceed P1000 and P15 for every additional P1000
197	DST on charter parties and similar instruments	P500 for six months of vessel or steamer, wherein the gross tonnage does not exceed 1000 tons P1000 for the first six months if the gross tonnage exceeds 10000 tons, and an additional P100 for every additional month P1500 for the first six months if the gross tonnage exceeds 10000 tons and an additional P150 for each additional month

The National Internal Revenue Code or NIRC can also be viewed with regard to the tax rates and bases assigned per instrument or transaction. Tax bases and its corresponding tax rates determine the documentary stamp tax, and this should be monitored and controlled by each Revenue District Office or RDO. On the other hand, legislation and presidential decrees also affect changes on the tax rates. Over time, tax rates have increased, indicating that these taxes are indeed potential sources of revenue, if monitored closely and imposed on each and every transaction. A summary of the changes in the tax rates and bases from 1972 up to 1998 is presented in Appendix 2, while the table that follows presents the different instruments/transactions each section covered from the same time period (Tables 3 & Additional Tables – Table 1).

Table 3
Changes in the Transactions Covered
by Documentary Stamp Taxes

NIRC Section	1972	1976	1984	1995	1997
Section 223/174					
Bonds	X	X	X		
Debentures	X	X	X	X	X
Certificates of indebtedness	X	X	X	X	X
Section 224/175					
Original issue of certificates of stock	X	X	X	X	X
Section 225/176					
Sales	X	X	X	X	X
Agreements to sell	X	X	X	X	X
Memoranda of sales	X	X	X	X	X
Deliveries or transfer of bonds	X	X	X		
Deliveries or transfer of due-bills	X	X	X	X	X
Certificates of obligation	X	X	X	X	X
Shares or certificates of stock	X	X	X	X	X

NIRC Section	1972	1976	1984	1995	1997
Section 226					
Bonds, debentures, certificates of indebtedness issued in foreign countries		X			
Section 227/177					
Certificates of profits or interest in property or accumulations	X	X	X		
Bonds				X	X
Debentures				X	X
Certificates of stock or indebtedness issued in foreign countries				X	X
Section 228/178					
Bank checks	X	X	X		
Drafts	X	X	X		
Certificates of deposit not bearing interest	X	X	X		
Other instruments	X	X	X		
Certificates of profits or interest in property or accumulations				X	X
Section 229/179					
Negotiable promissory notes	X	X	X		
Bills of exchange	X	X	X		
Drafts	X	X	X	X	X
Certificates of deposit bearing interest	X	X	X		
Others not payable on sight or demand	X	X	X		
Bank checks				X	X
Certificates of deposit not bearing interest				X	X
Other instruments				X	X
Section 230/180					
Acceptance of bills of exchange	X	X	X		
Others	X	X	X		
All bonds				X	X
Loan agreements				X	X
Promissory notes				X	X
Bills of exchange				X	X
Drafts				X	X
Instruments & securities issued by the Government or any of its instrumentalities				X	X
Deposit substitutes				X	X
Debt instruments				X	X
Certificates of deposits bearing interest				X	X
Others not payable on sight or demand				X	X
Section 231/181					
Foreign bills of exchange	X	X	X		
Letters of credit	X	X	X		
Acceptance of bills of exchange				X	X
Others				X	X
Section 232/182					
Life insurance policies	X	X	X		
Foreign bills of exchange				X	X
Letters of credit				X	X

NIRC Section	1972	1976	1984	1995	1997
Section 233/183					
Policies of insurance upon property	X	X	X		
Life insurance policies				X	X
Section 234/184					
Fidelity bonds	X	X	X		
Other insurance policies	X	X	X		
Policies of insurance upon property				X	X
Section 235/185					
Policies of annuities	X	X	X		
Fidelity bonds				X	X
Other insurance policies				X	X
Section 236/186					
Indemnity bonds	X	X	X		
Policies of annuities				X	X
Pre-need plans				X	X
Section 237/187					
Certificates	X	X	X		
Tax clearance certificates	X				
Indemnity bonds				X	X
Section 238/188					
Warehouse receipts	X	X	X		
Hotel receipts	X		X		
Certificates				X	X
Section 239/189					
Jai-alai	X	X	X		
Horse race tickets	X	X	X		
Warehouse receipts				X	X
Section 240/190					
Bills of lading or receipts	X	X	X		
Jai-alai				X	X
Horse race tickets				X	X
Lotto				X	X
Other authorized numbers games				X	X
Section 241/191					
Proxies	X	X	X		
Bills of lading or receipts				X	X
Section 242/192					
Powers of attorney	X	X	X		
Proxies				X	X
Section 243/193					
Leases	X	X	X		
Other hiring agreements	X	X	X		
Powers of attorney				X	X

NIRC Section	1972	1976	1984	1995	1997
Section 244/194					
Mortgages	X	X	X		
Pledges	X	X	X		
Deeds of trust	X	X	X		
Leases				X	X
Other hiring agreements				X	X
Section 245/195					
Deeds of sale	X	X	X		
Conveyance of real property	X	X	X		
Mortgages				X	X
Pledges				X	X
Deeds of trust				X	X
Section 246/196					
Charter parties	X	X	X		
Similar instruments	X	X	X		
Deeds of sale				X	X
Conveyance of real property				X	X
Section 197					
Charter parties				X	X
Similar instruments				X	X
Section 198					
Derivatives					X

Source: National Internal Revenue Code (NIRC), Tax Reform Act of 1997

An estimate of the distribution per instrument/transaction is provided in a separate study done by Mrs. Teresa Caparas entitled "An Analysis on Documentary Stamp Taxes". This study gives a clearer perspective as to how much revenue can be expected from each instrument covered by documentary stamp taxes.

III. MAIN POLICY CHANGES

Policies on documentary stamp taxes covering the proper implementation and procedures to be followed are greatly affected by changes in legislation. What follows are the current changes in policies covering the said taxes, with respect to Revenue Regulations, Republic Acts, Revenue Memorandum Orders, and the Comprehensive Tax Reform Program Laws.

▪ Local Transactions Signed Abroad (1994)

Previous to this law, there were some companies who bring and sign their transactions abroad, like in Hong Kong, for the simple reason that they may be exempted from paying large amounts of documentary stamp taxes here in the Philippines. To avoid this practice, Revenue Regulations No. 9-94 was implemented. This law identifies the persons liable to pay documentary stamp taxes on documents,

instruments, loan agreements and papers, and upon acceptances, assignments, sales and transfers of the obligation, right or property incident thereto. Documentary stamp taxes for and in respect of the transactions so had or accomplished shall be paid as hereinafter prescribed by the person making, signing, issuing, accepting, or transferring the same, wherever the document is made, signed, issued, accepted, or transferred when the obligation of right arises from Philippine sources or the property is situated in the Philippines, and at the same time such act is done or transaction had. Provided, that whenever one party to the taxable document enjoys exemption from the tax herein imposed, the other party who is not exempt shall be the one directly liable for the tax.

- **Manner of Affixture (1994)**

In 1924, the method of affixture used on Documentary Stamp Taxes was the actual affixture, where affixture and cancellation were done by writing or stamping across the documentary stamp the date of cancellation. No laws were implemented nor followed regarding the validity of the affixed documentary stamps, that is why documentary stamp taxes were of limited value. Later on, perforation of documentary stamps was introduced, although actual affixture was still practiced. The policy on the affixture and cancellation of documentary stamps to documents are clarified in Revenue Regulations No. 9-94. Documentary stamp tax shall be paid by the purchase and affixture of the documentary stamps to the document or instrument taxed or to such other papers as may be indicated by law or regulation as the proper recipients of the stamp and by the subsequent cancellation of the documentary stamp which may be done by writing, stamping, or perforating the date of the cancellation across the face of each stamp in such a manner that part of the writing, impression, or perforation shall be on the stamp itself and partly on the document to which the stamp is attached.

Improvements in the old system were introduced, but the method applied was not very sophisticated yet, recognizing the fact that the same method of affixture was adopted.

- **Comprehensive Tax Reform Program (CTRP) of 1997**

The Comprehensive Tax Reform Program was made into law for the purpose of implementing documentary stamp taxes completely. To emphasize its importance, Section 201 of the National Internal Revenue Code (NIRC) of 1997 discusses the effects of failing to stamp taxable documents. An instrument, document, or paper which is required by law to be stamped and which has been signed, issued, accepted, or transferred *without being duly stamped, shall not be recorded, nor shall it or any copy thereof or any record of transfer of the same be admitted or used in evidence in any court* until the requisite stamp or stamps shall have been affixed thereto and cancelled. No notary public or other officer authorized to administer oaths shall add his jurat or acknowledgment to any document subject to documentary stamp tax unless the proper documentary stamps are affixed thereto and cancelled.

Revenue Memorandum Order No. 83-98 implements the Tax Code of 1997, while Revenue Regulations No. 5-97 is the basis of Revenue Memorandum Order No. 83-98.

- **Purchase and Affixture (1997)**

Under Revenue Regulations No. 5-97, Section 2 discusses the purchase and affixture of loose documentary stamps or the actual stamping system. Any person may purchase loose documentary stamps not exceeding P200.00 for future application upon taxable documents/transactions from Revenue Collection Officers. Loose documentary stamps shall be allowed to be used only when the amount of documentary stamp tax due on a taxable document/transaction does not exceed P10.00. Cancellation of the documentary stamp affixed to the taxable documents must be done by writing two lines across the stamp and portion of the document to which it is affixed, and indicating the date of affixture thereto by perforation as to render it un reusable. The purchase and affixture of documentary stamps through constructive stamping on taxable documents/transactions or the Receipts System is also tackled and this falls under Section 3 of the same regulation. According to the said section, any person may, at any one time, purchase documentary stamps for constructive affixture on each taxable document/transaction if the amount of documentary stamp tax due is ten pesos (P10.00) or more. In lieu of the actual documentary stamps, the duplicate copy or certified xerox copy of proof of payment may be affixed on each document. Advance purchase of documentary stamps for future application on taxable document/transaction shall not be allowed through the constructive stamping or receipt system.

- **Other Changes in Legislation**

Republic Act No. 7660 summarizes the rationalization function of the structure and administration of documentary stamp taxes. It presents changes in the tax rates and its bases, as well as the incremental revenues from the increase in the documentary stamps. Revenue Regulations No. 7-92 and 9-94 are the implementing regulations of Republic Act No. 7660.

IV. POLICY CHANGES MOVING TOWARDS THE ELECTRONIC SYSTEM

In 1972, the implementation of documentary stamp taxes became more clearly defined with the issuance of several revenue regulations. But it was only in 1992 that Revenue Regulations No. 7-92 was issued to prescribe new policies and guidelines to control and monitor the installation, operation, and the use of metering machines on a voluntary basis. The three different ways of affixing documentary stamp taxes, namely the actual affixture, constructive stamping, and the use of metering machines are thus considered. This regulation was implemented under Revenue Memorandum Order No. 21-93 and was further amended by Revenue Memorandum Order No. 64-94.

In 1997, Revenue Regulations No. 5-97 was issued, making the voluntary use of metering machines mandatory for transactions where the value of the documentary stamp tax due is more than ten pesos (P10.00). Sections 2.2 and 3.3 of this regulation, particularly focusing on the purchase and affixture of loose documentary stamps or the actual stamping system and that of constructive stamping on taxable documents/transactions or receipts system, supports the mandatory nature of this regulation. It was also in this year that the Bureau of Internal Revenue started implementing the use of Form 2000 as the taxpayers obtained documentary stamps from them. This replaces the Authority to Accept Payment (ATAP) forms used previously, and this provides a general breakdown of the transactions documentary stamp taxes are imposed on. The taxpayers are required to submit the Information Return for Documentary Stamp Taxes Paid or their BIR Form 2002 within ten (10) days following the close of the month covered by the aforementioned return to the Revenue District Office concerned for monitoring, control, and reconciliation purposes. This further breaks down the transactions covered by the necessary documentary stamp taxes.

The succeeding discussion covers the policies with regard to the different laws or memoranda, methods of affixture in depth, comparative analysis of the past and present systems incorporating the list of users and process flows, and its benefits and features.

Methods of Affixing Documentary Stamp Taxes

It can be said that the affixture of documentary stamp taxes has improved over the years, and this translates to a corresponding improvement in the collection of national taxes. From the simple strips manually attached to the documents and printed by the Central Bank, the bureau continued to look for ways to effectively and efficiently collect documentary stamp taxes, such as the use of constructive stamping, manual use of metering machines, and finally the use of electronic metering. The three methods of affixing documentary stamp tax paid in documents or instruments as provided in Section 4 of Revenue Regulations No. 4-94, implementing Republic Act No. 7660, is presented below.

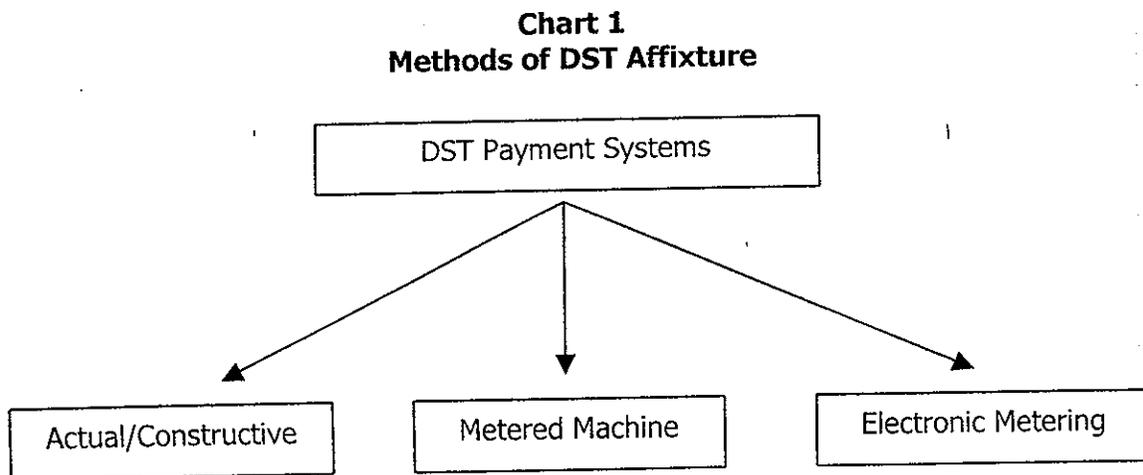
- *Actual affixture* of the documentary stamp tax in the face of the document/instrument and canceling the same by writing, stamping, or perforating the date of the cancellation across the face of the stamp such that part of the writing, stamping, or perforating shall be on the stamp itself and part in the document or instrument. The disadvantage of using this method is that it can easily be reproduced and revised many times, making it possible for fake stamps to be circulated in the system. Also, there is no control and monitoring done in using such method.
- *Constructive Stamping* – The documentary stamp tax due, if it is P10.00 or more, is paid at the time the act is done without affixing the stamp on the document or instrument, but simply writing on its face the information shown in the evidence of payment (OR/bank validation) in the tax return, such as the OR#, date of payment, amount paid, and name of payee. In using rubber

stamps for this method, it implies that it can be cancelled after it served its purpose, can be revised many times even without funds, and can produce fake stamps. Besides, no control and monitoring is done.

- *Use of Metering Machines* – The value of the documentary tax due is imprinted on the face of the document or instrument using the metering machine without affixing any documentary stamps. The taxpayer buys documentary stamps from the BIR by securing BIR Form 2000 and the amount of documentary stamp purchased is being paid directly to the Authorized Agent/Accredited Banks (AABs). Loading of the documentary stamp purchased is done in the Collection Division concerned by presenting the duly validated BIR Form 2000. This assumes that the documentary stamp tax meter has sufficient stamp value inside the machine. In order to do this, the machine has to be loaded and users have to pay the tax. The metering machine is adjusted correspondingly on the amount purchased in the presence of COA representative and the BIR. However, antedating and tampering with the stamps are possible with this method.

The affixture of documentary stamp taxes involves the use of two kinds of metering machines: the conventional metering (also metered machines, as discussed above) and the electronic metering machine. Revenue Regulations No. 5-97 implemented the use of metered machines, but because problems on security and tampering of documentary stamps were common, Revenue Memorandum Order No. 83-98 was then implemented. Basically, the BIR Forms used in acquiring documentary stamp taxes were the same, but the latter law pushed for the mandatory use of documentary stamps. The Bureau of Internal Revenue (BIR) has set up a Data Center where on-line monitoring of these taxes is possible.

The chart that follows summarizes the different methods used in affixing documentary stamp taxes.



Conventional Metering Method of DST Affixture

The conventional way of collecting documentary stamp taxes was through the use of mechanical metering machines. Under this system, the payment of documentary stamp tax shall be made by the purchase and affixture of documentary stamps of the proper value to the document or instrument sought to be taxed or to any other paper, which the law indicates as the proper recipient of the stamp.

With regard to the manner of payment stated in Revenue Regulations No. 9-77, only cash shall be accepted for the payment of stamps on documents mentioned above. However, manager's or cashier's checks may also be accepted, but in no case shall personal checks or money orders be accepted for the payment thereof.

The recording and remittance of documentary stamp tax collections derived from the imprinting of stamps shall be as follows:

- Daily abstract of collections shall be maintained for the printing of daily transactions.
- Revenue collections shall be remitted to the Treasurer of the Philippines pursuant to Department Order No. 20-73, dated June 14, 1973.
- Manner of remittance advice shall be separate for documentary stamps and science stamps for the account of the Bureau of Internal Revenue.
- Statement of remittance for the documentary stamps and science stamps shall be prepared within twenty (20) days after the end of the month, which shall be submitted to the commission of Internal Revenue.

For the loading or reloading of the metering machines, the taxpayer has to bring the metering machine to the office of the Collection Division after paying the desired amount using the Authority to Accept Payment (ATAP), subsequently replaced by BIR Form 2000 as implemented by Revenue Regulations No. 5-97.

In the conventional system of documentary stamp purchases, all mechanical meters require feeding thick and stiff material to actuate mechanical trip mechanism despite destroyed impression, especially on strip stamps. Also, it involves conventional impression, wherein the data seen on impression are the value of the stamp, the date and machine's serial number, which is very different from the electronic system. This was based on Revenue Memorandum Order No. 21-93 as amended. The Collection Division shall keep ready for inspection the Book for Documentary Stamp Daily Transaction. Quarterly reports, however, are set within fifteen (15) days after the end of the month, instead of twenty (20) days as previously done.

Since 1972, several Revenue Regulations and Republic Acts have been issued which affected the structure of documentary stamp taxes, such as what follows. A separate listing of the actual legislation will be submitted together with this study.

- Revenue Regulations No. 23-73, dated August 22, 1973
- Revenue Regulations No. 10-74, dated March 3, 1974
- Revenue Regulations No. 9-77, dated August 9, 1977
- Revenue Regulations No. 5-88, otherwise known as the Documentary Stamp Tax Regulation, amending Section 303 of Revenue Regulation No. 26
- Revenue Regulation No. 7-92, revising the regulations on the management of documentary stamp metering machines in the custody of authorized taxpayers; the objective of which is to prescribe policies and guidelines to monitor and control the installation, operation and use of documentary stamp tax metering machines
- Republic Act No. 7660, an act rationalizing further the structure and administration of documentary stamp taxes; amending for the purpose of certain provisions of the National Internal Revenue Code, as amended, allocating funds for specific programs and other purposes.

To effectively ensure the implementation on the said regulations, revenue officials of the National Office (CPD) serve the functions listed below.

- Custodian of all registered documentary stamp metering machines are under their authority;
- They have the power to cancel approved permits to operate, if there is any irregularity;
- They have the power to investigate irregularities;
- Other duties that are relevant to documentary stamp tax metering machine's operation concerned.

The use of BIR Form No. 2000 (Documentary Stamp Tax Declaration) was implemented upon the issuance of Revenue Regulation No. 5-97, dated January 31, 1997, replacing the ATAP or Authority to Accept Payment in paying the documentary stamps.

The table that follows presents the total number of documentary stamp tax users of the conventional metering machines. A general breakdown of the sectors is provided, showing that banks comprise the largest percentage (70.54%) among the 689 users of documentary stamps. Other dominant sectors include insurance companies (16.84%), the financing sector (6.39%), and the brokerages (2.61%).

Table 4
Total Number of Users
Conventional Metering Machine

BUSINESS ENTITIES	TOTAL METERS	PERCENTAGE
Travel Agency	1	0.15%
Banks	486	70.54%
Brokers	18	2.61%
Bureau of Customs	1	0.15%
Manila Electric Company	1	0.15%
Financing	44	6.39%
Insurance	116	16.84%
Law Office	2	0.29%
Realty	1	0.15%
Refinery	9	1.31%
Shipping	9	1.31%
Forwarder	1	0.15%
TOTAL	689	100%

Source: BIR – Collections Program Division, 1999

New Electronic Funds Management System of DST Affixture

In trying to ensure the control and effective monitoring of purchased documentary stamp taxes and its usage, the new system utilizes a highly secured technology of encryption and high risk transaction, which will only be manifested through the use of an electronic metering machine. Security is added from registration to the issuance of permit numbers on-line after the manufacturer gives verification of serial numbers during initial loading. The exact value of the stamp is provided since the meter has extended the printing range from 0.10 to 99,999.90. On-line monitoring of dormant meters and on-line inspection every sixty (60) days is also done. With regard to the encrypted impression, it is referred to as "Information based Indicia." Each impression made is unique from any other impression by any meter. Furthermore, it provides a verification system, whereby the verification tool available in the system could decrypt each encrypted impression. The system provides fast and accurate reports on every transaction periodically.

In using the new electronic tax-imprinting meter, each meter serial number will be registered at the Bureau of Internal Revenue (CPD) and will be assigned a Specific Account Number, which can have several tax meters. After the meter has been registered and delivered to the registered owner, funds should be deposited to their Account Number at the Authorized Collecting Agents or Banks before requesting for meter resetting/loading. In actual loading, the operator will connect any telephone line to the terminal of the GEM internal modem (GEM also being the brand of the metering machines), push the "REFILL" button and it automatically dials-up the number of the BIR Data Center. The Data Center will verify all information needed to qualify for loading, such as ascending and descending registers, document piece count and meter serial number. With this information, the details of the Account Number and funds availability will be determined by the Data Center and the screen of the GEM meter will

ask how much the operator would like to load. If funds deposit/balance is sufficient for the loading being requested, the GEM meter will flash the amount requested for confirmation of the operator by pushing the "YES" button. Electronic meter inspection is done every time the GEM meter contacts the BIR Data Center.

Thus, no more trips to the BIR Collection Offices are needed. Also, there is no more risk of losing the meter or check payment. For the BIR personnel's benefit, less field inspection is required by this new system. Finally, the "HIGH VALUE" button will ask the operator for confirmation before printing. There will no longer be any lost impression. The positive inkjet printer will not print if the document is not properly fed and the message "low ink" flashes when there is a need to replace the cartridge. This is the followed procedure on the use of the new electronic tax-imprinting meter under the BIR Electronic Funds Management System.

The mandatory use of the Electronic Metering Machine (GEM meter) is highly encouraged by the BIR through the issuance of Revenue Memorandum Order No. 83-98, pursuant to CTRP regulations amending some provisions in Revenue Regulations, No. 5-97 for various reasons; primary of which is its efficient and effective means of monitoring and control on actual purchases and usage of documentary stamps. For the year 1998, the total collection on documentary stamp taxes amounted to P200.85 M, with three documentary stamp tax users, namely: Far East Bank and Trust Company (FEBTC), Land Bank, and the Armed Forces of the Philippines (AFP) insurance company, registered as pilot using GEM meters. Cost per meter was set at P62,500.00. In spite of the cost, the return on such investment was manifested in the efficient data management of the documentary stamp tax users, as well as the BIR, reduced administrative costs and eliminated forms used, padlock seal and field audits.

By the year 1999, a total of 466 electronic meters were already in use. A list of the documentary stamp tax users of the Electronic Funds Management Metering Machines shows that insurance companies dominate with 55.6% of the total number of taxpayers. Head offices and branches of banks, on the other hand, comprise 37.8%, while shipping lines, brokers, and rural banks each cover 2.2%. Table 5 presents the list of electronic metering machine users.

Table 5
List of Taxpayers and/or Users
DST Metering Machine With Encryption

TAXPAYERS/USERS	NO. OF METERS	NO. OF DST USERS	PERCENTAGE
Shipping Lines	1	1	2.22%
Banks	428	17	37.78%
Rural Banks	1	1	2.22%
Insurance Companies	35	25	55.56%
Brokers	1	1	2.22%
TOTAL	466	45	100%

*Source: Documentary Stamp Tax Metering Machine Data Center (DSTMMDC)
Collections Program Division, 1999*

V. COMPARATIVE PROCESS FLOWS AND ENCRYPTION

Comparative Process Flow for Methods of DST Affixture

The process flow for the conventional documentary stamp metering machine of the Collections Program Division unit aims to generate one hundred per cent (100%) collection from documentary stamp taxes and to accelerate the loading and reloading of documentary stamp metering machines within four (4) hours from receipt of request from the user/banks. The procedures are presented in Chart 2. On the other hand, the process flow for the documentary stamps through the use of electronic metering machines or the Electronic Funds Management System that follows presents the procedures in using the metering machines, processing of applications for permit to operate the DST machine with encryption, registration on-line of DST application, and the loading/reloading of DST purchased. This is presented in Charts 3 - 7.

Comparing the process flows of the two methods outlines the greater advantages brought about by using the electronic metering system. No more trips to the collection offices are necessary since documentary stamp taxes are directly deposited, loading is matched with a credit account to the BIR, and security is no longer a problem.

Encryption Under the Electronic Metering System

Comparative Summary of Benefits

In using the new electronic metering system, there has been a significant increase in the collection of documentary stamp taxes (as shown in the appendix) as the recording and monitoring of transactions were the main concern. This system not only eliminates fraud and undetected transactions. It also makes the procedures more convenient for the taxpayers.

Table 2 of the Additional Tables summarizes the key benefits from the new system that have been in place with the issuance of Revenue Memorandum Order No. 83-98 and Revenue Regulation No. 5-97, as well as under the Tax Code of 1997 in the new policy. Hopefully, all documentary stamp tax users, for the benefit of the government, shall use the new system.

Comparative Features – Procedures

The use of the new electronic metering machines proved to be more convenient, both for the taxpayers and for the BIR. Less BIR Forms were used and inspection of the meters became easier since monitoring was already on-line. Also, no more trips to the collection offices were necessary.

An assessment of both the old and new metering machines' procedures are presented in the Additional Tables – Table 3. Procedures regarding the old metering

machines were approved under Revenue Memorandum Order No. 21-93, while those of the new metering machines with encryption were prescribed under Revenue Memorandum Order No. 83-98.

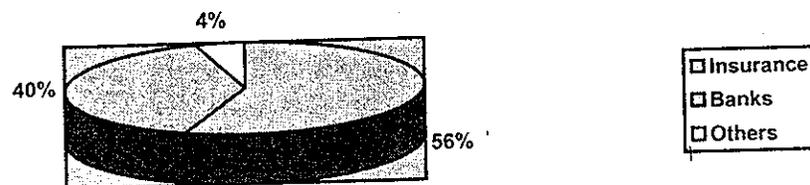
Comparative Features – Impression

Electronic encryption gives a unique and verifiable impression. Data on the imprints includes the value of stamps, date, and meter serial number, account/permit number, piece count and encrypted codes. Aside from this, security measures have been increased with the use passwords which are assigned only to the authorized users, break-off screws, vault or blackbox which automatically locks itself once tampered, and it provides automatic dating which eliminates ante-dating on documents.

The comparison between the new electronic tax imprinting machine and the conventional meter is presented in the Additional Tables - Table 4. It presents an analysis of the specifications and procedures involved in the printing of documentary stamps. The improvement shown in the new system provides for a more efficient and effective collection of documentary stamp taxes.

VI. PRESENT STATUS & PROBLEM AREAS

The database for the documentary stamp tax is already accessible. Currently, there are 45 registered documentary stamp tax users, with 466 electronic meters installed. In 1999, the Documentary Stamp Tax Data Center's total collection amounted to P680.89 M, with 55.56% participation of insurance companies, 40% for banks, and 4.44% for the other sectors. Comparing this to the total collections for the year 1998, which is P200.4 M, the collection for 1999 registered an increase of P480.49 M or 239.77% (*Source: Documentary Stamp Tax Metering Machine Data Center, 1999*).



During the pilot run of the Electronic Funds Management System from February to March 1998, there were only three (3) volunteer users. This consisted of two financial institutions (Far East Bank & Trust Co. and Land Bank of the Philippines) and an insurance company (AFP). Later on, the number of users was increased to 45, resulting in a corresponding increase in documentary stamp tax collection.

The development of the documentary stamp tax system can clearly be explained by comparing the conventional with the new electronic system of collecting and monitoring. In determining the problem areas at present, problem areas of the conventional system were considered.

The dominant issue faced by the conventional system was that of poor monitoring of the documentary stamp tax collections. Because of this, projection of revenue goal and collection cannot easily be done. Electronic metering machines were not yet used then, making it more difficult to record the issuance and to load and reload all meters. Taxpayers will have to bring the meters to the collection branches for reloading, and therefore avoid the risk of losing check payments or the meter itself. Fraud on counter transactions has also been an issue, since large amounts of revenues transacted in counters were very tempting. Revenue leakage stemmed from the difficulty in detecting fake stamps, paper stamps being as good as cash and using meter strips more than once. Also, anybody can operate using the conventional operator's key, making the system not tamper-proof. Given these problems in the old system, it can be pointed out that less accounting costs and fraud would have resulted from using an electronic system, for there would be less personnel involved and such a system can monitor the transactions taking place.

With regard to the implementation of the new fund management system, the currently identified problem is the failure of the Bureau of Internal Revenue (BIR) to fully computerize all documentary stamp tax transactions and for its failure to strictly implement Revenue Memorandum Order No. 83-98 (dated Nov. 17, 1987), as well as implementing some provisions of the Comprehensive Tax Reform Program (CTRP) policy regarding documentary stamp tax transactions. By failing to computerize all documentary stamp tax transactions, not all collections of the said taxes are efficiently and effectively monitored. Out of 4,000 potential users of electronic metering machines, non-compliance of almost 96% of the documentary stamp tax users, especially banks, on some provisions and policies of documentary stamp tax exist. Revenue Memorandum No. 83-98 was not followed mainly because of the resistance of some banks and their associations. It can be noted that upon verification of BIR Form No. 2000 by Revenue Data Centers, details of the transactions were not properly filled up. Categorizing documentary stamps as "Default" cannot provide us the certain transaction or the kind of document in which the tax was imposed. Very few taxpayers comply with the procedures regarding the proper filling up of BIR Form No. 2000 for reporting purposes. To support this point, Table 6 provides us with evidence showing that taxpayers do not fill in the BIR Forms properly.

Table 6
Sample Revenue District Office (RDO)
Computerized Reports – 1998

RDO/RDC	LOCATION	TOTAL DEFAULT DST	TOTAL DST COLLECTION	%
RDO 30	Binondo	247 M	313.3 M	78.8 %
RDO 32	Quiapo	44.4 M	48.7 M	91.2 %
RDO 33	South Manila	4.6 B	4.7 B	99.7 %
RDC – S.Luzon	Southern Luzon	5.4 B	5.5 B	98.3 %

In addition to these problems, the system lacks adequate control and monitoring. Thus, a large amount of potential revenues is not properly classified into certain types of taxes. On the other hand, there has been no known complaint from the users or taxpayers using the electronic metered machines.

The problem areas in the conventional system were somehow solved by the new electronic funds management system, but it still needs more improvement. Therefore, it is right that the Bureau of Internal Revenue move towards the electronic metering system. The only problem that remains is that this system is not yet fully implemented. Among the 5,242 users of documentary stamp taxes (refer to Mrs. Caparas' "An Analysis on Documentary Stamp Taxes"), only 45 users or 0.86% are registered taxpayers. Thus, full implementation of Revenue Memorandum No. 83-98 should be the top priority so that collections will finally be monitored effectively and efficiently. Otherwise, a complementary move is for all Revenue District Offices (RDO's) to have one meter each so it can complement the unwillingness of some taxpayers.

**ADDITIONAL
TABLES**

Table 1
CHANGES IN THE TRANSACTIONS COVERED
BY DOCUMENTARY STAMP TAXES

NIRC SEC.	Effective 1972	Effective 1976	Effective 1984	Effective 1995	Effective 1997
Sec. 223/ 174	Bonds, debentures, & certificates of indebtedness	Bonds, debentures, & certificates of indebtedness	Bonds, debentures, & certificates of indebtedness	Debentures & certificates of indebtedness	Debentures & certificates of indebtedness
Sec. 224/ 175	Original issue of certificates of stock	Original issue of certificates of stock	Original issue of certificates of stock	Original issue of shares of stock	Original issue of shares of stock
Sec. 225/ 176	Sales, agreements to sell, memoranda of sales, deliveries or transfer or bonds, due-bills certificates of obligation, or shares or certificates of stock	Sales, agreements to sell, memoranda of sales, deliveries or transfer of bonds, due-bills, certificates of obligation, or shares or certificates of stock	Sales, agreements to sell, memoranda of sales, deliveries or transfer of bonds, due-bills, certificates of obligation, or shares or certificates of stock	Sales, agreements to sell, memoranda of sales, deliveries or transfer of due-bills, certificates of obligation, shares or certificates of stock	Sales, agreements to sell, memoranda of sales, deliveries or transfer of due-bills, certificates of obligation, or shares or certificates of stock
Sec 226		Bonds, debentures, certificates of stock or indebtedness issued in foreign countries			
Sec. 227/ 177	Certificates of profits or interest in property or accumulations	Certificates of profit or interest in property or accumulations	Certification of profits or interest in property or accumulation	Bonds, debentures, certificates of stock or indebtedness issued in foreign countries	Bonds, debentures, certificates of stock or indebtedness issued in foreign countries
Sec. 228/ 178	Bank checks, drafts, certificates of deposit not bearing interest & other instruments	Bank checks, drafts, certificates of deposit no bearing interest & other instruments	Bank checks, drafts, certificates of deposit no bearing interest & other instruments	Certificates of profits or interest in property or accumulations	Certificates of profit or interest in property or accumulations

NIRC SEC.	Effective 1972	Effective 1976	Effective 1984	Effective 1995	Effective 1997
Sec. 229/ 179	Negotiable promissory notes, bills of exchange, drafts, certificates of deposit bearing interest & others not payable on sight or demand	Negotiable promissory notes, bills of exchange, drafts, certificates of deposit bearing interest & others not payable on sight or demand	Negotiable promissory notes, bills of exchange, drafts, certificates of deposit bearing interest & others not payable on sight or demand	Bank checks, drafts, certificates of deposit not bearing interest, & other instruments	Bank checks, drafts, certificates of deposit not bearing interest, & other instruments
Sec. 230/ 180	Upon acceptance of bills of exchange & others	Upon acceptance of bills of exchange & others	Upon acceptance of bills of exchange & others	All bonds, loan agreements, promissory notes, bills of exchange, drafts, instruments & securities issued by the Government or any of its instrumentalities, deposit substitute debt instruments, certificates of deposits bearing interest & others not payable on sight or demand	All bonds, loan agreements, promissory notes, bills of exchange, drafts, instruments & securities issued by the Government or any of its instrumentalities, deposit substitutes debt instruments, certificates of deposit bearing interest & others not payable on sight or demand
Sec. 231/ 181	Foreign bills of exchange & letters of credit	Foreign bills of exchange & letters of credit	Foreign bills of exchange & letters of credit	Upon acceptance of bills of exchange & others	Acceptance of bills of exchange & others
Sec. 232/ 182	Life insurance policies	Life insurance policies	Life insurance policies	Foreign bills of exchange & letters of credit	Foreign bills of exchange & letters of credit

NIRC SEC.	Effective 1972	Effective 1976	Effective 1984	Effective 1995	Effective 1997
Sec. 233/ 183	Policies of insurance upon property	Policies of insurance upon property	Policies of insurance upon property	Life insurance policies	Life insurance policies
Sec. 234/ 184	Fidelity bonds & other insurance policies	Fidelity bonds & other insurance policies	Fidelity bonds & other insurance policies	Policies of insurance upon property	Policies of insurance upon property
Sec. 235/ 185	Policies of annuities	Policies of annuities	Policies of annuities	Fidelity bonds & other insurance policies	Fidelity bonds & other insurance policies
Sec. 236/ 186	Indemnity Bonds	Indemnity bonds	Indemnity bonds	Policies of annuities & pre-need plans	Policies of annuities & pre-need plans
Sec. 237/ 187	Certificates, Tax clearance Certificates	Certificates	Certificates	Indemnity bonds	Indemnity bonds
Sec. 238/ 188	Warehouse receipts, Hotel receipts	Warehouse receipts	Warehouse receipts, Hotel receipts	Certificates	Certificates
Sec. 239/ 189	Jai-alai or horse race tickets	Jai-alai or horse race tickets	Jai-alai or horse race tickets	Warehouse receipts	Warehouse receipts
Sec. 240/ 190	Bills of lading or receipts	Bills of lading or receipts	Bills of lading or receipts	Jai-alai, horse race tickets, lotto or other authorized numbers games	Jai-alai, horse race tickets, lotto or other authorized number games
Sec. 241/ 191	Proxies	Proxies	Proxies	Bills of lading or receipts	Bills of lading or receipts
Sec. 242/ 192	Powers of attorney	Powers of attorney	Powers of attorney	Proxies	Proxies
Sec. 243/ 193	Leases & other hiring agreements	Leases & other hiring agreements	Leases & other hiring agreements	Powers of attorney	Powers of attorney

NIRC SEC.	Effective 1972	Effective 1976	Effective 1984	Effective 1995	Effective 1997
Sec. 244/ 194	Mortgages, pledges, deeds of trust	Mortgages, pledges & deeds of trust	Mortgages, pledges & deeds of trust	Lease & other hiring agreements	Leases & other hiring agreements
Sec. 245/ 195	Deeds of sale & conveyance of real property	Deeds of sale & conveyance of real property	Deeds of sale & conveyance of real property	Mortgages, pledges & deeds of trust	Mortgages, pledges & deeds of trust
Sec. 246/ 196	Charter parties & similar instruments	Charter parties & similar instruments	Charter parties & similar instruments	Deeds of sale & conveyances of real property	Deeds of sale & conveyance of real property
Sec. 197				Charter parties & similar instruments	Charter parties & similar instruments

**Table 2
Comparative Summary of Benefits**

KEY BENEFITS DERIVED FROM THE PROJECT	BY THE BUREAU OF INTERNAL REVENUE	BY THE USER/ TAXPAYER
1. Significant increase in collection of DST	This involves advance collection through payments made upon loading/reloading of metering machines.	Neutral. This involves advance collection through payment made upon loading/reloading of metering machines.
2. Eliminates fraud on counter transactions	Large amounts of revenue transacted in counters are tempting. The less personnel involved in transactions and the countercheck feature of the system will deter fraud.	Large amounts of revenue transacted in counters are tempting. The less personnel involved in transactions and the countercheck feature of the system will deter fraud.
3. Eliminates undetected transactions done in conventional method	Paper stamps are good as cash. Fake stamps are hard to detect. Meter strips can be reused. Deliberately done or not, these causes disputes and undetected frauds resulting in revenue leakages.	Paper stamps are good as cash. Fake stamps are hard to detect. Meter strips can be reused. Deliberately done or not, these causes disputes and undetected frauds resulting in revenue leakages.
4. Security of revenue collection (tamper proof features of meter)	Material benefit	Material benefit. Lower fraud and audit costs.
5. Facilitates recording and monitoring of transactions	From issuance of permit, loading and reloading of all meters, there is easier recording. All transactions are captured and arranged by date and summarized for easy retrieval.	
6. Reliable audit and verification tools	Material benefit. Lower fraud and audit costs. Creation and maintenance of an automated database of payments made by taxpayers using DST.	Material benefit. Lower fraud and audit costs.
7. Fast and accurate reports	Material benefit. BIR can easily monitor collection. Projection of revenue goal and collection can easily be done. Creation and maintenance of an automated database of	Material benefit. Lower accounting costs. Creation and maintenance of an automated database of payments made by taxpayers using DST.

KEY BENEFITS DERIVED FROM THE PROJECT	BY THE BUREAU OF INTERNAL REVENUE	BY THE USER/ TAXPAYER
	payments made by taxpayers using DST. Reports of meter activity per account or per meter serial number on a daily, weekly, or monthly basis can be accessed at the press of a key.	
8. Reduce administrative cost	Fewer personnel to handle. No padlock seal.	
9. Less personnel required to handle manual loading/reloading reports	Material benefit. Lower accounting costs.	Material benefit. Lower accounting costs.
10. Lower cost of forms used and safekeeping	Material benefit. Lower accounting costs.	Material benefit. Lower accounting costs.
11. Lower cost of meter seal	Material benefit. Lower accounting costs.	Material benefit. Lower accounting costs.
12. Lower cost of frequent field audits due to non updated files	Material benefit. Lower accounting costs.	Material benefit. Lower accounting costs.
13. Procedures are convenient and safe to taxpayers	Taxpayers will no longer bring meters to collection branches for reloading and therefore avoid the risk of losing check payment or the meter itself.	Taxpayers will no longer bring meters to collection branches for reloading and therefore avoid the risk of losing check payment or the meter itself.

Source: BIR Library

**Table 3
Comparative Procedures**

OLD METERING MACHINE WITHOUT ENCRYPTION (RMO # 21-93, 64-94, RR#9-94)	NEW METERED MACHINE WITH ENCRYPTION (RR #5-97 and RMO # 83-98)
1. File an application for permit to operate with the BIR-Collection Programs Division.	1. File an application for permit to operate with the BIR-Collection Programs Division.
2. Each meter serial number will be registered at the Bureau of Internal Revenue (CPD).	2. Each meter serial number will be registered at the Bureau of Internal Revenue (CPD).
3. Specific Account Number will be assigned.	3. Specific Account Number will be given to the taxpayer. This account number may have several tax meters.
4. After the meter has been registered and delivered to the registered owner, funds should be deposited to your Account Number at the Authorized Agent Banks before requesting for meter resetting or loading.	4. After the meter has been registered and delivered to the registered owner, funds should be deposited to your Account Number at the Authorized Agent Banks before requesting for meter resetting or loading.
5. In actual loading, the user shall bring physically the metered machine directly to the Office of the Collection Division of the Region where the user is registered. The machine shall be opened only when a written request therefore is sent by the taxpayer/user to the BIR-Collection Division. The metering machine shall have two (2) distinct padlocks and keys and shall be opened only in the presence of the taxpayer, Chief-Collection Division and COA representative.	5. In actual loading, the operator will connect any telephone line to the terminal of the GEM internal modem, push the "REFILL" button and automatically dials-up the number of the BIR Data Center. The Data Center will verify all information document piece count and meter serial number with this information, the details of the Account Number and funds availability will be determined by the Data Center and the screen of the GEM meter will ask how much the operator would like to load. If funds deposit/balance will be sufficient for the loading being requested, the GEM will flash the amount requested for confirmation of the operator by pushing the "YES" button.
6. Inspection shall be done through physical checking on the condition of the machine, as well as the verification and scrutiny of the Official Control Book for Documentary Stamp Metering Machine Daily Transactions.	6. Electronic meter inspection is done every time the GEM meter contacts the BIR Data Center. No more trips to the BIR Collection Offices needed and no more risks of losing the meter or check payment.

OLD METERING MACHINE WITHOUT ENCRYPTION (RMO # 21-93, 64-94, RR#9-94)	NEW METERED MACHINE WITH ENCRYPTION (RR #5-97 and RMO # 83-98)
7. No "HIGH VALUE" button.	7. "HIGH VALUE" button will ask the operator for confirmation before printing. No more lost impression. The positive inkjet printer will not print if document is not properly fed. low ink flashes when cartridge needs replacement.
8. All DST taxpayers/users shall maintain an Official Control Book for Documentary Stamp Metering Machines Daily Transactions. Such book shall be subject to audit and verification on a quarterly basis by the BIR.	8. None
10. Quarterly inspection of the Book for DST Metering Machines Daily Transactions.	10. None
11. Inform the BIR-Collection Division of any change of place or address of the installation of the Documentary Stamp metering machines.	11. None

Source: BIR Library

**Table 4
Impression**

FEATURES	OLD SYSTEM (Conventional Meter)	NEW SYSTEM
1. Imprint shown in documents	<i>Conventional impression</i> – data seen on impression are the value of the stamp, date, and machine’s serial number.	<i>Encrypted impression</i> – each impression is unique from any other impression made by the same or other GEM meters. Data on imprints includes value of stamps, date, and meter serial number, account/permit number, piece count and encrypted codes. This is easily verifiable.
2. Paper accepted for imprinting	All mechanical meters require feeding thick and stiff material to actuate mechanical trip mechanism.	Accepts single page documents as light as 56 gms.
3. Printing Capacity	Needs two (2) machine imprints to print low and high value stamps. Printing range is from 0.10 to 999.90 or 1.00 to 9,999.00 (no centavo).	Printing range is from 0.10 to 99,999.90 in one (1) printing.
4. Loading Capacity	From P100.00 to P99,999.00	From P100.00 to P9,999,999.00
5. High Value Warning	None	When the value of the stamp is from 10,000 and above, the meter will not print until the operator has confirmed that the value is correct. This ensures the correct amount of stamps on high value impressions.
6. Loading Procedure	<i>Manual Loading Only</i> – the taxpayer has to bring the metering machine to BIR for loading or reloading.	<i>Remote Loading/ Resetting</i> – built-in modem will enable the user to load through telephone lines once the Electronic Fund Management is set-up. No more trips to the BIR collection branches and risk loss of meter.

FEATURES	OLD SYSTEM (Conventional Meter)	NEW SYSTEM
		Reduced man-hour and transport cost.
7. Ink Indicator	None	<i>Low Ink Indicator</i> – the screen of the meter will prompt the user for a change of cartridge once it is needed. This is to maintain clear impression at all times and avoid disputes.
8. Re-ink Process	Messy bottled ink applied to ink roller.	<i>No Re-inking</i> – cartridge is simply replaced if ink indicator is low.
9. Use of Password	Anybody can operate using the conventional operator's key.	Password assigned to authorized users only.
10. Tamper Proof		Meter is physically protected against tampering – uses break-off screws, vault or blackbox – locks itself once tampered
11. Automatic Dating		Automatic dating eliminates ante-dating on documents
12. Report Output	None	Generates seven (7) reports automatically based on the database kept.
13. Database Maintained	Logbook done manually.	Independent database summarized for orderly reports in a fast and accurate manner.

Source: BIR Library

CHARTS

Chart 1
Methods of DST Affixture

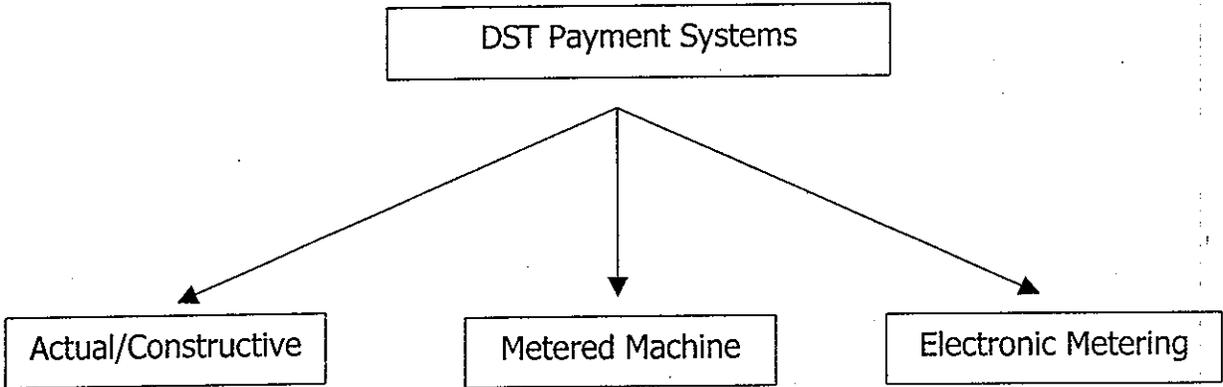


Chart 2
Process Flow for Documentary Stamp
Metering Machines (Conventional)
Collection Division

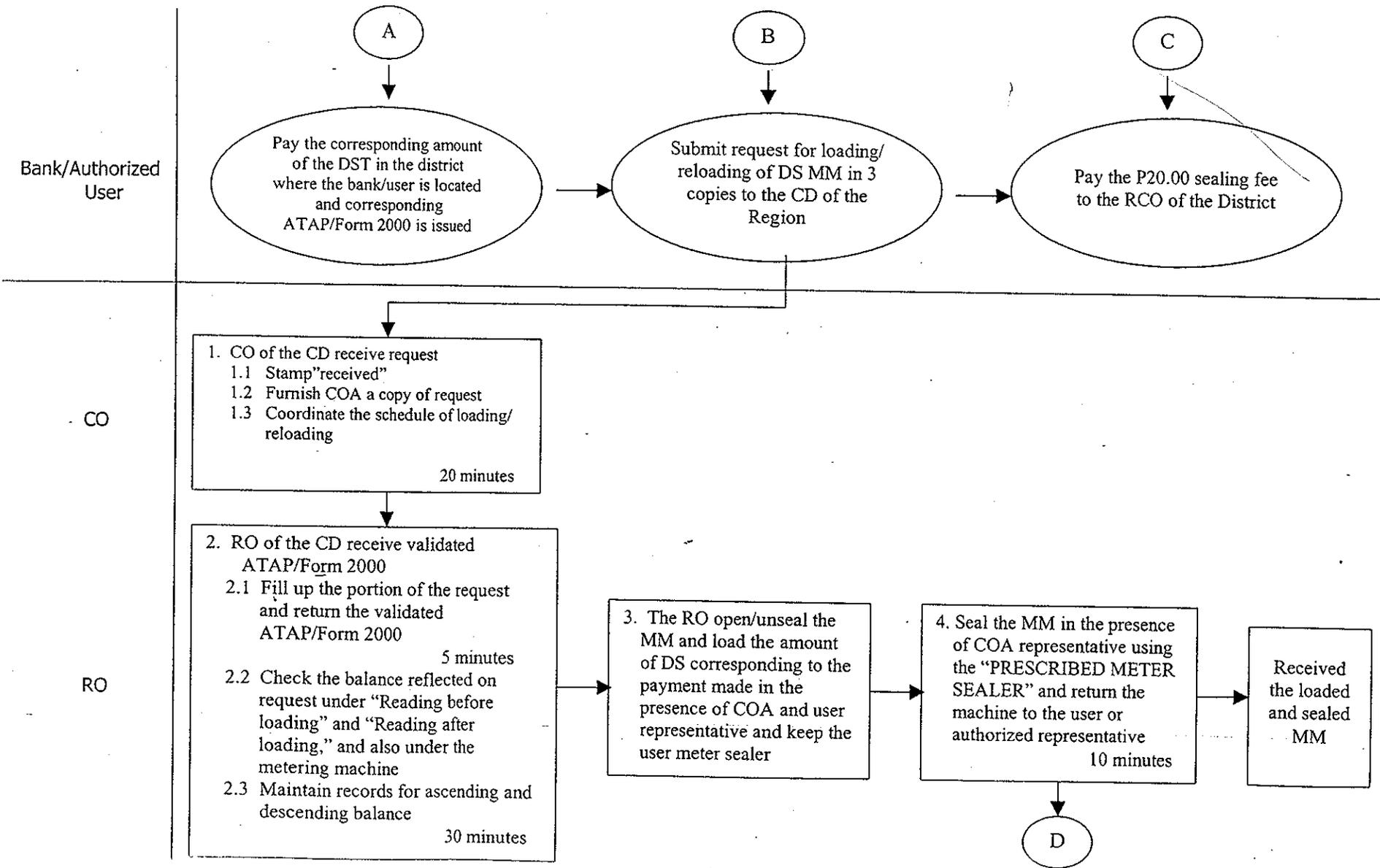
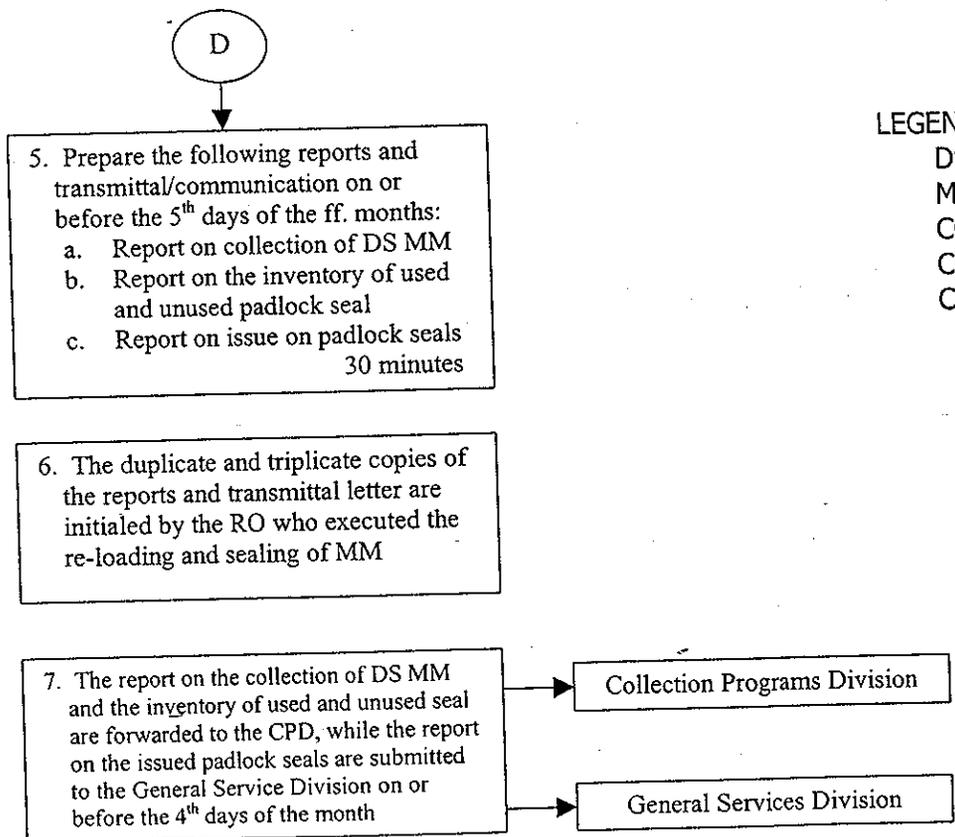


Chart 2
Process Flow for Documentary Stamp
Metering Machines (Conventional)
Collection Division
(Continuation)

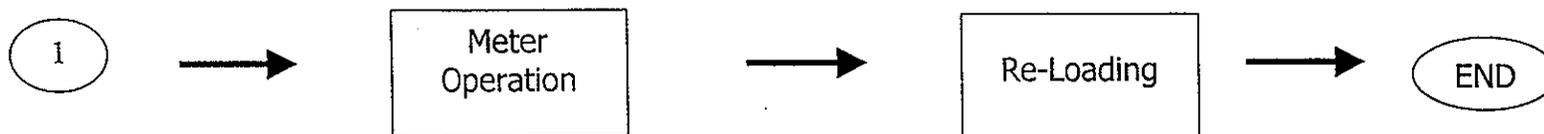
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LEGENDS:

- DS - Documentary Stamp
- MM - Metering Machine
- CO - Computer Operator
- CD - Collection Division
- CPD - Collection Programs Division

Chart 3
Process Flow of Documentary Stamp
Thru the Use of Metering Machines
(New System, Electronic Meter on Electronic Funds Management)



Same Steps on Initial Loading

α Verifiable impression
"Information Based INDICIA"

α Automatic dating ensures
 no back dating

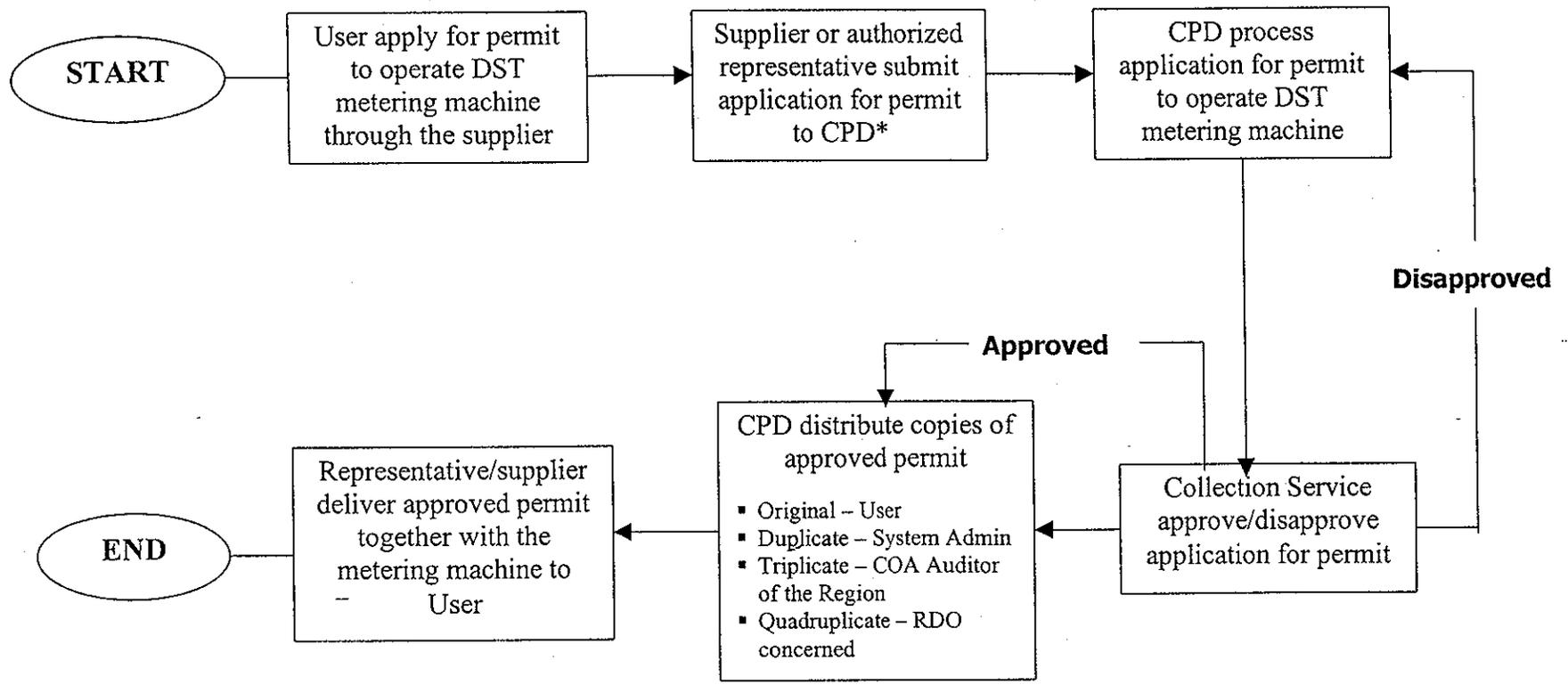
α Can print from 0.10 to 99,999.90
 in a single impression

α Form 2000 will be filed together
 with the payment at the AAB for
 the desired amount to be loaded

α Validated Form 2000 will be
 reported to the BIR Tier 3 server

α Verifying the account Number and
 fund availability, the requested amount
 will be set on-line using encrypted codes

Chart 4
Processing of Application for Permit to Operate
Electronic Funds Management/
DST Metering Machine With Encryption



*CPD – Collection Programs Division

Chart 5
Registration On-Line of DST Application
Electronic Funds Management/
DST Metering Machine With Encryption

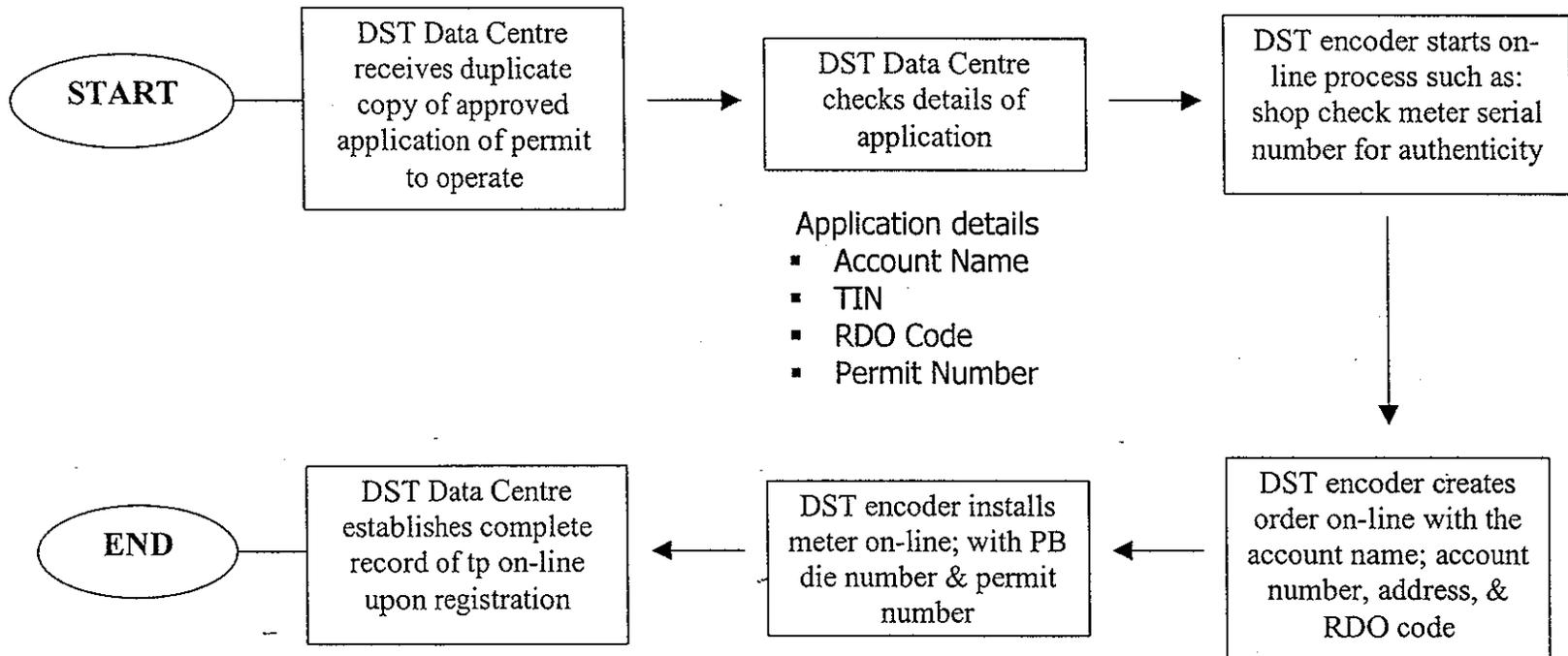


Chart 6
Loading/Reloading of DST Purchased
Electronic Funds Management/
DST Metering Machine With Encryption

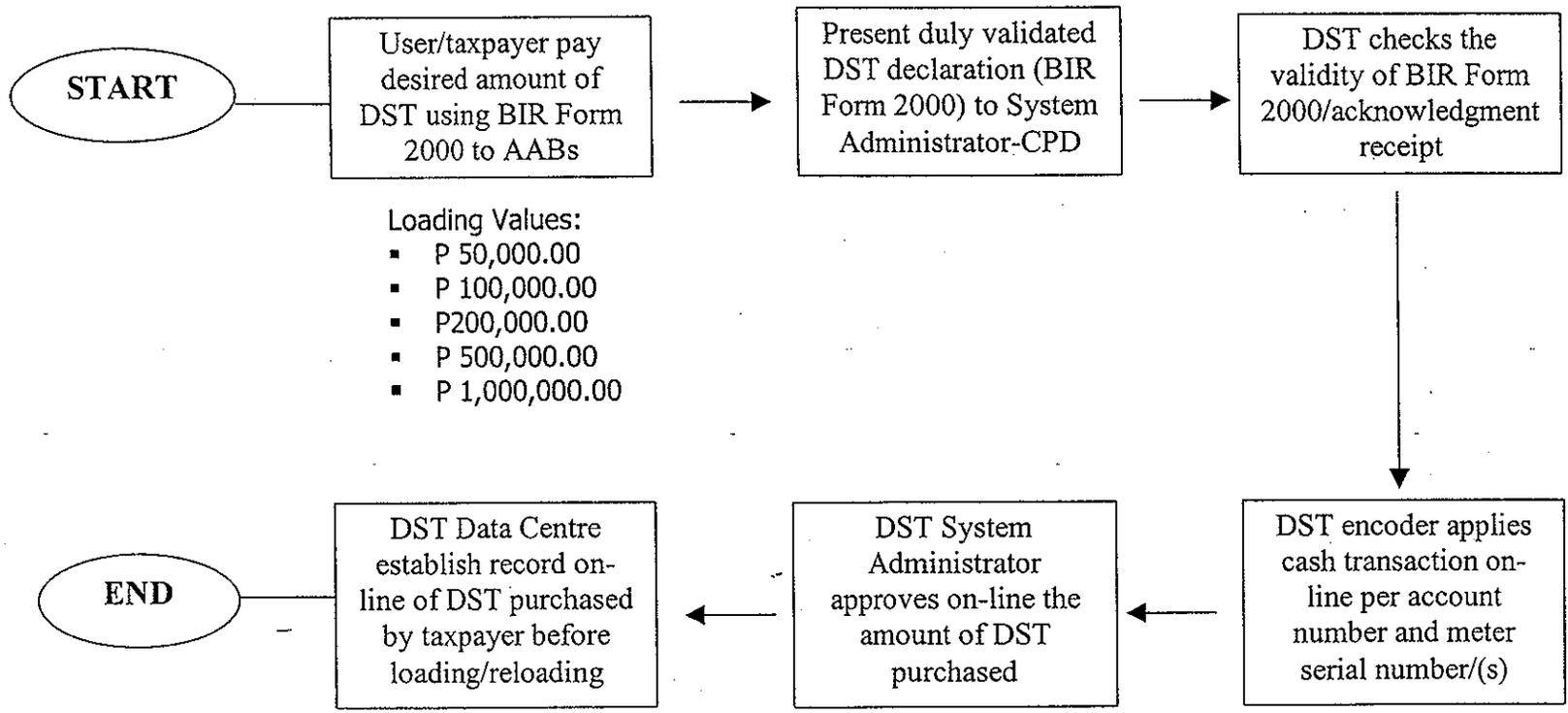
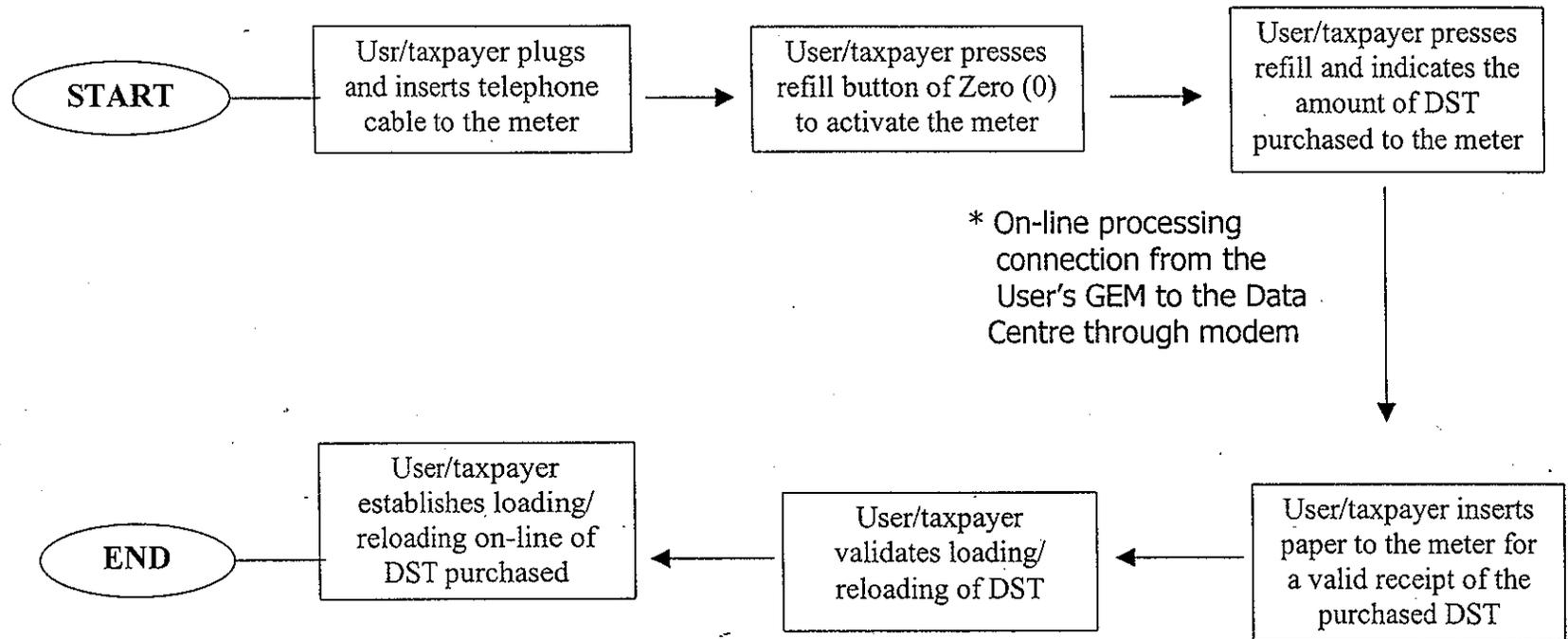


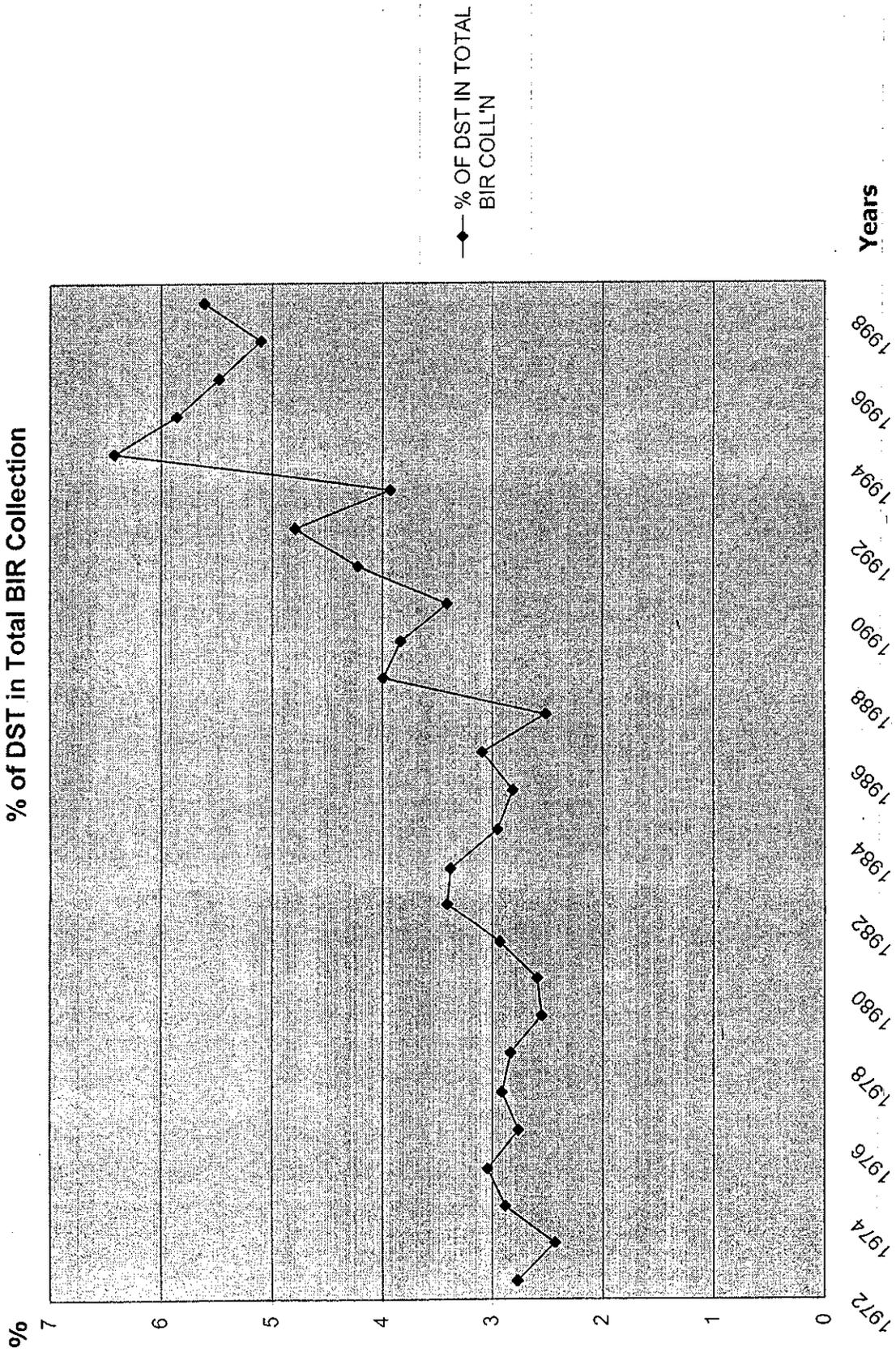
Chart 7
Loading/Reloading of DST Purchased By Taxpayer Using the GEM Meter
Electronic Funds Management/DST Metering Machine With Encryption



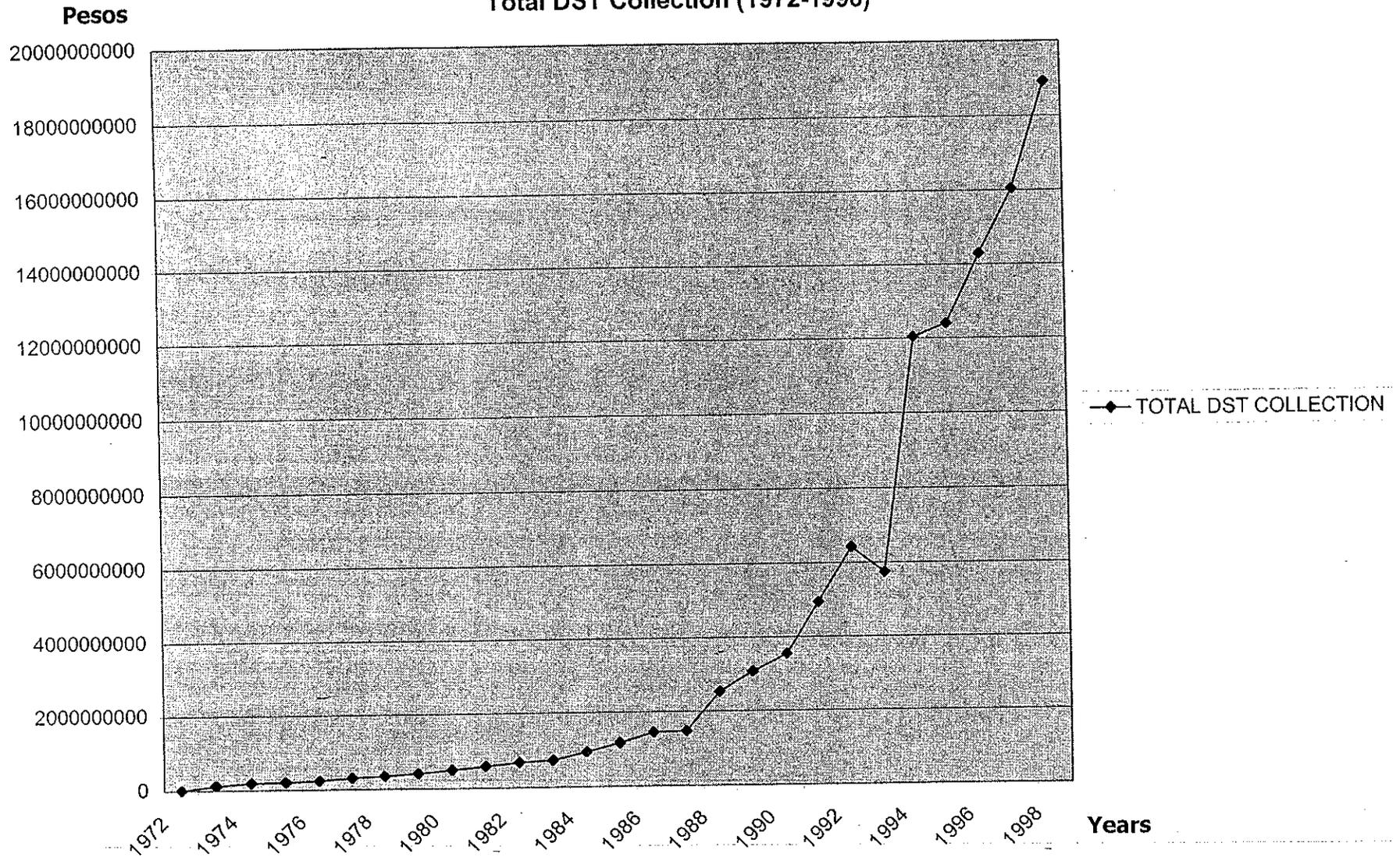
- Meter is ready for User's DST transaction
- Monthly Report of BIR Form 2002 shall be prepared and submitted to RDO concerned by the User (10th of the ff. Month)

GRAPHS

Graph 1
% of DST in Total BIR Collection



Graph 2
Total DST Collection (1972-1998)



Graph 3

Total BIR VS. Total DST Collections

Pesos

4E+11

4E+11

3E+11

3E+11

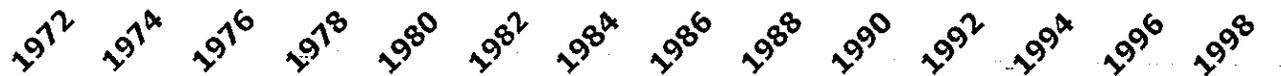
2E+11

2E+11

1E+11

5E+10

0



◆ TOTAL BIR COLLECTION
■ TOTAL DST COLLECTION

Years

44

APPENDICES

Appendix 1
Percentage Contribution of DST Collection
to the Total BIR Revenue Collection
Period Covered: 1972-1998

CY	TOTAL BIR REVENUE COLLECTION	TOTAL DST COLLECTION	GROWTH RATE (%)	% OF DST IN TOTAL BIR COLLECTION
1972	P 2,861,596,804.62	P 79,293,810.35	-	2.77
1973	5,070,884,441.34	123,356,038.14	55.57	2.43
1974	6,537,347,701.00	188,442,065.68	52.76	2.88
1975	6,888,233,272.33	209,220,096.93	11.03	3.04
1976	8,757,575,421.73	241,483,140.33	15.42	2.76
1977	10,538,802,982.81	307,039,198.06	27.15	2.91
1978	12,387,510,731.04	350,602,062.47	14.19	2.83
1979	15,971,814,408.84	407,836,871.46	16.32	2.55
1980	19,258,374,354.68	499,062,816.13	22.37	2.59
1981	19,982,625,084.98	586,232,813.44	17.47	2.93
1982	20,003,488,321.92	682,675,182.03	16.45	3.41
1983	21,462,727,966.89	726,145,142.73	6.37	3.38
1984	32,085,982,206.55	945,761,494.38	30.24	2.95
1985	41,698,239,438.68	1,175,518,817.66	24.29	2.81
1986	46,985,923,741.24	1,450,782,657.79	23.42	3.09
1987	58,583,457,352.66	1,472,019,742.97	1.46	2.51
1988	63,392,000,000.00	2,530,000,000.00	71.87	3.99
1989	80,194,000,000.00	3,075,377,797.39	21.56	3.83
1990	104,040,000,000.00	3,544,448,576.66	15.25	3.41
1991	117,254,000,000.00	4,945,589,592.02	39.53	4.22
1992	133,904,000,000.00	6,419,000,000.00	29.79	4.79
1993	145,926,753,380.26	5,735,404,585.28	-10.65	3.93
1994	187,521,970,393.66	12,033,853,446.53	109.82	6.42
1995	211,462,400,243.11	12,399,486,233.19	3.04	5.86
1996	260,774,152,738.85	14,291,640,339.44	15.26	5.48
1997	314,541,000,000.00	16,035,000,000.00	12.20	5.10
1998	337,176,733,278.61	18,915,017,953.79	17.96	5.61

Source: BIR Annual Reports, DOF Statistical Bulletin (1997)

Appendix 2
DOCUMENTARY STAMP TAX HISTORICAL RATES AND BASES

NIRC Sec.	Transaction/ Document	Documentary Stamp Tax				
		Effective 1972	Effective 1978	Effective 1984	Effective 1995	Effective 1997
Sec. 223 (later changed to Sec. 174)	Stamp tax on bonds, debentures, and certificates of indebtedness	P0.30 for every P200, or fractional part thereof, of the face value	P0.65 for every P200, or fractional part thereof, of the face value	P1.00 for every P200, or fractional part thereof, of the face value	P1.50 for every P200, or fractional part thereof, of the face value	P1.50 for every P200, or fractional part thereof, of the face value
Sec. 224 (later changed to Sec. 175)	Stamp tax on original issue of certificates of stocks	P0.50 for every P200, or fractional part thereof, of the par value	P1.10 for every P200, or fractional part thereof, of the par value	P1.70 for every P220, or fractional part thereof, of the par value	P2.00 for every P200, or fractional part thereof, of the par value	P2.00 for every P200, or fractional part thereof, of the par value
Sec. 225 (later changed to Sec. 176)	Stamp tax on sales, agreements to sell, memoranda of sales, deliveries or transfer of bonds, due- bills, certificates of obligation, or shares or certificates of stock	P0.10 for every P200, or fractional part thereof, of the par value	P0.25 for every P200, or fractional part thereof, of the par value	P0.50 for every P220, or fractional part thereof, of the par value	P1.00 for every P200, or fractional part thereof, of the par value	P1.50 for every P200, or fractional part thereof, of the par value
Sec. 227 (later changed to Sec. 178)	Stamp tax on certificates of profits or interest in property or accumulation	P0.04 for every P200, or fractional part thereof, of the face value	P0.10 for every P200, or fractional part thereof, of the face value	P0.20 for every P200, or fractional part thereof, of the face value	P0.50 for every P200, or fractional part thereof, of the face value	P0.50 for every P200, or fractional part thereof, of the face value
Sec. 228 (later changed to Sec. 179)	Stamp tax on bank checks, drafts, certificates of deposit not bearing interest and other instruments	P0.04 per instrument	P0.15 per instrument	P0.20 per instrument	P1.25 per instrument	P1.50 per instrument

NIRC Sec.	Transaction/ Document	Documentary Stamp Tax				
		Effective 1972	Effective 1978	Effective 1984	Effective 1995	Effective 1997
Sec. 229 (later changed to Sec. 180)	Stamp tax on negotiable promissory notes, bills of exchange, drafts, certificates of deposit bearing interest and others not payable on sight or demand	P0.04 for every P200, or fractional part thereof, of the face value	P0.10 for every P200, or fractional part thereof, of the face value	P0.20 for every P200, or fractional part thereof, of the face value	P0.30 for every P200, or fractional part thereof, of the face value	P0.30 for every P200, or fractional part thereof, of the face value
Sec. 230 (later changed to Sec. 181)	Stamp tax upon acceptance of bills of exchange and others	P0.06 for every P200, or fractional part thereof, of the face value	P0.15 for every P200, or fractional part thereof, of the face value	P0.30 for every P200, or fractional part thereof, of the face value	P0.30 for every P200, or fractional part thereof, of the face value	P0.30 for every P200, or fractional part thereof, of the face value
Sec. 231 (later changed to Sec. 182)	Stamp tax on foreign bills of exchange and letters of credit	P0.08 for every P200, or fractional part thereof, of the face value	P0.20 for every P200, or fractional part thereof, of the face value	P0.30 for every P200, or fractional part thereof, of the face value	P0.30 for every P200, or fractional part thereof, of the face value	P0.50 for every P200, or fractional part thereof, of the face value
Sec. 232 (later changed to Sec. 183)	Stamp tax on life insurance policies	P0.16 for every P200, or fractional part thereof, of the amount issued	P0.35 for every P200, or fractional part thereof, of the amount issued	P0.50 for every P200, or fractional part thereof, of the amount issued	P0.50 for every P200, or fractional part thereof, of the amount issued	P0.50 for every P4, or fractional part thereof, of the amount issued
Sec. 233 (later changed to Sec. 184)	Stamp tax on policies of insurance upon property	P0.06 for every P4, or fractional part thereof, of the premium charged	P0.15 for every P4, or fractional part thereof, of the premium charged	P0.30 for every P4, or fractional part thereof, of the premium charged	P0.50 for every P4, or fractional part thereof, of the premium charged	P0.50 for every P4, or fractional part thereof, of the premium charged
Sec. 234 (later changed to Sec. 185)	Stamp tax on fidelity bonds and other insurance policies		P0.15 for every P4, or fractional part thereof, of the premium charged	P0.30 for every P4, or fractional part thereof, of the premium charged	P0.50 for every P4, or fractional part thereof, of the premium charged	P1.50 for every P200, or fractional part thereof, of the premium charged
Sec. 235 (later changed to Sec. 186)	Stamp tax on policies of annuities	P0.30 for every P200, or fractional part thereof, of the capital of the annuity	P0.65 for every P200, or fractional part thereof, of the capital of the annuity	P1.00 for every P220, or fractional part thereof, of the capital of the annuity	P1.50 for every P200, or fractional part thereof, of the capital of the annuity	P0.50 for every P500, or fractional part thereof, of the capital of the annuity
Sec. 236 (later changed to Sec. 187)	Stamp tax on indemnity bonds	P0.75 per instrument	P2.25 per instrument	P3.50 per instrument	P0.10 for every P4, or fractional part thereof	P0.30 for every P4, or fractional part thereof

NIRC Sec.	Transaction/ Document	Documentary Stamp Tax				
		Effective 1972	Effective 1978	Effective 1984	Effective 1995	Effective 1997
Sec. 237 (later changed to Sec. 188)	Stamp tax on certificates	P0.30 per instrument	P1.50 per certificate	P3.00 per certificate	P10.00 per certificate	P15.00 per certificate
Sec. 238 (later changed to Sec. 189)	Stamp tax on warehouse receipts; this includes: (a) warehouse receipts (b) hotel receipts	P0.30 per warehouse receipt; P1.00 per hotel receipt; Additional P1.00 on each P20.00, or fractional part thereof, of the receipt exceeding P20.00	P0.90 per warehouse receipt; P2.00 per hotel receipt; Additional P2.00 on each P20.00, or fractional part thereof, of the receipt exceeding P20.00	P1.50 per warehouse receipt; P3.00 per hotel receipt; Additional P3.00 on each P20.00, or fractional part thereof, of the receipt exceeding P20.00	P10.00 per receipt	P15.00 per receipt
Sec. 239 (later changed to Sec. 190)	Stamp tax on Jai-alai or horse race tickets	P0.05 per ticket; Additional P0.05 on each P1.00, or fractional part thereof, of the ticket exceeding P1.00	P0.10 per ticket; Additional P0.10 on each P1.00, or fractional part thereof, of the ticket exceeding P1.00	P0.20 per ticket; Additional P0.20 on each P1.00, or fractional part thereof, of the ticket exceeding P1.00	P0.10 per ticket that does not exceed P1.00	P0.10 per ticket that does not exceed P1.00
Sec. 240 (later changed to Sec. 191)	Stamp tax on bills of lading or receipts	P0.06 if value of goods shipped is more than P5 but does not exceed P200; P0.15 if more than P200 but does not exceed P1,000; P0.30 if more than P1,000 but does not exceed P5,000; P0.75 if more than P500 but	P0.15 if value of goods shipped is more than P5 but does not exceed P200; P0.35 if more than P200 but does not exceed P1,000; P0.70 if more than P1 but does not exceed P5,000; P2.00 if more than P500 but	P0.50 if value of goods shipped is more than P100 but does not exceed P1,000; P1.00 if more than P1,000 but does not exceed P10,000; P3.00 if it exceeds P10,000	P1.00 if value of goods shipped is less than P1000; P10.00 if the face value exceeds P1,000	P1.00 if value of goods shipped is less than P1000; P10.00 if the face value exceeds P1,000

NIRC Sec.	Transaction/ Document	Documentary Stamp Tax				
		Effective 1972	Effective 1978	Effective 1984	Effective 1995	Effective 1997
		does not exceed P10,000; P1.50 if it exceeds P10,000	does not exceed P10,000; P3.70 if it exceeds P10,000			
Sec. 241 (later changed to 192)	Stamp tax on proxies	P0.50 per instrument	P1.50 per instrument	P2.50 per instrument	P10.00 per instrument	P15.00 per instrument
Sec. 242 (later changed to Sec. 193)	Stamp tax on powers of attorney	P0.30 per instrument	P1.00 per instrument	P2.00 per instrument	P5.00 per instrument	P5.00 per instrument
Sec. 243 (later changed to Sec. 194)	Stamp tax on leases and other hiring agreements	P0.60 if executed for not more than a year; P1.50 if executed for more than a year and not more than 3 years; P3.00 if executed for more than 3 years	P2.00 if executed for not more than a year; P4.50 if executed for more than a year and not more than 3 years; P9.00 if executed for more than 3 years	P3.00 for each year	P3.00 for the first P2,000, or fractional part thereof; Additional P1.00 for every P1,000 in excess of the first P2,000 for each year of the term	P3.00 for the first P2,000, or fractional part thereof; Additional P1.00 for every P1,000 in excess of the first P2,000 for each year of the term
Sec. 244 (later changed to Sec. 195)	Stamp tax on mortgages, pledges, and deeds of trust	P1.50 per instrument if it exceeds P1,000 but does not exceed P3,000; Additional P1.50 on each P3,000 or fractional part thereof, when the amount is in excess of P3,000	P3.50 per instrument if it exceeds P1,000 but does not exceed P3,000; Additional P3.50 on each P3,000 or fractional part thereof, when the amount is in excess of P3,000	P10.00 per instrument if it does not exceed P5,000; Additional P5.00 on each P5,000 or fractional part thereof, when the amount is in excess of P5,000	P20.00 per instrument if it does not exceed P5,000; Additional P10.00 on each P5,000 or fractional part thereof, when the amount is in excess of P5,000	P20.00 per instrument if it does not exceed P5,000; Additional P10.00 on each P5,000 or fractional part thereof, when the amount is in excess of P5,000

NIRC Sec.	Transaction/ Document	Documentary Stamp Tax				
		Effective 1972	Effective 1978	Effective 1984	Effective 1995	Effective 1997
Sec. 245 (later changed to Sec. 196)	Stamp tax on deeds of sale and conveyance of real property	P0.75 per deed when it exceeds P200 but does not exceed P1,000; Additional P3.00 on each P1,000 or fractional part thereof when it is in excess of P1,000	P2.00 per deed when it exceeds P200 but does not exceed P1,000; Additional P8.00 on each P1,000 or fractional part thereof when it is in excess of P1,000	P10.00 per deed when it does not exceed P1,000; Additional P10.00 on each P1,000 or fractional part thereof when it is in excess of P1,000	P15.00 per deed when it does not exceed P1,000; Additional P15.00 on each P1,000 or fractional part thereof when it is in excess of P1,000	P15.00 per deed when it does not exceed P1,000; Additional P15.00 on each P1,000 or fractional part thereof when it is in excess of P1,000
Sec. 246 (later changed to Sec. 197)	Stamp tax on charter parties and similar instruments	P18.00 per instrument if the registered gross tonnage of the vessel does not exceed 300 tons and the contract does not exceed 6 months; Additional P3.00 for each month or fraction thereof in excess of 6 months; P36.00 if it exceeds 300 tons but does not exceed 600 tons, and the contract does not exceed 6 months; Additional P6.00 for each month or fraction thereof in excess of 6 months;	P60.00 per instrument if the registered gross tonnage of the vessel does not exceed 300 tons and the contract does not exceed 6 months; Additional P9.00 for each month or fraction thereof in excess of 6 months; P140.00 if it exceeds 300 tons but does not exceed 600 tons, and the contract does not exceed 6 months; Additional P8.00 for each month or fraction thereof in excess of 6 months;	P100.00 per instrument if the registered gross tonnage of the vessel does not exceed 300 tons and the contract does not exceed 6 months; Additional P20.00 for each month or fraction thereof in excess of 6 months; P300.00 if it exceeds 300 tons but does not exceed 600 tons, and the contract does not exceed 6 months; Additional P40.00 for each month or fraction thereof in excess of 6 months;	P500.00 per instrument if the registered gross tonnage of the vessel does not exceed 1,000 tons and the contract does not exceed 6 months; Additional P50.00 for each month or fraction thereof in excess of 6 months; P1,000.00 if it exceeds 1,000 tons and the contract does not exceed 6 months; Additional P100.00 for each month or fraction thereof in excess of 6 months;	P500.00 per instrument if the registered gross tonnage of the vessel does not exceed 1,000 tons and the contract does not exceed 6 months; Additional P50.00 for each month or fraction thereof in excess of 6 months; P1,000.00 if it exceeds 1,000 tons and the contract does not exceed 6 months; Additional P100.00 for each month or fraction thereof in excess of 6 months;

NIRC Sec.	Transaction/ Document	Documentary Stamp Tax				
		Effective 1972	Effective 1978	Effective 1984	Effective 1995	Effective 1997
		P72.00 if it exceeds 600 tons and the contract does not exceed 6 months; Additional P12.00 for each month or fraction thereof in excess of 6 months	P200.00 if it exceeds 600 tons and the contract does not exceed 6 months; Additional P12.00 for each month or fraction thereof in excess of 6 months	P300.00 if it exceeds 600 tons and the contract does not exceed 6 months; Additional P54.00 for each month or fraction thereof in excess of 6 months	P1,500.00 if it exceeds 10,000 tons and the contract does not exceed 6 months; Additional P150.00 for each month or fraction thereof in excess of 6 months	P1,500.00 if it exceeds 10,000 tons and the contract does not exceed 6 months; Additional P150.00 for each month or fraction thereof in excess of 6 months

Appendix 3
Comparative Monthly Collections (1998 & 1999)
DST Electronic Metering Machine

MONTHS	YEAR 1998	YEAR 1999	% INCREASE
January	-	50,350,000.00	-
February	1,600,000.00	29,150,000.00	1,721.88%
March	3,150,000.00	62,800,000.00	1,893.65%
April	7,850,000.00	45,950,000.00	485.35%
May	11,450,000.00	45,400,000.00	296.51%
June	17,800,000.00	51,700,000.00	190.45%
July	18,250,000.00	65,550,000.00	259.18%
August	20,650,000.00	57,820,000.00	180.00%
September	21,950,000.00	49,290,000.00	124.56%
October	36,100,000.00	69,970,000.00	93.82%
November	32,150,000.00	51,180,000.00	59.19%
December	29,450,000.00	101,730,000.00	245.43%
Total	200,400,000.00	680,890,000.00	239.77%

**(Source: Documentary Stamp Tax Metering Machine Data Center)*

Appendix 4
1998 Documentary Stamp Tax Collection
Per Revenue District Office (Form 12.09)

REVENUE DISTRICT OFFICE (RDO)	AMOUNT COLLECTED (in pesos)
RDO 44	P 147,984,190.49
RDO 47	2,067,652,622.67
RDO 48	179,833,570.98
RDO 49	1,535,828,837.58
RDO 50	1,608,977,212.86
RDO 51	310,101,005.32
RDO 52	69,671,839.62
RDO 53	201,872,438.70
TOTAL	6,121,921,718.22

**Breakdown on DST collection per RDO of Revenue Region 8-Makati*

***Source: RDO Form 12.09*

Appendix 5
DOCUMENTARY STAMPS COLLECTIONS
BY REVENUE REGIONS
CY 1998

REVENUE REGION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
1 Calasiao, Pangasinan	8,303,617.90	6,143,184.64	9,726,742.46	7,685,422.59	6,359,126.40	4,871,281.61
2 Cordillera Adm. Region	3,319,340.82	2,808,662.45	3,607,452.87	24,600,350.86	2,902,176.77	1,825,805.43
3 Tuguegarao, Cagayan	3,093,604.68	2,946,914.85	4,014,713.56	4,026,796.41	4,295,617.48	4,453,134.24
4 San Fernando, Pampanga	17,375,688.47	15,824,226.94	48,653,532.88	21,353,660.77	14,257,182.65	20,472,902.10
5 Valenzuela	38,682,110.37	23,308,910.76	97,074,229.40	38,011,409.56	25,542,166.85	30,526,025.57
6 Manila	116,803,840.35	372,197,220.05	263,321,087.34	121,533,124.56	188,128,307.36	211,035,197.69
7 Quezon City	256,846,985.35	240,465,946.90	429,034,580.88	171,684,997.94	152,293,730.90	216,843,597.31
8 Makati	447,992,444.65	471,624,531.20	938,995,089.40	494,961,854.76	432,182,575.11	489,905,159.35
9 San Pablo City	44,275,215.19	40,745,038.95	137,854,162.91	47,257,794.23	37,031,278.09	466,261,084.18
10 Legazpi City	6,321,866.41	4,687,448.73	11,026,507.75	5,064,295.57	3,760,225.32	4,590,046.81
11 Iloilo City	5,370,707.25	5,557,658.24	11,023,567.82	6,697,613.29	5,129,034.10	4,944,735.17
12 Bacolod City	8,909,994.98	7,888,302.01	27,809,541.26	8,418,630.56	9,120,424.85	9,833,804.50
13 Cebu City	44,780,676.96	20,314,311.76	83,850,566.43	31,707,013.44	25,711,060.40	24,968,133.39
14 Tacloban City	3,465,456.86	3,642,537.40	8,463,710.24	4,438,351.79	13,062,775.59	3,603,372.16
15 Zamboanga City	4,232,637.76	3,523,585.09	10,505,182.84	3,981,788.18	3,318,396.89	3,286,896.53
16 Cagayan de Oro City	12,197,290.64	9,604,757.57	14,383,757.75	11,278,890.46	6,305,171.65	7,337,659.76
17 Butuan City	2,188,350.09	1,598,802.14	3,864,238.55	2,054,033.29	2,000,307.11	2,038,075.16
18 Cotabato City	6,800,900.16	4,741,960.09	11,288,910.05	4,781,637.18	4,127,275.39	5,801,252.38
19 Davao City	13,524,599.01	12,220,277.15	24,303,759.18	9,503,401.76	13,741,819.37	9,801,240.08
TOTAL	1,044,305,327.90	1,249,844,276.92	2,138,761,333.57	996,901,067.20	949,304,654.28	1,102,399,403.42

**DOCUMENTARY STAMPS COLLECTIONS
BY REVENUE REGIONS
CY 1998**
(continuation)

REVENUE REGION	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1 Calasiao, Pangasinan	7,241,499.79	6,480,995.87	5,314,131.86	6,515,565.91	52,713,223.51	5,249,359.91	126,640,152.45
2 Cordillera Adm. Region	3,024,124.25	2,769,788.60	2,573,926.38	3,019,150.00	3,508,242.88	3,530,963.86	35,169,985.17
3 Tuguegarao, Cagayan	5,194,612.71	2,613,269.51	3,257,350.68	4,321,516.49	3,732,555.13	2,428,294.60	44,378,382.34
4 San Fernando, Pampanga	16,899,215.50	12,831,216.79	12,276,670.24	13,545,400.72	17,436,975.68	21,714,965.29	232,641,638.03
5 Valenzuela	29,822,615.78	23,362,708.18	35,606,905.55	143,469,790.90	79,440,781.36	30,461,187.16	595,308,841.44
6 Manila	1,369,816,323.33	(191,087,307.25)	1,083,740,186.27	1,936,746,000.36	129,147,726.96	1,476,067,819.57	7,077,449,526.59
7 Quezon City	265,314,200.28	328,979,355.58	168,727,081.18	193,096,652.42	214,733,449.20	177,215,258.75	2,815,235,836.69
8 Makati	526,758,364.78	215,775,216.00	525,734,116.70	439,351,255.19	523,338,486.45	612,212,190.95	6,118,791,184.54
9 San Pablo City	47,918,855.08	53,493,475.66	45,972,885.81	81,748,995.79	81,758,501.10	81,443,452.91	745,760,739.90
10 Legazpi City	4,204,416.97	5,662,593.69	4,005,604.96	3,080,581.54	3,351,142.68	3,854,360.11	59,609,090.54
11 Iloilo City	6,537,598.10	6,625,947.09	5,956,108.46	6,393,600.00	4,703,290.14	1,614,249.63	70,554,109.29
12 Bacolod City	7,147,667.96	7,207,484.05	6,429,139.77	7,833,796.18	4,606,644.82	9,348,547.84	114,553,978.78
13 Cebu City	28,218,175.08	30,490,803.33	30,266,850.14	46,798,988.08	110,433,488.14	25,114,926.16	403,264,993.31
14 Tacloban City	3,764,163.91	3,496,610.75	3,760,875.94	3,916,527.38	3,587,203.52	3,406,007.60	58,607,593.14
15 Zamboanga City	3,251,123.72	2,966,506.89	3,848,144.14	3,573,391.82	3,658,032.50	3,848,793.75	49,994,480.11
16 Cagayan de Oro City	12,367,362.42	7,605,516.23	9,201,247.91	8,667,472.48	6,580,358.09	10,668,495.46	116,197,980.42
17 Butuan City	2,206,874.00	1,336,880.01	2,091,565.71	1,725,726.89	1,776,814.13	2,754,667.46	25,636,334.54
18 Cotabato City	5,668,803.72	6,442,116.91	7,231,661.81	7,457,912.94	3,584,913.93	7,135,107.63	75,062,452.19
19 Davao City	13,326,339.75	9,897,202.73	11,115,122.19	10,321,099.29	7,533,468.78	12,624,101.28	147,912,430.57
	2,358,682,337.13	536,950,380.62	1,967,109,575.70	2,921,583,424.38	1,156,235,299.00	2,490,692,749.92	18,912,769,830.04

Source: BIR - Revenue Accounting

Appendix 6
Sample Reports Done By
Electronic Funds Management System

METER ACTIVITY REPORT

The Meter Activity Report will report on all activities associated with a meter within the selected date range. Each line represents an activity associated with the meter currently being reported on. Listed below are detailed descriptions of what is printed on this report, and any other special considerations.

FIELD	DESCRIPTION
Model	The Model is printed for each meter having activity within the selected date range. It represents the type/group/classification of meter.
Permit Number	The Permit Number is printed for each meter having activity within the selected date range. This is an associated number received from the Bureau of Internal Revenue representing a permit to operate.
Meter Serial	The Meter Serial number is printed for each meter having activity within the selected date range. This is a serialized number used to track all meters' monitoring/control.
Account Number	The Account Number is printed for each meter having activity within the selected date range. The Account Number is a number associated with the DST users.
Account Name	The Account Name is printed for each meter having activity within the selected date range. The Account Name is the name of the registered DST user.
Date/Time	The Date/Time is printed for each activity transaction found for the associated meter within the selected date range. The Date/Time fields represent the actual date and time the activity took place within the selected date range.
Activity	The Activity is printed for each activity transaction found for the associated meter within the selected date range. The Activity field represents the code associated with the activity that actually took place (i.e. 5 = Reset)
Piece Count	The Piece Count is printed for each activity transaction found for the associated meter within the selected date range – if recorded. The Piece Count represents the actual number of pieces processed by the meter and recorded at the time the transaction was entered.
Issued By	The Issued By field is printed for each activity transaction found for the associated meter within the selected date range. The Issued By field represents the employee who issued the transaction in question.
Ascending Register	The Ascending Register is printed for each activity transaction found for the associated meter within the selected date range. The Ascending Register represents the actual Ascending Register reading of the selected meter at the time the transaction being reported on was entered.
Descending Register	The Descending Register is printed for each activity transaction found for the associated meter within the selected date range. The Descending Register represents the actual Descending Register reading of the selected meter at the time the transaction being reported on was entered.
Transaction Amount	The Transaction Amount is printed for each activity transaction found for the associated meter within the selected date range. The Transaction Amount field represents the actual amount being applied to the meter.
Total Settings To Date	The Total Settings to Date is printed for each activity transaction found for the associated meter within the selected date range. This represents the summation of Ascending and Descending registers, along with Reset amount if last transaction was reset, for the transaction being reported on.

DOCUMENTARY STAMP TAX CENTRE
BUREAU OF INTERNAL REVENUE

Meter Activity Report
Sorted by Permit Number
Period 17/09/1996 To 17/09/1996

Page
Run Date

Model	Permit Number	Meter Serial	Account Number	Account Name	Date	Time	Activity	Piece Count	Issued By	Ascending Register	Descending Register	Transaction Amount	Total Settings To Date
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ACCOUNT ACTIVITY REPORT

The Account Activity Report will report on all activity associated with an account within the selected date range. Each line represents an activity associated with the account currently being reported on. Listed below are detailed descriptions of what is printed on this report, and any other special considerations.

FIELD	DESCRIPTION
Account Number	The Account Number is printed for each meter having activity within the selected date range. The Account Number is a number associated with the DST users.
Account Name	The Account Name is printed for each meter having activity within the selected date range. The Account Name is the name of the registered DST user.
Date/Time	The Date/Time is printed for each activity transaction found for the associated meter within the selected date range. The Date/Time fields represent the actual date and time the activity took place within the selected date range.
Reference Information	The Reference Information field is printed for each activity transaction found for the associated account within the selected date range. The Reference Information field represents extra information entered in at time of Apply cash transaction.
Activity	The Activity is printed for each activity transaction found for the associated meter within the selected date range. The Activity field represents the code associated with the activity that actually took place (i.e. 5 = Reset)
Transaction Amount	The Transaction Amount is printed for each activity transaction found for the associated account within the selected date range. The Transaction Amount field represents the actual amount being applied to the account.
Account Balance	The Account Balance is printed for each activity transaction found for the associated account within the selected data range. The Account Balance represents the credit/debit balance of the associated account at the time of the associated transaction.

DOCUMENTARY STAMP TAX CENTRE
BUREAU OF INTERNAL REVENUE

Account Activity Report
Sorted by Permit Number
Period 17/09/1996 To 17/09/1996

Page
Run Date

Account Number	Account Name	Date	Time	Reference Information	Activity	Transaction Amount	Account Balance
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METER SETTINGS REPORT

FIELD	DESCRIPTION
Model	The Model is printed for each meter found in the system, unless it was added after end date selected. It represents the type/group/classification of meter.
Permit Number	The Permit Number is printed for each meter found in the system, unless it was added after end date selected. This is an associated number received from the Bureau of Internal Revenue representing a permit to operate.
Meter Serial	The Meter Serial number is printed for each meter found in the system, unless it was added after end date selected. This is a serialized number used to track all meters' monitoring/control.
Account Number	The Account Number is printed for each meter found in the system, unless it was added after end date selected. The Account Number is a number associated with the DST users.
Account Name	The Account Name is printed for each meter found in the system, unless it was added after end date selected, or the selected meter is no longer installed with a customer. The Account Name is the name of the registered DST user.
Date/Time	The Date/Time is printed only if a reset transaction is found for the selected meter within the date range selected. The Date/Time fields represent the last time the meter was reset within the selected date range. It remains blank if reset transaction is not found within date range selected.
Piece Count	The Piece Count is printed only if a reset transaction is found for the selected meter within the date range selected. The Piece Count represents the piece count of the selected meter at the time the reset transaction being reported on was entered.
Ascending Register	The Ascending Register is printed only if a reset transaction is found for the selected meter within the date range selected. Otherwise it remains at zero. The Ascending Register represents the actual Ascending Register reading of the selected meter at the time the transaction being reported on was entered.
Descending Register	The Descending Register is printed only if a reset transaction is found for the selected meter within the date range selected. The Descending Register represents the actual Descending Register reading of the selected meter at the time the reset transaction being reported on was entered.
DST Bought	The DST Bought is printed only if a reset transaction is found for the selected meter within the date range selected. Otherwise it remains at zero. The DST Bought field is a summation of all reset transactions found within the selected date range.
Total Settings To Date	The Total Settings to Date is printed for each meter found in the system, unless it was added after end date selected. This represents the summation of Ascending and Descending registers, along with Reset amount if last transaction was reset, for the last transaction found within the selected date range.

DOCUMENTARY STAMP TAX CENTRE
BUREAU OF INTERNAL REVENUE

Meter Settings Report
Sorted by Permit Number
Period 17/09/1996 To 17/09/1996

Page
Run Date

Model	Permit Number	Meter Serial	Account Number	Account Name	Date	Time	Piece Count	Ascending Register	Descending Register	Postage Bought	Total Settings To Date
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DST DAILY REPORT

The Documentary Stamp Daily Report will report on all reset activity associated with a meter within the selected date range. Each line represents a reset activity associated with the meter currently being reported on. Listed below are detailed descriptions of what is printed on this report, and any other special considerations.

FIELD	DESCRIPTION
Model	The Model is printed for each meter having reset activity within the selected date range. It represents the type/group/classification of meter.
Permit Number	The Permit Number is printed for each meter having activity within the selected date range. This is an associated number received from the Bureau of Internal Revenue representing a permit to operate.
Meter Serial	The Meter Serial number is printed for each meter having reset activity within the selected date range. This is a serialized number used to track all meters' monitoring/control.
Account Number	The Account Number is printed for each meter having reset activity within the selected date range. The Account Number is a number associated with the DST users.
Account Name	The Account Name is printed for each meter having reset activity within the selected date range. The Account Name is the name of the registered DST user.
Date/Time	The Date/Time is printed for each reset activity transaction found for the associated meter within the selected date range. The Date/Time fields represent the actual date and time the activity took place within the selected date range.
Type	The Type is printed for each reset activity transaction found for the associated meter within the selected date range. The Type field represents the code associated with the activity that actually took place.
Descending Register	The Descending Register is printed for each reset activity transaction found for the associated meter within the selected date range. The Descending Register represents the actual Descending Register reading of the selected meter at the time the transaction being reported on was entered.
Ascending Register	The Ascending Register is printed for each reset activity transaction found for the associated meter within the selected date range. The Ascending Register represents the actual Ascending Register reading of the selected meter at the time the transaction being reported on was entered.
Reset Value	The Reset Value is printed for each reset activity transaction found for the associated meter within the selected date range. The Reset Value field represents the actual reset amount being applied to the meter.
Reset Code	The Reset Code is printed for each reset activity transaction found for the associated meter within the selected date range. The Reset Code represents the actual code used as input to the meter.
Total Settings To Date	The Total Settings to Date is printed for each reset activity transaction found for the associated meter within the selected date range. This represents the summation of Ascending and Descending registers, along with Reset amount if last transaction was reset, for the transaction being reported on.
Issued By	The Issued By field is printed for each reset activity transaction found for the associated meter within the selected date range. The Issued By field represents the employee who issued the transaction in question.

DOCUMENTARY STAMP TAX CENTRE
BUREAU OF INTERNAL REVENUE

DST Report
Daily
Sorted by Permit Number
Period 17/09/1996 To 17/09/1996

Page
Run Date

Model	Permit Number	Meter Serial	Account Number	Account Name	Transaction			Register		Reset Value	Reset Code	Settings to Date	Issued By
					Date	Time	Type	Descending	Ascending				

DOCUMENTARY STAMP TAX CENTRE
BUREAU OF INTERNAL REVENUE

DST Report
Weekly
Sorted by Permit Number
Period 17/09/1996 To 17/09/1996

Page
Run Date

Model	Permit Number	Meter Serial	Account Number	Account Name	Transaction			Register		Reset Value	Reset Code	Settings to Date	Issued By
					Date	Time	Type	Descending	Ascending				

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DOCUMENTARY STAMP TAX CENTRE
BUREAU OF INTERNAL REVENUE

Weekly Account Balances Report
Sorted by Account Name

Page
Run Date

Account Number	Account Name	Active Meters	Account Balance
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DOCUMENTARY STAMP TAX CENTRE
BUREAU OF INTERNAL REVENUE

DST Report
Monthly
Sorted by Permit Number
Period 17/09/1996 To 17/09/1996

Page
Run Date

Model	Permit Number	Meter Serial	Account Number	Account Name	Transaction			Register		Reset Value	Reset Code	Settings to Date	Issued By
					Date	Time	Type	Descending	Ascending				

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Appendix 7
Documentary Stamp Tax Amendments (1972-1999)

DOCUMENTARY STAMP TAX - 1972
TITLE VI

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
Sec. 211	Stamp tax on bonds, debentures, and certificates of indebtedness	30 centavos	P200.00	
Sec. 212	Stamp tax on bonds, debentures, and certificates of indebtedness	30 centavos	P200.00	No tax is due on certificates issued to replace original certificates which taxes had already been paid except in case the new issue is split up, a certificate of higher value (Sec. 13 of Regulations No. 26, of the Department of Finance.
Sec. 213	Stamp tax on sales, agreements to sell, memoranda of sales, deliveries or transfer of bonds, due bills, certificate of obligation or shares or certificate of stock	50 centavos	P20.00 per centum of the documentary stamp tax	The above section levies tax on the sale, not issuance of bonds, due bills, etc. The above provision applies only on voluntary sales or transfer, not to transfer affected by operation of law as when the shares are transferred to heirs and not to transfers affected by operation of law as when the shares are transformed to the heirs by intestate succession (1953 BIR Ruling).
Sec. 214	Stamp tax on bonds, debentures, certificates of stock or indebtedness issued in foreign countries	30 centavos	P200.00	
Sec. 215	Stamp tax on certificates of profits or interest in property or accumulations	4 centavos	P200.00	
Sec. 216	Stamp tax on bank checks, drafts, certificates of deposit not bearing interest, and other instruments	4 centavos	P200.00	Traders check purchased in the Philippines to be issued, cashed or negotiated abroad is not subject to tax but travel orders which may be cashed at the bank's (local) extension offices shall be taxable. Time drafts shall include trade acceptances. (1947 BIR Ruling)

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
Sec. 217	Stamp tax on negotiable promissory notes, bills of exchanges, draft certificates of deposit bearing interest and other instruments	4 centavos	P200.00	
Sec. 218	Stamp tax upon acceptance of bills of exchange and letters of credit	6 centavos	P200.00	
Sec. 219	Stamp tax on foreign bills of exchange and letters of credit	6 centavos	P200.00	
Sec. 220	Stamp tax on life insurance policies	15 centavos	P200.00	
Sec. 221	Stamp tax on policies of insurance upon property	6 centavos	P4.00	No documentary stamp tax shall be collected on reinsurance contracts or any instrument by which cession or acceptance of insurance risks under reinsurance agreement is affected or recorded. (As amended by RA 6110, dated August 4, 1969)
Sec. 222	Stamp tax on fidelity bonds and other insurance policies	6 centavos	P4.00	
Sec. 223	Stamp tax on policies and annuities	30 centavos	P200.00	
Sec. 224	Stamp tax on indemnity bonds	75 centavos	P200.00 or fractional part thereof, of 3.3 and 1/3 times the annual income	
Sec. 225	Stamp tax on certificates	30 centavos	30 centavos for DST P15.00 for Certificate for first class passenger P8.00 for second or Ground Tourist class	Certificates issued by a notary or a person authorized to administer oaths are exempt from payment of the 30-centavo science stamp, but are subject to stamp tax under the above section (Section 4, Republic Act 5448). Medical certificates, on the other hand, are subject to stamp taxes under the above section and under the Science

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
			P2.00 for third or steerage passenger	Stamp Tax Law (1969 BIR Ruling).
Sec. 226	<p>Stamp tax on warehouse, motel, and hotel receipts and others:</p> <p>a. On each warehouse receipt for property held in storage and public or private warehouse</p> <p>b. On each hotel receipt issued by keepers of hotels, motels, rest houses, lodging houses</p>	<p>30 centavos</p> <p>P100.00</p>	<p>P200.00</p> <p>P200.00</p>	(As amended by RA 6110, dated August 4, 1969)
Sec. 227	Stamp tax on bills of lading or receipts (for foreign post)	<p>6 centavos</p> <p>15 centavos</p> <p>30 centavos</p> <p>75 centavos</p> <p>P150.00</p>	<p>If the value of such goods exceed P5.00 and does not exceed P200.00</p> <p>If the value exceeds P200.00 and does not exceed P1,000.00</p> <p>If the value exceeds P1,000.00 and does not exceed P5,000.00</p> <p>If the value exceeds P5,000.00 and does not exceed P10,000.00</p> <p>If the value exceeds P10,000.00</p>	<p>That freight tickets covering goods, merchandise, or effects carried as accompanied baggage of passengers on land and water carriers primarily engaged in the transportation of passengers and hereby exempt are hereby exempt. (As amended by RA 6110, dated August 1969)</p>

**DOCUMENTARY STAMP TAX – 1975
REVENUE REGULATIONS NO. 3-75**

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
Sec. 203	Manner of payment of documentary stamp tax			The Commissioner of Internal Revenue permits the manufacture and printing of documentary stamps on documents or instruments subject to tax. The payment of the tax due shall be accomplished by the filing of proper requisition stamps intended to be manufactured and printed with the Commissioner of Internal Revenue and by payment of the value of the stamps so requisitioned (As imposed in Title VI of Commonwealth Act No. 466).

**DOCUMENTARY STAMP TAX – 1976
REVENUE REGULATIONS NO. 9-76**

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
Sec. 1	Scope			Denominations of documentary and science stamps of less than P10.00 shall continue to be in circulation and used in payment of documentary and science stamp taxes in accordance with the existing laws and regulations.
Sec. 2	Surrender of the stamps			Documentary and science stamps with denominations of P10.00 or above must be surrendered to the Commissioner of Internal Revenue not later than February 5, 1977. Persons whose residence or place of business are within the Metro Manila area shall surrender the said stamps to the Chief, Accountable Forms Division, Central Office, Bureau of Internal Revenue, while those outside the Metro Manila area shall surrender the stamps to the Revenue District Officer of the district where his place of business or residence is located.

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
Sec. 3	Requirements in surrendering the stamps			<p>A statement containing the following information is necessary:</p> <ul style="list-style-type: none"> a. Name and address of the purchaser of stamps; b. Revenue Office where the stamps were purchased as well as the date of purchase; c. Quantity and face value of the surrendered stamps classified by denominations; and d. Any evidence of purchase issued by the Revenue Office selling the stamps.
Sec. 4	Conditions precedent in refunding the face value of the surrendered stamps			<ul style="list-style-type: none"> a. No refund of the face value of the stamps shall be made unless the stamps are returned in good condition, analyzed and determined by the Laboratory Center of the Bureau of Internal Revenue to be genuine. b. The refund shall be made only to the purchaser or his duly authorized representative. c. The stamps are surrendered on or before February 5, 1977.
Sec. 5	Disposition of surrendered			<p>The stamps surrendered shall be destroyed by burning or recycling under the supervision of a BIR Committee and in the presence of the representative of the Commission on Audit. With respect to those stamps surrendered by taxpayers for purposes of refund, destruction shall be effected after the refund of the face value thereof has been made and a certificate of destruction shall be attached to the records of the case.</p>
Sec. 6	Payment of documentary or science stamp taxes with denomination of P10.00 or above			<p>Payment of such stamp taxes shall be effected as in the case of other internal revenue taxes by the issuance of the corresponding official receipt by authorized BIR personnel or the issuance of Bank Official Receipt by Authorized Banks. Upon payment, such document or instrument must include the following notation on the original and every duplicate copy thereof, if there is any:</p>

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
				<p>a. Amount of documentary stamp tax paid</p> <p>b. Amount of science stamp tax paid</p> <p>c. O.R. or C.B. Official Receipt Number</p> <p>d. Date of O.R. or C.B.</p> <p>e. Name and Signature of the Payor</p> <p>Otherwise, it shall be presumed that no documentary or science stamp taxes have been paid. The splitting of the total amount of stamps due through the purchase or affixture of several pieces of stamps lower than the denominations of P10.00 of either science or documentary stamps even if the sum total of the several pieces of stamps will reflect correctly the value of the tax on the document is hereby prohibited.</p>

**DOCUMENTARY STAMP TAX – 1977
REVENUE REGULATIONS NO. 9-77**

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
Sec. 2	Use of stamps metering machines			The stamp metering machines now used by the Bureau of Customs in imprinting customs stamps shall be utilized for imprinting documentary and science stamps together with the customs stamps. The dies of the metering machines utilized for this purpose shall be accordingly modified to contain customs, documentary and science stamps which shall be imprinted at one time on the same document by the same machine to facilitate the collection of national revenues derived from such stamps.
Sec. 3	Tender of payments			Only cash shall be accepted for payment of stamps on documents mentioned above. However, manager's or cashier's checks may also be accepted, but in no case shall personal checks or money orders be accepted for the payment thereof.

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
Sec. 4	Recording and remittance of collections derived from the imprinting of stamps			<p>The Commissioner, Bureau of Customs, thru his authorized representative, shall keep a daily abstract of collections for documentary and science stamps separate from those required for customs collections. Revenue collections shall be remitted to the Treasurer of the Philippines pursuant to Department Order No. 20-73 dated June 14, 1973, as amended by Department Order Nos. 23-73 dated August 22, 1973, 10-74 dated March 24, 1974. There shall be a separate remittance advice for documentary and science stamps for the account of the Bureau of Internal Revenue. Statement of remittances for the documentary and science stamps shall be prepared by the remitting officer within twenty (20) days after the end of the month which shall be submitted to the Commissioner of Internal Revenue, attention of the Chief, Accounting Division, in order that the collections shall be taken up in the books of the Bureau of Internal Revenue. The statement shall be in columnar format and shall contain the following:</p> <ol style="list-style-type: none"> a. Name of remitting officer; b. Date of remittance; c. Remittance advice number; d. Documentary stamps collection; e. Science stamps collection; f. Total internal revenue collections remitted; g. Validation number; and h. Date of validation. <p>The corresponding daily abstract of collections for the month shall be attached to the said statement of remittances.</p>

**DOCUMENTARY STAMP TAX – 1986
REVENUE MEMORANDUM ORDER NO. 19-86**

<p>Sec. 1</p>	<p>Issuance of BIR strip stamps</p> <p>Cigarette strip Stamps</p> <p>Strip stamps for Cigars (GPO series)</p>	<p>P0.015</p> <p>P0.03</p>		<p>The issuance of BIR strip stamps for cigars and cigarettes is hereby discontinued. However, should some manufacturers desire to continue affixing on their cigars and cigarettes BIR strip stamps instead of their respective paper strips, they shall be required to shoulder the prevailing cost of printing the BIR strip stamps. On the other hand, issuance of strip stamps for chewing and smoking tobacco shall continue without change.</p>
<p>Sec. 2</p>	<p>Accounting of strip stamps for cigars and cigarettes and other tobacco products</p>			<p>The balance of the different denominations for cigars and cigarette strip stamps as of June 30, 1986, shall be brought forward in the vault ledger of the Accountable Forms Division at the unit cost of acquisition instead of the value of the strip stamps. The Chief, Revenue Accounting Division shall close the balance in his books of accounts and effect the transfer of the same to the books of the Chief, Disbursement Accounting Division who shall continue the accounting thereof at the unit cost of acquisition. Accounting of the strip stamps for chewing and smoking tobacco shall continue to be done by the Revenue Accounting Division at face value.</p>
<p>Sec. 3</p>	<p>Proceeds from the sale of BIR strip stamps for cigars and cigarettes</p>			<p>This shall be treated as miscellaneous income of the Bureau.</p>

**DOCUMENTARY STAMP TAX – 1986
REVENUE MEMORANDUM CIRCULAR NO. 33-86**

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
Sec. 229	Stamp tax on bonds, debentures and certificates of indebtedness	20 centavos	P200.00	Effective January 1, 1986 (Now Sec. 193)
Sec. 229	Stamp tax on deposit substitutes	20 centavos	P200.00	As amended by P.D. 1959, now re-numbered as Sec. 193, per P.D. 1994.
Sec. 217	Stamp tax on negotiable promissory notes, bills of exchanges, drafts certificates of deposit bearing interest and other instruments	20 centavos	P200.00	Non-negotiable promissory notes became subject to DST only beginning October 15, 1984, the effectivity date of P.D. 1959. Prior to such date, non-negotiable promissory notes, as such both in form and substance are not subject to DST.
Sec. 130	Exemption of the Central Bank with regards to DST			Exemptions shall apply only to such taxes and assessments for which the Central Bank itself would otherwise be liable, and should not apply to taxes and assessments payable by persons or entities doing business with the Central Bank. The Central Bank is exempt from DST, however, the purchaser or the other party to the CBCI or CB Bills, who is not exempt, is the one liable for DST.

**DOCUMENTARY STAMP TAX – 1986
REVENUE MEMORANDUM CIRCULAR NO. 44-86**

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
Sec. 2	Stamp tax on instrument of sale/conveyance of real property			The tax shall be based on the amount of consideration, or value received or contracted to be paid or the fair market value of the real property, whichever is higher.
Sec. 3	Procedure for determination and collection of stamp tax on instrument of sale or conveyance of real property			The stamp tax referred hereunder applies only if the instrument is a sale or other conveyance of real property for a consideration in money or money's worth. It shall be due and payable on every

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
				instrument of sale or conveyance of real property, regardless of the parties to the taxable document, whether an individual, estate, trust, a corporation or a partnership and regardless of the class of the real property, whether capital or ordinary business asset in the hands of the vendor/transferor.

**DOCUMENTARY STAMP TAX – 1987
REVENUE MEMORANDUM ORDER NO. 34-87**

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
Sec. 2.1	General Policies			The Bureau shall be responsible for the disposition of obsolete stamps and other revenue accountable forms in accordance with the National Accounting and Auditing Manual and other auditing rules and regulations.
Sec. 2.2	General Policies			The Bureau thru the Accountable Forms Division and the Records Control Division shall keep and maintain a sufficient quantity of each kind of documentary stamps by denomination as samples and for archival purposes.
Sec. 2.3	General Policies			In the National Office, disposal shall be made by the Committee to Supervise the Disposal of Specialized Accountable Forms created under Revenue Special Order No. 23-84. In the Regions, disposal shall be by the Regional Committee created under Revenue Memorandum Order No. 21-84 dated August 8, 1984.
Sec. 3.1	BIR offices and units subject to inventory			All unnumbered documentary stamps in the possession of the following officials shall be inventoried: a. Chief, Administrative Branch and other accountable officers of the regional office in possession of obsolete documentary stamps;

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
				<ul style="list-style-type: none"> b. District Collection Supervisors/Chief, Administrative Unit; c. Collection Agents; d. Cash Clerks; and e. Municipal Treasurers acting as Collection Agents
Sec. 3.2	Who shall undertake the inventory			<ul style="list-style-type: none"> a. Revenue district level b. Regional level c. Control office level
Sec. 4	Storage of the surrendered stamps			Pending final disposal, all surrendered documentary stamps shall be stored separately from all other accountable forms and the room where they are kept shall be sealed.

**DOCUMENTARY STAMP TAX – 1988
REVENUE REGULATIONS NO. 5-88**

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
Sec. 203	Manner of payment of documentary stamp tax			With respect to banks, the documentary stamps may be affixed in the proof sheets of each department. Also, a note properly initialed by a responsible person on the face of such documents shall be affixed to the stub, (or to) the duplicate, the requisition/purchase slip, the register copy, stock certificate register, premium register, or proof sheet, as the case may be (as imposed in Title VII of the National Internal Revenue Code).

**DOCUMENTARY STAMP TAX – 1991
REVENUE REGULATIONS NO. 5-91**

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
Sec. 203	Manner of payment of documentary stamp tax			For shares of stocks traded through a stockbroker, affixture may be made to the memorandum of sale or purchase or confirmation slip.

DOCUMENTARY STAMP TAX – 1991
REVENUE MEMORANDUM ORDER NO. 38-91

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
	Facilitating the assessment and collection of DST on stock transactions in the stock exchange			<p>BIR personnel shall be assigned and stationed in every stock exchange and shall perform the following functions:</p> <ol style="list-style-type: none"> a. Receive daily all tax returns (BIR Form No. ___) filed and tax payments relative to stock transactions (i.e. ¼ of 1% stock transaction tax and DST); b. Assist taxpayers whenever necessary and inform them of recent tax measures and procedures pertinent to the industry c. Act as liaison between the stock exchanges and the BIR relative to issues involving the industry' d. Undertake such related tasks as may be assigned by the Commissioner.

DOCUMENTARY STAMP TAX – 1992

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
	Bank checks, drafts, and other instruments	20 centavos	On each document	
	Promissory notes, bills of exchange, drafts, certificates of deposit, debt instrument used for deposit substitutes	20 centavos	P200.00	
	and others not payable on sight or demand			
	Acceptance of bills of exchange and others	30 centavos	P200.00	
	Foreign bills of exchange and letters of credit	30 centavos	P200.00	

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
	Life insurance policies	50 centavos	P200.00	
	Policies of insurance upon property	50 centavos	P400.00 or fractional part thereof of the premium charged	
	Fidelity bonds and other insurance policies	30 centavos	P4.00 or fractional part thereof of the premium charged	
	Policies of annuities			
	Known capital	P1.00	P200.00	
	Unknown capital	P1.00	P200.00 or fractional part thereof, 33 and 1/3 times the annual income	
	Indemnity bonds	P3.50	On each document	
	Certificates	P3.00	On each certificate	

**DOCUMENTARY STAMP TAX – 1992
REVENUE REGULATIONS NO. 7-92**

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
Sec. 2	Scope			Any person/s or business entity/ies may apply to operate a DS metering machine and may install the same in his/her or their respective office/s or in any other place as may be designated by them!

**DOCUMENTARY STAMP TAX – 1993
REVENUE MEMORANDUM ORDER NO. 21-93**

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
Sec. 2.1	Guidelines			All authorized users of documentary stamps metering machine shall be required to

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
				maintain the Book of Documentary Stamps Metering Machine Daily Transactions duly registered with the Collection Branch of the region having jurisdiction over the metering machine used.
Sec. 2.2	Guidelines			A quarterly inspection of the Book for Documentary Stamps Metering Machines Daily Transactions shall be conducted by the Collection Branch concerned to make certain that the correct tax base and tax rates are applied on the various documents/transactions requiring documentary stamps tax.
Sec. 2.3	Guidelines			The Collection Branch shall consolidate at the end of the quarter all collections from documentary stamps based on Report on Sales/Usage of Documentary Stamps (marked Annex D) received monthly from taxpayers-users, incorporating therein its accomplishments on the verification and inspection of documentary stamps metering machines, marked Annex E for submission to the Collection Service, Attention: Collection Performance Evaluation Division within fifteen (15) days after the end of the quarter.
Sec. 2.4	Guidelines			The Collection Branch shall prepare a letter to the taxpayer-user concerning findings/observations on the report submitted, whenever necessary, within ten (10) days from receipt of the Report on Sales/Usage of Documentary Stamps.
Sec. 3	Procedures			The taxpayer-user or his authorized representative, upon payment in the loading/reloading of documentary stamps metering machine, shall secure the Authority to Accept Payment (ATAP) or the Revenue Official Receipt (ROR).

**DOCUMENTARY STAMP TAX – 1993
REPUBLIC ACT NO. 7660**

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
Sec. 2	Stamp tax on bonds, debentures, and certificates of indebtedness	P1.50	P200.00	(Sec. 174 of the National Internal Revenue Code)
Sec. 3	Stamp tax on original issue of certificates of stock	P2.00	P200.00	In the case of the original issue of stock without par value, the amount of the documentary stamp tax herein prescribed shall be based upon the actual consideration received by the association, company, or corporation for the issuance of such stock. This also applies in the case of stock dividends on the actual value represented by each share (Sec. 175 of the NIRC).
Sec. 4	Stamp tax on sales, agreements to sell, memoranda of sales, deliveries or transfer of due-bills, certificates of obligation, or shares or certificates of stocks	P1.00	P200.00	In the case of stock without par value, the amount of the documentary stamp prescribed shall be equivalent to twenty-five per centum of the documentary stamp tax paid upon the original issue of the said stock. Furthermore, the tax imposed shall be increased P1.50 beginning 1996 (Sec. 176 of the NIRC).
Sec. 5	Stamp tax on certificates of profits or interests in property or accumulations	50 centavos	P200.00	(Sec. 178 of the NIRC)
Sec. 6	Stamp tax on bank checks, drafts, certificates of deposit not bearing interest, and other instruments	P1.25	On each bank check, certificate	The tax herein imposed shall be increased P1.50 beginning 1996 (Sec. 179 of the NIRC).
Sec. 7	Stamp tax on all loan agreements, promissory notes, bills of exchange, drafts, instruments and securities issued by the government or any of its instrumentalities,	30 centavos	P200.00	Loan agreements or promissory notes the aggregate of which does not exceed P250,000 executed by an individual for his personal use or that of his family and not for business, resale, barter or hire of a house, lot, motor vehicle, appliance or furniture shall be

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
	certificates of deposit bearing interest and others not payable on sight or demand			exempted (Sec. 180 of the NIRC).
Sec. 8	Stamp tax on policies of insurance upon property	50 centavos	P4.00 or fractional part thereof of the premium charged	No documentary stamp tax shall be collected on reinsurance contracts or on any instrument by which cession or acceptance of insurance risks under any reinsurance agreement is affected or recorded (Sec. 184 of the NIRC).
Sec. 9	Stamp tax on fidelity bonds and other insurance policies	50 centavos	P4.00 or fractional part thereof of the premium charged	(Sec. 185 of the NIRC)
Sec. 10	Stamp tax on policies of annuities and pre-need plans Annuities Pre-need plans	P1.50 50 centavos	P200.00 P500.00	If the capital of the annuity is unknown, then on each two hundred pesos, or fractional part thereof, tax collected is thirty-three and one-third times the annual income (Sec. 186 of the NIRC).
Sec. 11	Stamp tax on indemnity bonds	10 centavos	P4.00 or fractional part thereof of the premium charged	The tax herein imposed shall be increased to P0.30 on each P4.00 or fractional part thereof of the premium charged beginning 1996 (Sec. 187 of the NIRC).
Sec. 12	Stamp tax on certificates	P10.00	On each certificate	The tax herein imposed shall be increased to P15.00 beginning 1996 (Sec. 188 of the NIRC).
Sec. 13	Stamp tax on warehouse receipts	P10.00	On each receipt	No tax shall be collected on each warehouse receipt issued to any one person in any one calendar month covering property the value of which does not exceed P200.00. Further, the tax herein imposed shall be increased to P15.00 beginning 1996 (Sec. 189 of the NIRC).
Sec. 14	Stamp tax on jai-alai, horse race tickets, lotto, or other authorized numbers games	10 centavos	On each ticket	If the cost of the ticket exceeds P1.00 or fractional part thereof shall be collected (Sec. 190 of the NIRC).

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
Sec. 15	Stamp tax on bills of lading or receipts	P1.00 P10.00	If the value of such goods exceed P100.00, and does not exceed P1,000.00 If the value exceeds P1,000.00	Freight tickets covering goods, merchandise or effects carried as accompanied baggage of passengers on land and water carriers primarily engaged in the transportation of passengers are hereby exempted (Sec. 191 of the NIRC).
Sec. 16	Stamp tax on proxies	P10.00	On each proxy	The tax herein imposed shall be increased P15.00 beginning 1996 (Sec. 192 of the NIRC).
Sec. 17	Stamp tax on powers of attorney	P5.00	On each power of attorney	(Sec. 193 of the NIRC)
Sec. 18	Stamp tax on leases and other hiring agreements	P3.00 P1.00	For the first P2,000.00 or fractional part thereof For every P1,000.00 or fractional part thereof in excess of the first P2,000.00	(Sec. 194 of the NIRC)
Sec. 19	Stamp tax on mortgages, pledges, and deed of trust	P20.00	When the amount secured does not exceed P5,000.00	If the full amount of the loan or credit, granted under the mortgage, pledge or deed of trust is specified in such mortgage, pledge or deed of trust, the documentary stamp tax prescribed in this section shall be paid and computed on the full amount of the loan or credit granted (Sec. 195 of the NIRC).
		P10.00	On each P5,000.00 or fractional part thereof in excess of P5,000.00	
Sec. 20	Stamp tax on deeds of sale and conveyance of real property	P15.00 P15.00	If it does not exceed P1,000.00 For each additional P1,000.00 or fractional part thereof in excess of P1,000.00	(Sec. 196 of the NIRC)

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
Sec. 21	Stamp tax on charter parties and similar instruments	P500.00	Per instrument if the registered gross tonnage of the vessel does not exceed 1,000 tons and the contract does not exceed 6 months	(Sec. 197 of the NIRC)
		P50.00	Additional tax for each month or fraction thereof in excess of 6 months	
		P1,000.00	Per instrument if the registered gross tonnage of the vessel exceeds 1,000 tons and the contract does not exceed 6 months	
		P100.00	Additional tax for each month or fraction thereof in excess of 6 months	
		P1,500.00	Per instrument if the registered gross tonnage of the vessel exceeds 10,000 tons and the contract does not exceed 6 months;	
		P150.00	Additional tax for each month or fraction thereof in excess of 6 months	
Sec. 22.a	Incremental revenues from the increase in the DST under this Act shall be set aside for certain purposes			In 1994, 25% thereof respectively, shall accrue to the Unified Home-Lending Program under Executive Order No. 90 particularly for mass-socialized housing program to be allocated as follows: 50% for mass-socialized housing; 30% for the community mortgage program;

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
				and 20% for land banking and development to be administered by the National Housing Authority. Provided, that not more than 1% of the respective allocations hereof shall be used for administrative expenses.
Sec. 22.b	Incremental revenues from the increase in the DST under this Act shall be set aside for certain purposes			In 1996, 25% thereof to be utilized for the National Health Insurance Program that hereafter may be mandated by law. Provided, that not more than 1% of the allocated funds thereof shall be used for administrative expenses by the implementing agencies.
Sec. 22.c	Incremental revenues from the increase in the DST under this Act shall be set aside for certain purposes			In 1994 and every year thereafter, 25% thereof shall accrue to a Special Education Fund to be administered by the Department of Education, Culture and Sports for the construction and repair of school facilities, training of teachers, and procurement or production of instructional materials and teaching aids. Provided, that not more than 1% of the allocated funds thereof shall be used for administrative expenses by the implementing agencies.
Sec. 22.e	Incremental revenues from the increase in the DST under this Act shall be set aside for certain purposes			In 1994 and every year thereafter, 50% thereof shall accrue to a Special Infrastructure Fund for the construction and repair of roads, bridges, dams and irrigation, seaports, and hydroelectric and other indigenous power projects. However, that for the years 1994 and 1995, 30%, and for the years 1996, 1997, 1998, 20%, of this fund shall be allocated for depressed provinces as declared by the President as of the time of the effectivity of this Act. Further, that availments under this fund shall be determined by the President on the basis of equity.

**DOCUMENTARY STAMP TAX – 1994
REVENUE REGULATIONS NO. 9-94**

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
Sec. 3.a	Definition of Terms – "Act"			This refers to Republic Act No. 7660.
Sec. 3.b	Definition of Terms – "Loan Agreement"			<p>This refers to a contract in writing where one of the parties delivers to another money or other consumable thing, upon the condition that the same amount of the same kind and quality shall be paid. The term shall include credit facilities, which may be evidenced by credit memo, advice or drawings.</p> <p>The terms "Loan Agreement" under Section 180 and "Mortgage" under Section 195, both of the Tax Code, as amended, generally refer to distinct and separate instruments. A loan agreement shall be taxed under Section 180, while a deed of mortgage shall be taxed under Section 195.</p>
Sec. 3.c	Definition of Terms – "Securities"			<p>This includes bonds, debentures, notes, evidence of indebtedness, shares in a company, pre-organization certificates or subscriptions, investment contracts, certificates of interest or participation in a profit sharing agreement, collateral trust certificates, equipment trust certificates (including conditional sale contracts or similar interests or instruments serving the same purposes), voting trust certificates, certificates of deposit for a security or fractional undivided interest in oil, gas or other mineral rights or in general, interests or instruments commonly considered to be "securities," or certificates of interests or participation in, temporary or interim certificates for, receipts for, guarantees of or warrants or rights to subscribe to or buy or sell any of the foregoing; or commercial papers evidencing indebtedness of any person, financial or non-financial entity,</p>

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
				irrespective of maturity, issued, endorsed, sold, transferred or in any manner conveyed to another, with or without recourse, such as promissory notes, repurchase agreements, certificates of assignments, certificates of participation, trust certificates or similar instruments; or proprietary or non-proprietary membership certificates, commodity future contracts, transferable stock options, pre-need plans, pension plans, life plans, joint venture contracts, and similar contracts and investments where there is no tangible return on investments plus profits but an appreciation of capital as well as enjoyment of particular privileges and services (Revised Securities Act).
Sec. 3.d	Definition of Terms – “When the obligation of right arises from Philippine sources”			This refers to the obligation, i.e., the juridical necessity to give, to do or not to do, or the right arises from sources within the Philippines.
Sec. 3.e	Definition of Terms – “The property is situated in the Philippines”			This refers to the property, real or personal, is located in the Philippines.
Sec. 3.f	Definition of Terms – “Promissory note”			This refers to an instrument, whether negotiable or non-negotiable, whereby the maker agrees (promises) to pay a sum certain in money or its equivalent at a definite time.
Sec. 3.g	Definition of Terms – “Lotto”			This refers to a number game authorized by law which includes, but is not limited to, lottery, drawing, sweepstakes or sweep draft lottery, raffle, pick six, pick four, tombola, number lottery, numbers pool, numbers game or policy, Chinese lottery, interest lottery, Dutch or class lottery, tontine, grab bag or barrel or box.
Sec. 3.h	Definition of Terms – “Beginning 1996”			This means beginning January 1, 1996.

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
Sec. 3.i	Definition of Terms – “At the same time such act is done or transaction had”			This means on the same date the document was executed, i.e., made, signed, issued, accepted or transferred.
Sec. 3.j	Definition of Terms – “Government instruments or securities”			This refers to bonds, debentures, notes, certificates, or other evidence of indebtedness issued by the government or by any of its political subdivisions.
Sec. 5	Stamp tax on issuance of certificates of stocks	P2.00	P200.00	In the case of original issuance of stock without par value, the tax base shall be the actual consideration received by the association, company, or corporation for the issuance of such stock, and in the case of stock dividends, on the actual value represented by each share.
Sec. 6	Stamp tax on all loan agreements	30 centavos	P200.00	In cases where no formal loan agreements or promissory notes have been executed to cover credit facilities, the DST shall be based on the amount of drawings or availment of the facilities, which may be evidenced by credit/debit memo, advice or drawings by any form of check or withdrawal slip (Under Sec. 180 of the Tax Code, as amended).
Sec. 7	Loan secured by a promissory note			In cases where a loan agreement and a promissory note are simultaneously issued and executed, the loan having been secured by the promissory note, only one documentary stamp tax shall be imposed on either loan agreement or promissory note, whichever will yield a higher tax.
Sec. 8	Loan agreements/ promissory notes secured by a pledge/ mortgage			Where only one instrument was prepared, made, signed and executed to cover a loan agreement/promissory note, pledge/mortgage, the DST prescribed in Sec. 195 of the Tax Code, as amended, shall be paid and computed on the full amount of the loan or credit granted. In this regard, the instrument shall be

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
				treated as covering only one taxable transaction, subject to the higher DST.
Sec. 9	Purchase on installment basis			Loan agreements or promissory notes the aggregate of which does not exceed P250,000.00 executed by an individual for his purchase, on installment, of a house, lot, motor vehicle, appliance or furniture, for his personal use or that of his family and not for business, resale, barter or hire, shall be exempt from the payment of the DST imposed under Sec. 180 of the Tax Code, as amended. For this purpose, where several promissory notes have been executed to secure a loan agreement or where such promissory notes pertain to the same object, the value shall be aggregated and the promissory notes shall be taken as one. Where the purchase on installment exceeds P250,000.00, the whole purchase price shall be subject to the DST prescribed under Sec. 180 of the Tax Code, as amended.
Sec. 10	Government instruments and securities	30 centavos	P200.00	
Sec. 11	Stamp tax on bonds, debentures, and certificates of indebtedness	P1.50	P200.00	(Sec. 174 of the Tax Code)
Sec. 11	Stamp tax on original issue of certificates of stock	P2.00	P200.00	In the case of the original issue of stock without par value, the amount of the DST herein prescribed shall be based upon the actual consideration received by the association, company, or corporation for the issuance of such stock, and this also holds in the case of stock dividends on the actual value represented by each share (Sec. 175 of the Tax Code).

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
Sec. 11	Stamp tax on sales, agreements to sell, memoranda of sales, deliveries or transfer of due-bills, certificates of obligation, or shares of certificates of stock	P1.00	P200.00	Only one tax shall be collected on each sale or transfer of stock or securities from one person to another, regardless of whether or not a certificate of stock or obligation is issued, endorsed, or delivered in pursuance of such sale or transfer. Also, in the case of stock without par value, the amount of the DST herein prescribed shall be equivalent to 25 per centum of the DST paid upon the original issue of the said stock. Furthermore, the tax herein imposed shall be increased to P1.50 beginning 1996 (Sec. 176 of the Tax Code).
Sec. 11	Stamp tax on certificates of profits of interest in property or accumulation	P0.50	P200.00	(Sec. 178 of the Tax Code)
Sec. 11	Stamp tax on bank checks; drafts, certificates of deposit not bearing interest, and other instruments	P1.25	On each bank check, certificate	The law herein imposed shall be increased to P1.50 beginning 1996 (Sec. 179 of the Tax Code).
	others not payable on sight or demand			business, resale, barter or hire of a house, lot, motor vehicle, appliance or furniture shall be exempt from the payment of the DST provided under this Section (Sec. 180 of the Tax Code).
Sec. 11	Stamp tax on policies of insurance upon property	50 centavos	P4.00	No documentary stamp tax shall be collected on reinsurance contracts or on any instrument by which cession or acceptance of insurance risks under any reinsurance agreement is affected or recorded (Sec. 184 of the Tax Code).
Sec. 11	Stamp tax on fidelity bonds and other insurance policies	50 centavos	P4.00	

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
Sec. 11	Stamp tax on policies of annuities and pre-need plans			In the case where the capital of the annuity is unknown, on each P200.00 or fractional part thereof, tax collected shall be 33 1/3 times the annual income (Sec. 186 of the Tax Code).
	Annuities	P1.50	P200.00	
	Pre-need plans	50 centavos	P500.00	
Sec. 11	Stamp tax on indemnity bonds	10 centavos	P4.00	The tax herein imposed shall be increased to 30 centavos on each P4.00 or fractional thereof of the premium charged beginning 1996 (Sec. 187 of the Tax Code).
Sec. 11	Stamp tax on certificates	P10.00	On each certificate	The tax herein imposed shall be increased to P15.00 beginning 1996 (Sec. 188 of the Tax Code).
Sec. 11	Stamp tax on warehouse receipts	P10.00	On each warehouse receipt	No tax shall be collected on each warehouse receipt issued to any one person in any one calendar month covering property the value of which does not exceed P200.00. Further, that the tax herein imposed shall be increased to P15.00 beginning 1996 (Sec. 189 of the Tax Code).
Sec. 11	Stamp tax on jai-alai, horse race tickets, lotto, or other authorized number games	10 centavos	On each ticket	If the cost of the ticket exceeds P1.00, an additional tax of 10 centavos on every P1.00 or fractional part thereof shall be collected (Sec. 190 of the Tax Code).
Sec. 11	Stamp tax on bills of lading or receipts	P1.00	If the value of such goods exceed P100.00 and does not exceed P1,000.00	Freight tickets covering goods, merchandise or effects carried as accompanied baggage of passengers on land and water carriers primarily engaged in the transportation of passengers are hereby exempt (Sec. 191 of the Tax Code).
		P10.00	If the value exceeds P1,000.00	
Sec. 11	Stamp tax on proxies	P10.00	On each proxy	The tax herein imposed shall be increased to P15.00 beginning 1996 (Sec. 192 of the Tax Code).
Sec. 11	Stamp tax on powers of attorney	P5.00	On each power of attorney	(Sec. 193 of the Tax Code)

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
Sec. 11	Stamp tax on leases and other hiring agreements	P3.00	For the first P2,000.00 or fractional part thereof	(Sec. 194 of the Tax Code)
		P1.00	For every P1,000.00 or fractional part thereof in excess of the first P2,000.00	
Sec. 11	Stamp tax on mortgages, pledges, and deeds of trust	P20.00	When amount secured does not exceed P5,000.00	If the full amount of the loan or credit, granted under the mortgage, pledge or deed of trust is specified in such mortgage, pledge or deed of trust, the DST prescribed in this section shall be paid and computed on the full amount of the loan or credit granted (Sec. 195 of the Tax Code).
		P10.00	On each P5,000.00 or fractional part thereof in excess of P5,000.00	
Sec. 11	Stamp tax on deeds of sale and conveyance of real property	P15.00	If it does not exceed P1,000.00	(Sec. 196 of the Tax Code)
		P15.00	For each additional P1,000.00 or fractional part thereof in excess of P1,000.00	
Sec. 11	Stamp tax on charter parties and similar instruments	P500.00	Per instrument if the registered gross tonnage of the vessel does not exceed 1,000 tons and the contract does not exceed 6 months	(Sec. 197 of the Tax Code)
		P50.00	Additional tax for each month or fraction thereof in excess of 6 months	
		P1,000.00	Per instrument if the registered gross tonnage of the vessel	

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
		P100.00	exceeds 1,000 tons and the contract does not exceed 6 months Additional tax for each month or fraction thereof in excess of 6 months	
		P1,500.00	Per instrument if the registered gross tonnage of the vessel exceeds 10,000 tons and the contract does not exceed 6 months	
		P150.00	Additional tax for each month or fraction thereof in excess of 6 months	

**DOCUMENTARY STAMP TAX – 1994
REVENUE MEMORANDUM ORDER NO. 64-94**

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
Sec. 2	Guidelines and Procedures			In order to have control of the use and operation of Documentary Stamps Metering Machines (DSMM), the Chief Collection Division of the Region concerned is tasked to keep records or inventory of all duly registered and unregistered DSMM within their respective jurisdictional areas. Said machines should be properly sealed after having been re-registered with the Office of the Collections Programs Division, National Office Bldg., Quezon City, using the newly prescribed new Padlock Seals which are numbered, to prevent fraud or tampering of the machines.

DOCUMENTARY STAMP TAX – 1997
REVENUE REGULATIONS NO. 5-97
STARTED USING FORM 2000: JANUARY 31, 1997

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
Sec. 2.1	Purchase and affixture of loose documentary stamps or Actual Stamping System			Any person may purchase loose documentary stamps not exceeding P200.00 for future application upon taxable documents/transactions from Revenue Collection Officers.
Sec 2.2	Purchase and affixture of loose documentary stamps or Actual Stamping System			Loose documentary stamps shall be allowed to be used only when the amount of documentary stamp tax due on a taxable document/transaction does not exceed P10.00.
Sec. 2.3	Purchase and affixture of loose documentary stamps or Actual Stamping System			Cancellation of the documentary stamp affixed to the taxable documents must be done by writing two lines across the stamp and portion of the document to which it is affixed, and indicating the date of affixture thereto by perforation as to render it un reusable.
Sec. 3.1	Purchase and affixture of documentary stamps through constructive stamping on taxable documents/ transactions or receipts system			Any person may at any one-time purchase documentary stamps for constructive affixture on each taxable documents/ transactions if the amount of documentary stamp tax due is P10.00 or more.
Sec. 3.2	Purchase and affixture of documentary stamps through constructive stamping on taxable documents/ transactions or receipts system			In lieu of the actual documentary stamps, the duplicate copy or certified xerox copy of proof of payment may be affixed on each document.
Sec. 3.3	Purchase and affixture of documentary stamps through constructive stamping on taxable documents/			Advance purchase of documentary stamps for future application on taxable documents/transactions shall not be allowed through the constructive stamping or receipt system.

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
	transactions or receipts system			
Sec. 4	New procedure on purchase of documentary stamp for use in BIR registered metering machine			Purchase of documentary stamps for future applications covered by Sections 2 and 3 of these regulations shall be allowed only to persons authorized to use BIR Registered Metering Machine under Revenue Regulations No. 7-92, dated September 7, 1992.
Sec. 5	Documentary stamp tax declaration			The following persons are required to accomplish and file a documentary stamp tax declaration under BIR Form 2000: a. Any person liable to pay DST on a taxable document/transaction when the tax due amounts to more than P200.00. b. Any Revenue Collection Officer, duly authorized to sell loose documentary stamps. c. Any person duly authorized to use DST Metering Machine .

**DOCUMENTARY STAMP TAX – 1997
REVENUE MEMORANDUM CIRCULAR NO. 47-97**

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
	Stamp tax on original issues of certificates of stock			A subscriber for stock in a corporation or purchaser of stock becomes a stockholder as soon as his subscription is accepted by the corporation whether a certificate of stock is issued to him or not, and although he may have no certificate, he is thereupon entitled to all the rights and is subject to all the liabilities of a stockholder (SEC Opinion dated December 16, 1983 citing 11 Fletcher Cyc. Corp., 5094).

**DOCUMENTARY STAMP TAX – 1998
REVENUE MEMORANDUM ORDER NO. 8-98**

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
Sec. 3.1	Policies and Guidelines			All existing corporations shall file the Corporate Stock DST Declaration and the DST Return (BIR Form No. 2000-A), is applicable when DST is still due on the subscribed share issued by the corporation, on or before the tenth day of the month following publication of this Order.
Sec. 3.2	Policies and Guidelines			All new corporations shall file the Corporate Stock DST Declaration together with the DST Return (BIR Form No. 2000-B), on or before the tenth day of the month following the date of registration with the Securities and Exchange Commission.
Sec. 3.3	Policies and Guidelines			All existing corporations with authorization for increased capital stock shall file their Corporate Stock DST Declaration together with the DST Return (BIR Form No. 2000-C), if applicable when DST is due on subscriptions made after the authorization, on or before the tenth day of the month following the date of authorization.
Sec. 3.4	Policies and Guidelines			DST shall be paid upon filing of the DST Return (BIR Form No. 2000) with any authorized Accredited Agent Bank (AAB) in the RDO where the corporation is registered or registrable. In RDOs where there are no AABs, payment shall be made with the collection agent or duly authorized Treasurer of the city or municipality where the principal place of business is located.
Sec. 3.5	Policies and Guidelines			For facility of audit or verification, the Stock and Transfer Book of the corporation must contain information on DST payments.

**DOCUMENTARY STAMP TAX – 1998
REVENUE MEMORANDUM ORDER NO. 25-98**

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
Sec. 3.2.1.1	Procedures for the taxpayers			The corporation shall accomplish the DST Return (BIR Form No. 2000), together with the Corporate Stock DST Declaration (BIR Form No. 2000-A), in triplicate.
Sec. 3.2.1.2	Procedures for the taxpayers			The corporation shall file BIR Form No. 2000, together with BIR Form No. 2000-A, and pay the corresponding DST with the AAB or Collection Agent (where there are no AABs) within the jurisdiction of the Revenue District Office where the corporation is registered or registrable.
Sec. 3.2.1.3	Procedures for the taxpayers			<p>All existing corporations that have already fully paid their DST on issuances of subscribed shares of stock must file BIR Form No. 2000-A, together with evidences of payment, with the Revenue District Office where the corporation is registered.</p> <p>The following evidences of payment may be submitted:</p> <ol style="list-style-type: none"> a. Tax Payment Acceptance Orders (TPAO); b. Revenue Tax Receipts (RTR); c. Revenue Official Receipts (ROR); d. Authority to Accept Payment (ATAP); e. Payment Orders/ Confirmation Receipts (PO/CR); or f. BIR Form No. 2000, duly validated by an AAB.
Sec. 3.2.1.4	Procedures for the taxpayers			In the event that none of the above evidences of payment can be submitted, the corporation concerned may still file BIR Form No. 2000-A. However, the Form must be filed together with a Sworn Statement attesting to the circumstances that led to the absence of any evidence of payment of documentary stamps tax.

DOCUMENTARY STAMP TAX – 1998
REVENUE MEMORANDUM ORDER NO. 83-98

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
Sec. 2.1	Policies			Those authorized to use documentary stamps metering machines shall use the new metering machine with encryption. Once they use the same, they will be required to apply for registration through the supplier by filling-up the Application Form for permit to use the documentary stamps metering machines with encryption.
Sec. 2.2	Policies			Payment of DST must be made by filling-up Documentary Stamps Tax Declaration (BIR Form No. 2000) in paying the desired amount to an Authorized Agent Bank (AAB) where the taxpayer is enrolled before loading/reloading documentary stamps tax to the new metering machine with encryption.
Sec. 2.3	Policies			Purchase and affixture of documentary stamps through constructive stamping on taxable documents/transactions or receipts system will no longer be authorized.

DOCUMENTARY STAMP TAX – 1999
REVENUE MEMORANDUM ORDER NO. 4-99

TITLE	DESCRIPTION	TAX RATE	TAX BASE	REMARKS
Sec. 2.A	Policies			All types of taxes due from BANKS shall be paid through Electronic Fund Transfer Instruction System (EFTIS), except for Capital Gains Tax and the corresponding DST.
Sec. 2.B	Policies			All tax returns shall be filed at the Large Taxpayers Division (LTD), Bureau of Internal Revenue (BIR), National Office, except for Capital Gains Tax Returns and the corresponding DST.

Sec. 2.C	Policies			The BANKS shall provide the information requirements of the BIR through the Information Systems Operations Service (ISOS) Data Center and the Bangko Sentral ng Pilipinas (BSP).
Sec. 2.D	Policies			The Revenue District Office (RDO) having jurisdiction over the bank Head Office (HO) can have access to its data thru the respective Revenue Data Center (RDC).

Sources: Revenue Regulations, Revenue Memorandum Orders,
Revenue Memorandum Circulars, Republic Act No. 7660

All amendments on the documentary stamps from the years 1972 up to 1999 were based on the legislative enactment and internal management policies of the Bureau of Internal Revenue or BIR.

Appendix 8
REVISED DOCUMENTARY STAMP TAX REGULATIONS
March 26, 1924

SECTION 1 – SCOPE

Under the provisions of Sections 1449-1452 and 2721 of the Administrative Code, and in connection with the provision of Section 79 (B) of Act No. 2803, the following regulations relative to documents and papers subject to and exempt from the stamp tax, the manner in which the documentary stamp tax shall be collected and paid, and the procedure to be followed by the provincial and deputy treasurers and by persons subject to the payment of the said tax, shall supersede all precedents, rulings and regulations heretofore published on the same subject and shall be known as Regulations No. 26, or "The Revised Documentary Stamp Tax Regulations."

SECTION 2 – PERSONS LIABLE

Upon documents, instruments, and papers, and upon acceptances, assignments, sales, and transfers of the obligation, right, or property incident thereto, documentary taxes for and in respect of the transaction so had or accomplished shall be paid as hereinafter prescribed, by the person making, signing, issuing, accepting, or transferring the same, and at the time such act is done or transaction had.

SECTION 3 – DUPLICATES OF DOCUMENTS WHICH ARE SUBJECT TO TAX

The duplicate of a document would only be subject to the stamp tax where the same has been substituted and used in place of the original, and the original itself cannot be reached by taxation.

BONDS, DEBENTURES, AND CERTIFICATES OF INDEBTEDNESS

On all bonds, debentures, and certificates of indebtedness issued by any association, company or corporation, on each two hundred pesos or fractional part thereof, of the face value of such documents, twenty centavos. (Section 1449 (a), Act No. 2711; see also Section 1450 (d), second paragraph).

SECTION 4 – DELIVERY ESSENTIAL TO ISSUE

Delivery is essential to constitute an issue of bonds.

SECTION 5 – BOND SECURED BY A MORTGAGE

In cases where a bond and a mortgage are simultaneously issued and executed, the bond having been secured by the mortgage, only one stamp tax on both the bond and the mortgage, shall be collected. The said tax to be collected shall be the highest rate which can be imposed on the bond or on the mortgage. In other words, if the tax that can be collected on the bond under subsection (a) of section 1449 is greater than that which can be realized on the mortgage under subsection (w) of the same section, the tax to be imposed is the former, and in the contrary case, the latter.

SECTION 6 – TRANSFER OF BONDS, DEBENTURES, ETC.

No documentary stamp tax accrues on mere transfers of bonds, debentures, or certificates of indebtedness issued by any association, company, or corporation, but where the transfer of the bonds carries with it the issuance of new bonds in the name of the transferee to replace the old ones, the tax imposed on the issuance of bonds should be paid.

SECTION 7 – INTERIM CERTIFICATES AND TEMPORARY BONDS

Interim certificates or temporary bonds issued in lieu of definitive bonds are taxable, but no additional tax is required upon the issue of the permanent or definitive bonds, which, however, should bear notation of the fact that stamps in the proper amount were duly attached to the interim certificates.

SECTION 8 – SCRIP-DIVIDEND CERTIFICATES OR WARRANTS

Scrip-dividend certificates or warrants are taxable as certificates of indebtedness.

SECTION 9 – CERTIFICATES OF INDEBTEDNESS

The term "certificates of indebtedness" includes only instruments having the general character of investment securities as distinguished from instruments evidencing debts arising in ordinary transactions between individuals.

SECTION 10 – RENEWALS OF BONDS, DEBENTURES, ETC.

Every renewal of bonds, debentures, or certificates of indebtedness mentioned in this subsection shall be taxed as a new issue.

SECTION 11 – BONDS EXECUTED IN A FOREIGN COUNTRY

Bonds executed in a foreign country by foreign corporations certified to by trustee in the Philippine Islands given for part of the purchase price of goods located in a foreign country and delivered in the Philippine Islands are subject to tax.

SECITON 12 – BONDS, NOTES, ETC., SECURED BY MORTGAGE, PLEDGE, OR DEED OF TRUST

According to the second paragraph of Section 1450 (d) of the Administrative Code, when any bond, note, or other obligation (including debentures and certificates of indebtedness) is secured by mortgage, pledge, deed of trust, or by the assignment or transfer of any documentary security, only one tax shall be collected upon such papers, such tax to be at the highest rate imposed upon such mortgage, bond, note, obligation or other document, as the case may be.

CERTIFICATES OF STOCK

On every original issue, whether on organization or on reorganization, of certificates of stock by any such association, company, or corporation, on each two hundred pesos, or fractional part thereof, of the face value of such certificate, twenty centavos. (Section 1449 (b))

SECTION 13 – CERTIFICATES OF STOCK ISSUED TO REPLACE PRIOR OR ORIGINAL CERTIFICATES

No documentary stamp tax is due upon certificates of stock issued to replace prior or original certificates, provided the new certificates are issued to the same person, inasmuch as the issuance of these new certificates is not an original issue either on organization or reorganization. However, if such issue is to split up a certificate of higher value, of say P1,000 par value, into two certificates of P500 each, inasmuch as the tax is on each P200, or fractional part thereof, there would be an additional tax of 20 centavos due on account of the one hundred in the shares of P500 each. This tax should be paid and evidenced by the affixture of a 10-centavo stamp to the stubs of each of the 500-peso certificates, with a note on each certificate to the effect that the tax was originally paid on the 1000-peso certificate and that the amount of 10 centavos covers the difference.

SECTION 14 – PAID UP STOCK AND STOCK PAID FOR IN INSTALLMENTS

Certificates issued for stock paid for at full face value are subject to the tax in paragraph (b) of Section 1449 of the Administrative Code; and there shall be paid upon agreements entered into between the association or corporation and any person binding himself to purchase stocks by installments the documentary tax imposed in paragraph (c) of that section.

SECTION 15 – ISSUANCE OF NEW CERTIFICATES OF STOCK

If the calling of the unpaid subscribed capital stock is because of the reorganization of a company, the new issue of stock is taxable under this subsection and documentary stamps in the sum of 20 centavos for each P200, or fractional part thereof, of the face value of the certificates should be affixed to the stubs of the certificates

issued. In case certificates of stock already taxed as above noted are replaced by new certificates without any change in the face value and ownership thereof, no documentary stamp tax is due upon such new certificates. However, it should be noted on the new certificates of stock that the proper documentary stamp has been affixed to the stubs of the original certificates.

SECTION 16 – STOCK CERTIFICATES REPLACED BY SEVERAL CERTIFICATES OF EQUAL COMBINED VALUE

In cases where the owner of, say, one thousand shares of stock in a corporation evidenced by a single stock certificate desires to have said shares evidenced by ten certificates of one hundred shares each, no sale or transfer of ownership being made and no consideration passed by or to anyone, the old certificate should be surrendered to the secretary of the corporation and by him retained in his permanent records and a note made on each of the ten certificates as follows: "*Issued as partial substitute for certificate No. _____ covering one thousand shares; proper documentary stamp attached to the stub of the original certificate.*"

SECTION 17 – SALE OF A PORTION OF CERTIFICATES OF STOCK

Where the owner of one thousand shares evidenced by one stock certificate sells five hundred shares to another person, the documentary stamps in the proper amount should be affixed to the stub of the certificate for the five hundred shares sold, and, on the new certificate issued to the original owner, there should be made a note similar to that mentioned in the preceding paragraph.

SECTION 18 – PROVISIONAL CERTIFICATES OF STOCK ISSUED IN LIEU OF PERMANENT OR REGULAR DEFINITIVE CERTIFICATES

Provisional certificates of stock issued in lieu of permanent or regular definitive certificates are taxable but no additional tax is required upon the issue of such permanent, regular, or definitive certificates in place of the provisional certificates. Provided, however, that such permanent, regular, or definitive certificates should bear notation of the fact that stamps in the proper amount were duly affixed to the stubs of the provisional certificates.

SECTION 19 – AFFIXTURE OF STAMPS ON ISSUES OF CERTIFICATES OF STOCK

The documentary stamps covering the tax on issues of certificates of stock should be affixed to the stubs of the certificates and not on the certificates themselves. However, a notation should be made on the face of the certificate, preferably by a rubber stamp, substantially as follows: "Documentary stamps to the value of P _____ have been affixed to the stub of this certificate."

TRANSFER OF CERTIFICATES OF STOCK, ETC.

On all sales, or agreements to sell, or memoranda of sales, or deliveries, or transfer of bonds, duebills, certificates of obligation, or shares or certificates of stock in any association, company or corporation, or transfer of such securities by assignment in blank, or by delivery, or by any paper, or agreement, or memorandum, or other evidence of transfer or sale, whether entitling the holder in any manner to the benefit of such bonds, duebills, certificates of obligation or stock, or to secure the future payment of money, or for the future transfer of any bond, duebill, certificate of obligation or stock, on each two hundred pesos, or fractional part thereof, of the par value of such bond, duebill, certificate of obligation or stock, four centavos. (Section 1449 (c), Act No. 2711, as amended by Section 1, Act No. 3047)

SECTION 20 – TRANSFERS OF SHARES OF STOCK

Transfers of shares of stock in a corporation organized under the laws of the Philippine Islands, even though effected and recorded in a foreign country or beyond the territorial limits of the Philippine Islands, are nevertheless subject to the stamp tax, so long as such transfers have actually been made and are recorded in the books of the corporation.

SECTION 21 – EXCHANGE OF CERTIFICATES OF STOCK

No documentary stamp tax is due and collectible on an exchange of a number of shares of 4 per cent accumulated preferred stock for a like amount of 6 per cent accumulated preferred stock so long as there is not a change in the ownership of said shares.

SECTION 22 – TRANSFER OF CERTIFICATES OF STOCK FROM TRUSTEE TO ANOTHER

If by the transfer of certificates of stock from a resigned trustee to a newly appointed trustee, such certificates of stock remain in the name of the *cestui que trust* or the resigned trustee so that the new trustee is constituted mere depository of the stock, such transfer is not taxable. If, however, the transfer carries a change in the name appearing in the certificates of stock or in the books of the corporation or company issuing the same, the transfer is taxable under Section 1449 (c) of the Administrative Code.

SECTION 23 – PLEDGING OF CERTIFICATES OF STOCK AS SECURITY FOR LOANS

The pledging and subsequent redemption and return constitute two separate transactions, each of which is subject to tax under Section 1449 (c) mentioned in the foregoing paragraph.

SECTION 24 – AGREEMENTS TO SELL ALSO SUBJECT TO TAX

Under this subsection, not only actual sales or transfers of stock are taxable but also agreements to sell such stock or future transfers thereof, such as in the case of contracts of subscription of shares of stock or executory contracts for the sale or transfer of shares of stock. (Section 14 of these Regulations)

SECTION 25 – STAMP TAX ON TRANSFERS OF CERTIFICATES TO BE AFFIXED TO BOOKS OF CORPORATIONS

Under the provisions of Section 1451, second paragraph, of the Administrative Code, and in connection with Section 35 of Act No. 1459 of the Corporation Law, documentary stamps covering the tax on transfers of certificates of stock should be affixed to the books of the corporation where the transfer is recorded for the reason that the only conclusive evidence of a valid transfer of shares of stock is shown in the entries and notations effected upon the books of the company showing the names of the parties to the transactions, the date of the transfer, the number of the certificate, and the number of shares transferred.

FOREIGN BONDS AND DEBENTURES, ETC.

On all bonds, debentures, certificates of stock, or certificates of indebtedness issued in any foreign country, there shall be paid by the person here selling or transferring the same, such tax as is required by law on similar instruments when issued, sold or transferred in the Philippine Islands. (Section 1449 (d))

SECTION 26 – SALES OF BONDS, DEBENTURES, ETC. ISSUED IN A FOREIGN COUNTRY

Under this paragraph, bonds, debentures, certificates of indebtedness or certificates of stock issued in a foreign country but sold in the Philippine Islands, are subject to the tax imposed upon similar instruments when issued, sold, or transferred in the Philippine Islands.

SECTION 27 – BONDS SECURED BY MORTGAGE

In cases where a bond and a mortgage are simultaneously issued and executed, the bond having been secured by the mortgage, only one stamp tax on both the bond and the mortgage, shall be collected. The said tax to be collected shall be the highest rate which can be imposed on the bond or on the mortgage. In other words, if the tax that can be collected on the bond under subsection (a) of section 1449 is greater than that which can be realized on the mortgage under subsection (w) of the same section, the tax to be imposed is the former, and in the contrary case, the latter.

CERTIFICATES OF PROFITS AND TRANSFERS THEREOF

On all certificates of profits, or any certificate or memorandum showing interest in the property or accumulations of any association, company, or corporation and on all transfers of such certificates or memoranda, on each two hundred pesos or fractional part thereof, of the face value of such certificate or memorandum, two centavos. (Section 1449 (e))

SECTION 28 – SALE OF PARTICIPATIONS IN A PARTNERSHIP

Under this subsection, documents of sales of participations in a partnership are subject to tax because such documents are considered as memoranda showing interest in the property or accumulations of associations, companies or corporations.

SECTION 29 – COUPONS ATTACHED TO CERTIFICATES OF STOCK

Coupons attached to certificates of stock are certificates of profit, and at maturity, or when detached, should each bear the stamp provided in Section 1449 (e) of the Administrative Code.

SECTION 30 – BUSINESS PROPERTY INVESTMENT BOND

A business property investment bond wherein it is certified that the holder thereof is the owner of an interest in certain specified real property, legal title to which has previously been conveyed to a trustee, and whereby the corporation issuing the same agrees to manage the property and distribute the proceeds in a certain manner, is not subject to tax as a bond, debenture, or certificate of indebtedness, but is subject to tax as a certificate of interest in property issued by a corporation.

CHECKS, DRAFTS, AND CERTIFICATES OF DEPOSIT

On each bank check, draft, or certificate of deposit, not drawing interest, or order for the payment of any sum of money drawn upon or issued by any bank, trust company, or any person or persons, companies, or corporations, at sight or on demand, two centavos. (Section 1449 (f))

SECTION 31 – TO WHAT SECTION 1449 (f) REFERS

Section 1449 (f) of the Administrative Code above quoted applies only to inland checks, drafts or certificates of deposit not drawing interest, or order for the payment of any sum of money drawn upon or issued by any bank, trust company, or any person or persons, companies, or corporations, at sight or on demand.

SECTION 32 – CHECKS, DRAFTS, ETC., DRAWN OUTSIDE OF THE PHILIPPINE ISLANDS

Checks, drafts, etc., drawn outside of the Philippine islands, and by their terms payable also at some point outside the said Islands, are subject to tax imposed by the section mentioned in the preceding paragraph, if cashed or negotiated at any point within the Philippine Islands.

SECTION 33 – COPIES OF CHECKS

Such copies, when unsigned and undelivered or retained, as in the case of stubs, are considered as records only, and are not subject to documentary stamp tax.

SECTION 34 – NOTES OR MEMORANDUM ORDERS

Agents of commercial houses, who, in exchange for money received, issue notes or memorandum orders upon another agent of the same firm to be exchanged by him for a draft, should pay the documentary stamp tax provided in paragraph (f); to the draft issued, there should be affixed documentary stamps in the payment of the tax provided in paragraph (f) or paragraph (g) of this section, as the case may be.

SECTION 35 – CERTIFICATES OF DEPOSIT

Certificates of deposit issued by local banks to the Treasurer of the Philippine Islands for trust funds deposited by the said treasurer are subject to the documentary stamp tax provided in paragraph (f) or (g) of this section, as the case may be. (Section 38 for distinction)

SECTION 36 – CERTIFICATES FURNISHED BY AN EMPLOYER OF LABOR

Certificates furnished by an employer of labor to his employees showing how much work an employee has performed and the amount of wages due him are not subject to the documentary stamp tax under paragraphs (f) or (g) of this section as orders for the payment of money.

SECTION 37 – TRADE ACCEPTANCES

The so-called "trade acceptances" are taxable in the same manner as time drafts.

SECTION 38 – CHECKS, DRAFTS, AND BILLS OF EXCHANGE

The rule to be followed in determining whether paragraph (f) or paragraph (g) of this section covers a particular case is as follows:

If the order for the payment of money does not draw interest and is payable at sight or on demand, paragraph (f) applies. If such order draws interest or is payable otherwise than at sight or on demand, paragraph (g) applies. In cases where checks are postdated, they are subject to tax as promissory notes, under paragraph (g).

INLAND BILLS OF EXCHANGE, DRAFTS, AND CERTIFICATES OF DEPOSIT

On all bills of exchange (between points within the Philippine Islands), drafts, and certificates of deposit drawing interest, or orders for the payment of any sum of money otherwise than at sight or on demand, and on all promissory notes, except bank notes issued for circulation, and on each renewal of any such note, on each two hundred pesos, or fractional part thereof, of the face value of any such bill of exchange, draft, certificate of deposit, or note, two centavos. (Section 1449 (g))

SECTION 39 – DEFINITION OF “BILL OF EXCHANGE”

The term “bill of exchange” denotes checks, drafts, and all other kinds of orders for the payment of money, payable at sight or on demand or after a specific period after sight or from a stated date.

SECTION 40 – “PROMISSORY NOTE” DEFINED

A promissory note is an unconditional promise in writing made by one person to another, signed by the maker engaging to pay on demand or at a fixed or determinable future time, a sum certain in money to such other person or to order or to bearer, free from restrictions as to registration or transfer and usually without coupons.

SECTION 41 – “VALES”

A “vale” which contains all the necessary elements of a promissory note is subject to the documentary stamp tax as such a note and under the same condition in which the latter becomes liable to the tax.

SECTION 42 – RESPONSIBILITY FOR PAYMENT OF TAX ON PROMISSORY NOTES

The person who signs or issues a promissory note and any person transferring or using a promissory note can be held responsible for the payment of the documentary stamp tax.

SECTION 43 – PROMISSORY NOTES ISSUED DIRECTLY BY A FOREIGN GOVERNMENT

Promissory notes issued directly by a foreign government and placed in this country for sale or negotiation is exempt from tax.

SECTION 44 – TAX ALSO DUE ON RENEWALS

The tax under this section is not merely on the bill of exchange, draft, and certificates of deposit drawing interest, or orders for the payment of any sum or money otherwise than at sight or on demand and on all promissory notes, but also on each and every renewal of any such document. The tax on such renewal should be at the same rate as the tax on the original document.

FOREIGN BILLS OF EXCHANGE – INCOMING

Upon any acceptance or payment upon acceptance of any bill of exchange or order for the payment of money purporting to be drawn in a foreign country, but payable in the Philippine Islands, on each two hundred pesos, or fractional part thereof, of the face value of any such bill of exchange or order, or the Philippine equivalent of such value, if expressed in foreign currency, two centavos. (Section 1449 (h))

SECTION 45 – “BILL OF EXCHANGE” DEFINED

The term “bill of exchange” denotes checks, drafts, and all other kinds of orders for the payment of money, payable at sight or on demand or after a specific period after sight or from a stated date.

SECTION 46 – BILL OF EXCHANGE, ETC.

When any bill of exchange or order for the payment of money drawn in a foreign country but payable in this country whether at sight or on demand or after a specified period after sight or from a stated date, is presented for acceptance or payment, there must be affixed upon acceptance or payment documentary stamp equal to P0.02 for each P200 or fractional part thereof.

SECTION 47 – ACCEPTANCE OF BILL OF EXCHANGE

A bill of exchange should be stamped at the time of its acceptance or upon payment upon acceptance. In case of fluctuation of values, this Office will accept as conclusive for internal revenue purposes the value of the foreign money exchange included, at the time of the acceptance of the bill. No refund of additional taxes will be made. Bills of exchange should be stamped at their face value. Interest, commissions, stamps, etc., should not be included.

SECTION 48 – REACCEPTANCE OF FOREIGN BILL OF EXCHANGE

Documentary stamps in the proper amount should be affixed to a bill of exchange drawn in a foreign country but payable in the Philippine Islands upon its reacceptance by the same person who first accepted it or by another, though stamps were affixed upon its first acceptance. The tax is thus due on every acceptance.

FOREIGN BILLS OF EXCHANGE AND LETTERS OF CREDIT – OUTGOING

On all foreign bills of exchange and letters of credit (including orders, by telegraph or otherwise, for the payment of money issued by express or steamship companies or by any person or persons) drawn in but payable out of the Philippine Islands, in a set of three or more according to the custom of merchants and bankers, on each two hundred pesos, or fractional part thereof, of the face value of any such bill of exchange or letter of credit, or the Philippine equivalent of such face value, if expressed in foreign currency, four centavos. (Section 1449 (I))

SECTION 49 – DRAFTS DRAWN AGAINST A LETTER OF CREDIT

A documentary letter of credit is opened for gold dollars in the United States in favor of a party in the Philippine Islands. The party in the Philippine Islands draws drafts in gold dollars against the letter of credit and presents them to a local bank with all documents attached. The local bank advances in pesos the value of the drafts, drawn by the party in the Philippine Islands at the current buying rate for the day and sends the drafts to the United States office or correspondent of that bank to be accepted paid by the drawee there. The drawee pays in the United States office or correspondent and on the date of his payment, the United States office or correspondent credits the proceeds to the account of the local bank with it. Under the aforementioned statement of facts, the drafts are to be considered as having been drawn in the Philippine Islands and payable in a foreign country, taxable under the provisions of subsection (i) of Section 1449 of the Administrative Code.

SECTION 50 – BASIS OF TAX IN CASE OF TELEGRAPHIC TRANSFERS

The basis of the tax in the case of telegraphic transfers or orders for the payment of money drawn in but payable out of the Philippine Islands should be the face value of such telegraphic transfers or orders computed, if expressed in a foreign currency, with the rate of exchange taken into consideration. Example, inasmuch as a telegraphic transfer for P50,000 gold is not always equivalent to P100,000 Philippine currency, the latter cannot be considered as the face value of a telegraphic transfer drawn in gold so that if the current rate of exchange at the time of sending such telegraphic transfer or order is 10 per cent, the basis would be P110,000 and not P100,000.

SECTION 51 – WHAT MAY BE REGARDED AS TELEGRAPHIC TRANSFER

If a local bank cables to a certain bank in a foreign country with which bank said local bank has a credit, and directs that foreign bank to pay to another bank or person in the same locality a certain sum of money, the document for and in respect of such transaction will be regarded as a telegraphic transfer, taxable under the provisions of Section 1449 (f) of the Administrative Code.

POLICIES OF INSURANCE – LIFE

On all policies of insurance, or other instruments by whatever name the same may be called, whereby any insurance shall be made or renewed upon any life or lives, on each two hundred pesos, or fractional part thereof, of the amount insured by any such policy, ten centavos. (Section 1449 (j))

SECTION 52 – “OTHER INSTRUMENTS” DEFINED

The term “other instruments” includes any instrument by whatever name the same is called whereby insurance is made or renewed., i.e., by which the relationship of insurer and insured is created or evidenced, whether it be a letter of acceptance, cablegrams, letters, binders, certificates, covering notes, or memoranda.

SECTION 53 – INSURANCE POLICIES

Insurance policies are issued in the place where it is delivered to the person insured. Therefore, documentary stamp tax is not due on insurance policies issued by a Philippine company to persons in other countries.

SECTION 54 – TAX ALSO DUE ON RENEWALS

The tax under this section is collectible not only on the original policy or contract of insurance but also upon the renewal of the policy or contract of insurance.

SECTION 55 – ASSIGNMENT OR TRANSFER OF POLICY OR CONTRACT OF INSURANCE

In accordance with the provisions of subsection (z) of Section 1449 of the Administrative Code, every assignment or transfer of a policy or contract of insurance is subject to tax at the same rate as that imposed on the original instrument.

SECTION 56 – CONTRACT OF REINSURANCE

A contract of reinsurance is also subject to tax inasmuch as the original insurer insures his risk to the reinsurer so that the reinsurance contract falls within the provisions of this subsection.

MARINE, INLAND, AND FIRE INSURANCE POLICIES – PROPERTY

On all policies of insurance or other instruments by whatever name the same may be called, by which insurance shall be made or renewed upon property of any description, including rents or profits, against peril by sea or on inland waters, or by fire or lightning, on each four pesos, or fractional part thereof, of the amount of premium charged, two centavos. (Section 1449 (k))

SECTION 57 – POLICY OF INSURANCE

Under the Act of Congress of October 22, 1914, a policy of insurance issued by a foreign company and delivered in the United States on property in the latter country, is subject to the documentary stamp tax. It follows, therefore, that a policy of insurance issued by a foreign company and delivered in the Philippines on property in this country is subject to the payment of the documentary stamp tax at the rate of two centavos for every four pesos, or fractional part thereof, of the premium charged.

SECTION 58 – ISSUANCE OF INSURANCE POLICY

In case where the insurance company accepts the insurance on an entire cargo and a policy is duly issued, and a portion of the risk is reinsured in another company and another policy is issued for the reason that the former does not want to assume all responsibility, there are two policies of insurance: the original policy issued by the former company and the reinsurance policy issued by the latter. For the purposes of the documentary stamp tax, both the original policy and the reinsurance policy are subject to the tax as the law provides, that whenever a policy of insurance is issued, the tax accrues.

SECTION 59 – TRANSFER OF A POLICY OF INSURANCE

Stamps upon the assignment or transfer of any mortgage, lease, or policy of insurance, shall be the same as that required upon the original instrument. However, if the assignment or transfer is in the nature of a pledge of the insurance policy to secure a loan, the above ruling will not apply.

SECTION 60 – STAMP TAX ON INSURANCE POLICIES COVERING GOVERNMENT PROPERTY

No distinction is made by the law between insurance of Government and other property, and, the tax being imposed on the insurance policies themselves, it cannot be considered as a tax on the Government when its property happens to be the property insured.

SECTION 61 – “PREMIUM CHARGE” DEFINED

The term “premium charge” means the total premium payable during the life of a contract of insurance and includes any additional assessment or charge in the nature of a premium which may be assessed or charged during the life of a contract of insurance, whether payable in one sum or in installments and however paid (and though never paid if the contract of insurance be delivered and accepted or otherwise becomes binding upon the insurer). The term “premium” means the agreed price for assuming and carrying the risk. It includes all that is received by the underwriter therefore and is in fact the total consideration receivable for underwriting the risk, whether in one sum or in installments, during the life of the policy.

SECTION 62 – PERSONS LIABLE

The insurer, the agent or sub-agent, or broker, effecting, accepting, placing or soliciting the insurance and also the insured are liable for the tax.

SECTION 63 – ALL THE INSTRUMENTS MUST BEAR THE STAMPS

(a) The stamp must be affixed to the first instrument by which the insurance is made or renewed, i.e., by which the relationship of insurer and insured is created or evidenced, whether it be a letter of acceptance, cablegram, or other instrument by whatever name called.

(b) In the case of the so-called “open policies” or “open cargo covers,” where the amount of the premium is not definitely determined at the time of the issuance, the stamps may be affixed to the receipts for the monthly or other payments if proper notation be made upon such receipts identifying the original instruments to which they apply. A cross reference or notation should also be made on the original instruments to which the stamps affixed to the receipts refer as part payment of the documentary tax due on the said instruments.

(c) In the case of a binder or other instrument whereby insurance is made or renewed, issued without agreement as to the premium to be charged, stamps must be affixed when the amount of the premium is determined.

SECTION 64 – SUBSECTIONS (j) AND (l) OF 1449 APPLIED

The other rulings regarding insurance generally mentioned under subsections (j) and (l) of this section (1449) apply also in this subsection.

INDEMNITY BONDS, OBLIGATIONS, AND UNDERTAKINGS

On all policies of insurance or bonds or obligations of the nature of indemnity for loss, damage, or liability made or renewed by any person, association, company, or corporation transacting the business of accident, fidelity, employer's liability, plate, glass, steam boiler, burglar, elevator, automatic sprinkler, or other branch of insurance (except life, marine, inland, and fire insurance), and on all bonds, undertakings, or recognizances conditioned for the performance of the duties of any office or position, for the doing or not doing of anything therein specified, and on all obligations guaranteeing the validity or legality of any bonds or other obligations issued by any province, municipality or other public body or organization, and on all obligations guaranteeing the title to any real estate, or guaranteeing any mercantile credits, which may be made or renewed by any such person, company, or corporation, on each four pesos, or fractional part thereof, of the premium charged, two centavos. (Section 1449 (l))

SECTION 65 – BONDS

Bonds made or renewed by any person, association, company or corporation transacting the business of accident, fidelity, employer' liability, plate, glass, steam boiler, burglar, elevator, automatic sprinkler, or other branch of insurance (except life, marine, inland, and fire insurance), conditioned for the performance of the duties of any office or position and for the doing or not doing of anything therein specified are subject to the documentary stamp tax at the rate of two centavos for each four pesos, or fractional part thereof, of the premium charged, under the provisions of Section 1449 (l) of the Revised Administrative Code. Such bonds, when signed by the principal obligor, will also be subject to the fifty centavos documentary stamp tax, as provided in paragraph (n) of the same section of the Code.

SECTION 66 – BONDS REQUIRED IN JUDICIAL PROCEEDINGS

If bonds required in judicial proceedings are executed or renewed by persons, associations, companies, or corporations transacting the business of accident, fidelity, or guaranty insuranceship, or other branch of the insurance business, except life, marine, inland, and fire insurance, said judicial bonds, although exempt from the documentary stamp tax as provided in subsection (n) of Section 1449 of the Administrative Code, are, nevertheless, subject to that imposed in subsection (l) of the same section, consisting of a tax of two centavos on each four pesos, or fractional part thereof, of the premium charged. If, however, the judicial bonds abovementioned are executed by persons or corporations engaged in the business of accident, fidelity, or guaranty insuranceship as above defined, and for no compensation, no documentary stamp tax shall accrue thereon. (General Circular No. 39, October 3, 1919)

SECTION 67 – WHEN A PREMIUM IS CHARGED UPON ANY BOND OR POLICY

When a premium is charged upon any bond or policy, a statement must be made on the face of such bond or policy showing the rate and amount of premium charged, and bonding companies or other persons executing such bonds or policies must affix thereto the necessary amount of stamps, based on the premium charged, canceling the same. The renewal or continuance certificate or other paper showing the renewal or continuance of such bond or policy or the receipt or other paper showing the payment of any premium or charge for the renewal or continuance of such bond or policy must also contain on the face thereof a statement showing the rate and amount of the premium charged and collected, and the bonding company or person issuing or executing such certificate or paper must affix thereto the necessary amount of stamps, based upon the premium charged, canceling the same.

ANNUITIES

On all policies of annuities, or other instruments by whatever name the same shall be called, whereby an annuity may be made, transferred, or redeemed, on each two hundred pesos, or fractional part thereof, of the capital of the annuity, or should this be unknown, then on each two hundred pesos, or fractional part thereof, of thirty-three and one-third times the annual income, ten centavos. (Section 1449 (m))

SECTION 68 – CENSO

A *censo* or annuity is constituted when any real property is subject to the payment of an annual income in consideration of a cash payment, or of the transfer of the full or partial ownership of the estate subjected to the charge (Article 1604, Civil Code). A contract constituting a *censo* as hereinbefore defined, whether it be called a policy of annuity or by whatsoever name, is subject to tax under this section. Under Article 1802 of the Civil Code, an aleatory contract of annuity may be entered into to bind the debtor to pay a pension or annual income to one or more specified persons for life in return for a principal in personal or real property, the ownership of which is at once transferred to the debtor, charged with the payment of the income. An annuity may also be constituted on the life of the person who pays the capital, on that of a third person, or on the lives of several persons. It may also be constituted in favor of the person or persons for whose lifetime it is granted, or in favor of another or other different persons. Upon transfer either by assignment or endorsement of a policy or contract of annuity, as hereinbefore described or upon redemption of the annuity, the tax fixed in this subsection should be paid.

SURETY BONDS

On each bond for indemnifying any person, firm, or corporation who shall become bound or engaged as surety for the payment of any sum of money or for the due execution of performance of the duties of any office or position or to account for money received by virtue thereof, and on all other bonds of any description, except such

as may be required in legal proceedings or are otherwise provided for herein, fifty centavos. (Section 1449 (n))

SECTION 69 – SURETY BONDS

Bonds should be stamped at the rate of 50 centavos for each bond, in addition to two centavos for each four pesos or fractional part thereof, of the premium charged in case the surety on the bond is a bonding or surety company. (See also Section 67)

SECTION 70 – BAIL BONDS

There is no documentary stamp tax on such bonds, because they are required in judicial proceedings. (See Section 1450 (d) of the Administrative Code)

SECTION 71 – BONDS REQUIRED BY COURT OF A PERSON WITH WHOM STOLEN PROPERTY IS DEPOSITED

Under the provisions of Section 1450, such bonds are not subject to tax.

SECTION 72 – CUSTOMHOUSE BROKER'S BOND

Regardless of the amounts of such bonds, the stamp tax in this paragraph should be paid.

SECTION 73 – INDEMNITY BONDS

Bonds furnished to protect the Government in cases of issuance of duplicate checks, check vouchers, or warrants are subject to the documentary stamp tax of fifty centavos, unless the check, check vouchers, etc., the loss of which makes necessary the furnishing of bond for the protection of the Government is lost before even having reached the possession of the payee and not by any fault or negligence of the payee himself. If lost through the fault or negligence of an officer of the Government or through any cause not traceable to the payee, no stamp will be required, but notation of such cause should appear on the bond in lieu of the stamp.

SECTION 74 – PLAINTIFF'S BONDS FOR TEMPORARY ATTACHMENT

These bonds are not subject to the documentary stamp tax; nor do any taxes accrue on the certificates of oaths on such bonds.

CERTIFICATES

On each certificate of damage, or otherwise, and on every other certificate or document issued by any customs officer, marine surveyor, or other person acting as such, and on each certificate issued by a notary public, and on each certificate of any description required by law, or by rules or regulations of a public office, or which is issued for the purpose of giving information, or establishing proof as a fact, and not otherwise specified herein, twenty centavos. (Section 1449 (o))

SECTION 75 – DEFINITION OF CERTIFICATES

A certificate is a statement in writing by a person having a public or official status concerning some matter within his knowledge or authority; a writing by which testimony is given that a fact has or has not taken place. (Regulations No. 2, page 14)

SECTION 76 – CERTIFICATES WHICH ARE TAXABLE UNDER THIS ACT

Only those certificates issued by a public official or person acting in public capacity are subject to the documentary stamp tax.

SECTION 77 – CERTIFICATES ISSUED BY CUSTOMS OFFICERS, MARINE SURVEYORS

Under this section is taxed also a certificate issued by customs officers, marine surveyors, or other persons acting as such to the effect that certain goods or portion thereof are lost at sea, because that is a certificate of damage. The tax under this subsection is in addition to such customs documentary tax as the Bureau of Customs may require in such cases.

SECTION 78 – LIABILITY OF NOTARIES PUBLIC AND OTHER OFFICERS AUTHORIZED TO ADMINISTER OATHS

A notary public or other officer authorized to administer oaths is liable for violation of Section 1452 of the Administrative Code, as amended by Section 2 of Act- No. 2835, penalized under Section 2741 of the same Code, when such notary public or officer adds his jurat or acknowledgment to any document subject to the documentary stamp tax, to which the required documentary stamps have not been affixed and cancelled.

SECTION 79 – CERTIFICATES OF ACKNOWLEDGMENT SIGNED BY A NOTARY PUBLIC

Articles of incorporation are not subject to the 20-centavo documentary stamp tax, but the certificate of acknowledgment signed by the notary public is subject to the 20-centavo documentary tax, for the affixture of which the notary himself is principally responsible and not the incorporators.

**SECTION 80 – CERTIFICATES OF ACKNOWLEDGMENT TO DEEDS, LEASES,
POWERS OF ATTORNEY, MORTGAGES**

Certificates of acknowledgment to deeds, leases, powers of attorney, mortgages, or any other documents, when such certificates are a necessary part of the instrument, are exempt from the tax in this paragraph. Only one tax accrues on such instruments.

SECTION 81 – POWERS OF ATTORNEY

Notarial certificates attached to powers of attorney are certificates of acknowledgment and not of the administration of oaths and, according to the rule of strict construction of exemptions from taxation, are not included in the exemption provided by Section 1450 for certificates of the administration of oath for use in court. Therefore, such certificates are subject to the documentary stamp tax provided by this paragraph even when designed exclusively for use in court proceedings.

SECTION 82 – DEFINITION OF JURAT

That part of an affidavit where the officer certifies that the same was sworn to or affirmed before him.

**SECTION 83 – JURAT OR CERTIFICATE OF OATH ADMINISTERED ON
APPLICATION FOR CIVIL SERVICE EXAMINATION**

The oath on these applications is administered at the instance and for the benefit of the applicant, and should be stamped as required in this paragraph.

**SECTION 84 – JURAT OR CERTIFICATE OF OATH OF OFFICE ADMINISTERING
GOVERNMENT SERVICE**

The documentary stamp tax should be paid on the jurat (a) where an officer or an employee is entering the service of the Government; (b) where the officer or employee having been separated is reentering the Government service. In the case of certificates of officers administering oaths of office to officers or employees already in the Government service upon their assuming other duties in the same office or in another office, or to person accepting positions in the service of the Government without salary, no documentary stamp taxes accrue thereon.

SECTION 85 – AFFIDAVITS SWORN TO BEFORE A NOTARY PUBLIC

Under existing laws, with the exceptions specified in Section 1450 (d) of the Revised Administrative Code, a 20-centavo documentary stamp should be affixed to any affidavit whether in form or otherwise sworn to before a notary public.

SECTION 86 – OATHS ADMINISTERED BY OFFICERS UNDER ACT NO. 2589

Oaths administered by any officer empowered to administer oaths to persons assigning retirement gratuities under the provisions of Act No. 2589 as amended are also taxed under this section.

SECTION 87 – INCOME AND INHERITANCE TAX RETURNS

Oaths administered by a notary public or other officer empowered to administer oaths to a person filing an income tax return, or of an inheritance tax return are not subject to tax for the reason that they are administered in connection with statements and other compulsory information required of persons by the Government exclusively for statistical purposes and are wholly for the use of the Bureau of Internal Revenue in which the same are filed, such statements or compulsory information being specifically exempted from the payment of the tax under Section 1450 (d) of the Administrative Code.

SECTION 88 – CERTIFICATES OF OATHS OF ELECTORS

Section 1450 exempts such certificates from the stamp tax in this paragraph.

SECTION 89 – CARDS OF MEMBERSHIP, REWARD OF MERIT, OR IDENTIFICATION ISSUED BY CHURCHES TO PERSONS CONNECTED OR IDENTIFIED THEREWITH

As such cards are used solely for religious purposes from which there is no pecuniary benefit, they are not subject to the stamp tax in this paragraph as certificates.

SECTION 90 – CERTIFICATES OF LOST WEIGHTS AND MEASURES TAG

The original copy of certificate of lost weights and measures tag should have affixed thereto a 20-centavo documentary stamp.

SECTION 91 – CERTIFICATES OR BILLS OF SALE ISSUED BY A SHERIFF TO THE PURCHASER OF PERSONAL PROPERTY

Such certificate is the document required by law for the transfer to the purchaser of title to the property, and is subject to the tax in this paragraph.

SECTION 92 – CUSTOMHOUSE CERTIFICATES

The tax imposed by this paragraph should be collected in addition to that imposed by Sections 284 and 392 of the Customs Administrative Act (No. 355).

SECTION 93 – CERTIFICATES OF OWNERSHIP OF REAL PROPERTY

Certificates of ownership of real property should bear the 20-centavo documentary stamp provided for by this paragraph.

SECTION 94 – CERTIFICATES OF OWNERSHIP, TRANSFER, ETC., OF LARGE CATTLE REQUIRED BY THE CATTLE REGISTRATION LAW

Certificates of ownership, certificates of transfer, permits for slaughter, and all certificates issued in compliance with the provisions of the Cattle Registration Law, are exempt from the documentary stamp tax, being certificates required by the Government for statistical purposes.

SECTION 95 – CERTIFICATES OF ASSESSED VALUE OF LAND FURNISHED BY PROVINCIAL OR MUNICIPAL TREASURERS TO CLERKS OF COURT

Certificates of assessed value of lands furnished by provincial or municipal treasurers to clerks of court at their request for registration of title to land are subject to the documentary stamp tax of twenty centavos imposed in Section 1449 (o) of the Administrative Code.

SECTION 96 – CERTIFICATES OF BONDS

Such certificates containing special information not absolutely necessary to complete the instrument are subject to the documentary stamp tax in this paragraph. In case of a fidelity bond, the certificate is a necessary part thereof, and therefore exempt.

SECTION 97 – CERTIFICATES ISSUED BY THE BOARD OF PHARMACEUTICAL, MEDICAL, AND DENTAL EXAMINERS

Such certificates are not subject to the documentary stamp tax prescribed in this paragraph.

SECTION 98 – CERTIFICATES ISSUED BY THE CITY OF MANILA AND MUNICIPAL CORPORATIONS

Such certificates are subject to the documentary stamp tax imposed by this paragraph.

SECTION 99 – CERTIFICATES OF BIRTH AND DEATH

(a) Birth and death certificates required by law or issued under the rules and regulations of the Board of Health are not subject to the documentary stamp taxes; (b) but certificates of death, birth, or of baptism issued by parish priests or ministers from

church records for the purpose of proof of paternity and filiation of legitimate children, or by doctors for the benefit of the person applying for the same purpose, are subject to the tax provided by this paragraph; and (c) copies of birth and death records furnished by the municipal secretary to any person other than a Government official in his official capacity are subject to the tax provided by this paragraph.

SECTION 100 – CERTIFICATE OF LOST TAX-RECEIPT

To the original copy of this certificate, there should be affixed a 20-centavo documentary stamp.

SECTION 101 – CERTIFICATES OF VALUATION OF PROPERTY FURNISHED BY THE PROVINCIAL TREASURER

If such certificates are furnished at the instance of the interested party for his use and benefit, the documentary stamp tax should be paid; but when it is accomplished wholly for the use of the Government, such documents are not subject to tax.

SECTION 102 – COMPLAINTS IN CIVIL OR CRIMINAL PROCEEDINGS

Complaints and other pleadings and documents in support of the same in civil or criminal proceedings are exempt from stamp taxes.

SECTION 103 – CERTIFICATES ISSUED BY THE BUREAU OF COMMERCE AND INDUSTRY

All licenses and other certificates issued to foreign corporations by the chief of the division of archives, patents, copyrights and trademarks of the said Bureau under the provisions of Section 68 of Act No. 1459 are subject to the documentary stamp tax in this paragraph.

SECTION 104 – ENLISTMENT PAPERS OF SOLDIERS OF THE PHILIPPINE CONSTABULARY

These documents are exempt from the documentary stamp tax.

SECTION 105 – LANDING CERTIFICATES ISSUED BY THE COLLECTOR OF CUSTOMS AS ACTING UNITED STATES CONSULAR AGENT

These certificates are not subject to the stamp tax imposed in this paragraph.

**SECTION 106 – CERTIFICATES OF GUARANTOR ON CONTRACTOR'S BOND
(BUREAU OF PUBLIC WORKS)**

As such certificates contain special information which is not absolutely necessary to complete the bond, each of the certificates of guarantor, when made out, is subject to this tax of twenty centavos.

**SECTION 107 – MARRIAGE CERTIFICATES, CERTIFICATES OF CONSENT
TO MARRIAGE, ETC.**

Marriage certificates, certificates of consent to marriage, and all certified copies thereof when signed or issued by a judge, justice of the peace, priest, or minister of the gospel of any denomination, or any person authorized to perform marriage ceremonies in the Philippine Islands should bear the 20-centavo documentary stamp provided in this paragraph, except the certificate of marriage furnished in each case by the official, priest, or minister performing the ceremony to the municipal secretary or other Government official by virtue of a provision of law requiring him to do so. The latter being designed exclusively for the use of the Government for statistical purposes are exempt from this tax by the terms of Section 31 of Act No. 2339 (now Section 1450 of Act 2711).

Copies retained for private records of the ministers or other person performing the ceremony are not certificates but merely record copies, and are not subject to the documentary stamp tax.

SECTION 108 – CERTIFICATES ISSUED BY SHERIFFS

Certificates, issued by the sheriff of the sale at a public auction of real property by virtue of an order of execution in favor of the purchaser or purchasers reserving to the owner the right of legal redemption within one year, in accordance with the Code of Civil Procedure, are subject to the documentary stamp tax.

SECTION 109 – MEDICAL CERTIFICATES REGARDING PHYSICAL CONDITION

Medical certificates containing a statement of the physical condition of any person are not subject to this tax.

**SECTION 110 – REPORTS OF BIRTH, DEATHS, AND MARRIAGES ISSUED UNDER
THE RULES AND REGULATIONS OF THE BOARD OF HEALTH**

Such reports are exempt from this tax, under the provisions of Section 1450 of Act No. 2711.

SECTION 111 – REPORTS OF MISSING MAIL (BUREAU OF POSTS FORM NO.565)

Such reports are made for the use and benefit of the person making them. The jurat is therefore subject to the tax in this paragraph.

SECTION 112 – SWORN STATEMENTS BY CONSTABULARY OFFICERS UNDER INSTRUCTIONS CONTAINED IN THE CONSTABULARY MANUAL, AND THE OATH OR JURAT THEREON

Such sworn statements are intended for use by the various prosecuting attorneys for the Government in connection with criminal actions that may thereafter be brought and come clearly with the exemption provided by Section 1450. The jurat of the notary or other officer administering the oath, upon such statements, is exempt under the provisions of the same section from the stamp tax.

SECTION 113 – PERMITS FOR THE POSSESSION OF FIREARMS

The permit or certificate authorizing the possession of firearms should bear a 20-centavo documentary stamp under the provisions of this paragraph. An officer of the Government obtaining a firearm permit, or a renewal thereon, other than in his official capacity and under rules and regulations of the office with which he is connected, should affix and cancel documentary stamps upon the certificates in the same manner as persons not employed in the Government service.

SECTION 114 – AFFIDAVITS OF WITNESSES MENTIONED IN B.I.R. GENERAL CIRCULAR NO. 62

In accordance with the provisions of Section 1449 (o) of the Administrative Code, a documentary stamp tax of twenty centavos should be paid on each of the affidavits of witnesses submitted by a petitioner for a change of name or age in his cedula certificates mentioned in Section 1 of General Circular No. 62 of the Bureau of Internal Revenue. Provincial treasurers or deputy provincial treasurers should not forward to this Office any petition for a change of name or age on cedula unless the stamp tax required by law is first duly paid.

SECTION 115 – CERTIFICATES APPENDED BY MUNICIPAL SECRETARIES TO COPIES OF MUNICIPAL RECORDS

Certificates appended by municipal secretaries to copies of municipal records issued in accordance with Section 2213 of the Revised Administrative Code are subject to tax imposed under this subsection.

SECTION 116 – CERTIFICATES ISSUED FOR THE BENEFIT AND AT THE INSTANCE OF PRIVATE PERSONS

It is a general rule that if a certificate is issued at the instance and for the exclusive use of a private person, certificates, even if issued by the Government or any branch thereof, are subject to the tax.

WAREHOUSE RECEIPTS

On each warehouse receipt for property held in storage in a public or private warehouse or yard for any other person than the proprietor of such warehouse or yard himself or some employee of his engaged in and about the same, twenty centavos. (Section 1449 (p))

SECTION 117 – PROVISIONAL OR MEMORANDUM RECEIPTS FOR PARTIAL DELIVERY OF RICE AT A WAREHOUSE

Provisional or memorandum receipts for partial delivery of rice at a warehouse are not warehouse receipts subject to a documentary stamp tax. Forms furnished by a warehouseman for each load of rice delivered to the warehouse to enable the owner of the rice and the owner of the warehouse to keep a check on the partial deliveries so that they may compute the total amount of rice delivered for the issuance of the warehouse receipt, are simply memoranda which are not subject to the documentary stamp tax.

SECTION 118 – CONTRACT OR RECEIPTS FOR THE STORAGE OF LUMBER

Contracts or receipts for the storage of lumber in lumber yards complying substantially with the provisions of Section 2 of Act No. 2137 (the Warehouse Receipts Act) are taxable under this section.

SECTION 119 – STORAGE NEED NOT BE MADE IN A PUBLIC WAREHOUSE

It is not necessary that the storage of property be made in a public warehouse or that the person or company issuing the warehouse receipt or signing the contract for storage be publicly engaged in the warehousing business. It is sufficient for the imposition of the tax under this subsection that a receipt is issued for the warehousing of property in public or private warehouses or yards for a compensation.

BILLS OF LADING – EXPORT

On each set of bills of lading or receipts (except charter party) for any goods, merchandise, or effects of greater value than five pesos, to be exported from a port in the Philippine Islands to any foreign port, ten centavos. (Section 1449 (q))

SECTION 120 – “BILLS OF LADING” DEFINED

A bill of lading is defined as “a contract by which the carrier agrees to deliver the goods entrusted to him for transportation to the person named therein.” (National Bank of Chester vs. Atlanta & C. A. L. Ry. Co., 25 S. C., 216) If the carrier does not assume the obligation to transport the goods covered by the bill of lading, the note is not a bill of lading, and hence, it is not subject to the documentary stamp tax.

SECTION 121 – BASIS OF THE TAX AND AFFIXTURE OF STAMPS

Bills of lading are exempt from the documentary stamp tax imposed by paragraphs (q) and (r) of Section 1449 of the Administrative Code when the value of the goods shipped is five pesos or less. Unless the bill of lading states that the goods are five pesos or less, it must be held that the tax is due, and internal revenue officers will see to it that the tax is paid in all cases where the bill of lading does not state that the shipment is worth five pesos or less. The documentary stamp shall be affixed to the copy of the bill of lading retained by the carrier or carrier's agent at the shipping point except in the case of transportation companies which have a central office in the Philippine Islands, and which require their agents to furnish the said office with a copy of each bill of lading. The stamp shall, in such case, be affixed to the copy of the bill of lading forwarded by the agent to the office, and filed there. However, in every case a certificate signed or initialed by the carrier or his agent to the effect that the proper documentary stamps stating the value thereof, have been affixed to the copy retained by the said carrier and cancelled, this should be made on each and every unstamped copy of the bill of lading. It shall be the duty of every common carrier to keep a copy of each bill of lading issued by him in order that he may properly comply with the requirement herein. These retained copies must be preserved for one year from the date of issue in such a manner that the international revenue officer can readily inspect them.

SECTION 122 – RECEIPTS OF DELIVER OF GOODS

Receipts given by a company to a shipper which serve as memorandum for the delivery of the goods to the express company, should be stamped in accordance with paragraph (q) of Section 1449 of the Administrative Code. The law requires that for each shipment received for carriage of transportation, the common carrier shall issue to the shipper or consignor a stamped bill of lading, manifest, or other evidence of receipt and forwarding.

SECTION 123 – INVOICES OF GOODS SENT OUT BY MERCHANTS

There is no documentary stamp tax imposed on such invoices; but if an invoice takes the place of a bill of lading, such document then becomes subject to the documentary stamp tax under paragraph (q) or (r) of Section 1449 of Act No. 2711.

SECTION 124 – BILLS OF LADING FOR EXPORTED ALCOHOLIC AND TOBACCO PRODUCTS

There is nothing in the law showing any intent on the part of the legislature to exempt bills of lading for exported alcoholic and tobacco products from the documentary stamp tax provided in this paragraph. It will be noted, however, that only one stamp is required on each set of such bills of lading. Such stamp should be affixed, in such case, to the copy retained by the carrier or his agent, and no stamp is required on any of the copies, but a certificate to the effect that the proper documentary stamps stating the value thereof have been affixed to the copy retained by the carrier or his agent, should be made on each and every unstamped copy.

SECTION 125 – BILLS OF LADING (THROUGH)

Through bills of lading issued for merchandise to foreign ports for transshipment, as well as local bills of lading for conveyancing goods from ports in the Philippine Islands to any foreign port, are each subject to the documentary stamp tax in this paragraph.

SECTION 126 – UNUSED OR CANCELLED BILLS OF LADING

No refund can be allowed on unused or cancelled bills of lading.

SECTION 127 – “CHITS,” MEMORANDUM SLIPS, AND OTHER PAPERS NOT IN THE USUAL COMMERCIAL FORM OF BILLS OF LADING

When used by common carriers in the transportation of merchandise or goods for the collection of fees thereof are considered as bills of lading, and the original thereof, issued or used, should bear the documentary stamp as provided by paragraph (q) or (r) of Section 1449 of the Administrative Code.

SECTION 128 – NEGOTIATION OF BILLS OF LADING

No documentary tax is due on the endorsement or assignment or other negotiation of bills of lading for the reason that neither subsection (q) nor subsection (z) of Section 1449 imposes such tax.

BILLS OF LADING – DOMESTIC

On each set of bills of lading or receipts (except charter party) for goods, merchandise, or effects of greater value than five pesos shipped from one port or place in the Philippine Islands to another port or place in the said Islands, four centavos. (Section 1449 (r))

SECTION 129 – “BILLS OF LADING” DEFINED

A bill of lading is defined as “a contract by which the carrier agrees to deliver the goods entrusted to him for transportation to the person named therein.”¹(National Bank of Chester vs. Atlanta & C. A. L. Ry. Co., 25 S. C., 216) If the carrier does not assume the obligation to transport the goods covered by the bill of lading, the note is not a bill of lading, and hence, it is not subject to the documentary stamp tax.

SECTION 130 – BASIS OF THE TAX

Bills of lading are exempt from the documentary stamp tax imposed by paragraphs (q) and (r) of Section 1449 of the Administrative Code when the value of the goods shipped is five pesos or less. Unless the bill of lading states that the goods are

five pesos or less, it must be held that the tax is due, and internal revenue officers will see to it that the tax is paid in all cases where the bill of lading does not state that the shipment is worth five pesos or less. The documentary stamp shall be affixed to the copy of the bill of lading retained by the carrier or carrier's agent at the shipping point except in the case of transportation companies which have a central office in the Philippine Islands, and which require their agents to furnish the said office with a copy of each bill of lading. The stamp shall, in such case, be affixed to the copy of the bill of lading forwarded by the agent to the office, and filed there. However, in every case a certificate signed or initialed by the carrier or his agent to the effect that the proper documentary stamps stating the value thereof, have been affixed to the copy retained by the said carrier and cancelled, this should be made on each and every unstamped copy of the bill of lading. It shall be the duty of every common carrier to keep a copy of each bill of lading issued by him in order that he may properly comply with the requirement herein. These retained copies must be preserved for one year from the date of issue in such a manner that the international revenue officer can readily inspect them.

SECTION 131 – AFFIXTURE OF STAMPS

Documentary stamps under the provisions of this paragraph shall be affixed to the copy of the bill of lading which is retained by the carrier, but a notation signed by a responsible person shall be entered on the copies of such bills of lading not bearing documentary stamps to the effect that the documentary stamps of the proper amount have been duly affixed to the copy retained by the carrier.

SECTION 132 – Sections 122, 123, 126, 127, and 128 of these Regulations are also applicable to cases under the subsection (r).

PASSAGE TICKETS

On each passage ticket, whether a single fare or return ticket, or any receipt for money paid for the passage of a person on any vessel other than on a vessel belonging to the Insular Government or the Government of the United States from any port in the Philippine Islands to a port in the United States or to any other foreign port:

- (1) If the said passage costs not more than sixty pesos, one peso and fifty centavos.
- (2) If the said passage costs more than sixty pesos and not more than one hundred and twenty pesos, two pesos and fifty centavos.
- (3) If the said passage costs more than one hundred and twenty pesos and not more than two hundred and fifty pesos, three pesos and fifty centavos.
- (4) If the said passage costs more than two hundred and fifty pesos, five pesos.
(Section 1449 (s), Act No. 2711, as amended by Section 1, Act No. 3047)

SECTION 133 – BASIS OF THE TAX

It is to be noted from the above provisions of Section 1449 (s) of the Administrative Code, as amended by Section 1 of Act No. 3047, that the law now bases the tax on *individual fares*, so that if several fares are represented by a single passage ticket, so many taxes are due.

SECTION 134 – TICKETS OF EMPLOYEES OF THE GOVERNMENT OF THE PHILIPPINE ISLANDS OR EMPLOYEES OF THE MILITARY DEPARTMENTS OF THE UNITED STATES IN THE PHILIPPINE ISLANDS

Steamship tickets of employees of the Civil Government or of the military departments of the United States who are returning from the Philippine Islands to the United States, wholly at the expense of the Government, are exempt from the documentary stamp tax provided by this paragraph, provided that the Government purchases the ticket.

This ruling is applicable only in cases where the official request for transportation, signed by the head of the proper bureau or department, specifically states that the employee, in whose behalf transportation is requested, is travelling at the expense of the Government.

SECTION 135 – TICKETS ISSUED TO OFFICERS OR EMPLOYEES OF THE UNITED STATES OR PHILIPPINE GOVERNMENT

Steamship tickets issued to officers and employees of the Government of the United States or of the Philippine Islands or of any of their branches, who are travelling on official business and under orders of such Governments or branches thereof, are not subject to the tax under this subsection.

SECTION 136 – STEAMSHIP PASSAGE TICKETS FOR TRANSPORTATION TO FOREIGN PORTS

If a steamship passage ticket were issued within the Philippine Islands for transportation between two foreign ports only, the law would require no documentary stamp on the same. However, where a person desires to secure transportation from a port in the Philippine Islands to Europe the fact that such transportation is furnished him in segments clearly cannot be allowed to affect the documentary stamp tax which is due on a through ticket from the Philippines to Europe. The amount of the tax on any such series of fragmentary tickets is not ascertained by taking each of them separately, but by regarding the whole series as one ticket. If, in addition to the regular series of fragmentary tickets mentioned above, a separate ticket issued by another company is furnished to the passenger, such separate ticket is subject to the stamp tax in addition to that required on the regular series.

SECTION 137 – PASSAGE TICKETS ISSUED IN THE PHILIPPINE ISLANDS READING FROM A FOREIGN PORT

Passage tickets issued in this country reading from a foreign port are exempt from the documentary stamp tax, provided that they serve to entitle their holders to passage from such foreign port only, so that if they also include passage from this country to that port, the tax will properly accrue. If the passage tickets are issued by a company from the Philippine Islands to a foreign port, same being a portion of a through passage to another foreign port issued by another steamship company in the Philippine Islands drawing order in the former company for the local passage, the stamp shall be affixed to that ticket issued by the other steamship company and the tax is to be based on the entire passage. However, a note should be put on the ticket issued by the former company to the effect that the said ticket is part of another issued by such company on which the requisite documentary stamps have been affixed.

SECTION 138 – AFFIXTURE OF STAMPS

The stamps should be affixed to the stubs of each ticket issued or to the duplicate or copy thereof retained or filed at the office of the person, natural or juridical, issuing the same; and a note signed or initiated by the person issuing the said ticket or his authorized representative should be made on the original ticket given to the passenger to the effect that the proper documentary stamps stating the value thereof, have been affixed to the stubs, duplicate or copies of the ticket, as the case may be.

PROXIES FOR VOTING

On each proxy for voting at any election for officers of any incorporated company or association, except associations or corporations for religious, charitable, or literary purposes or to manage public cemeteries, twenty centavos. (Section 1449 (t))

SECTION 139 – TAX ON PROXIES ATTACHES TO THE INSTRUMENT

The stamp tax on proxies attaches to the instrument; i.e., only one tax is collectible on each document appointing a proxy, and is not measured by the number of grantors.

SECTION 140 – DIRECTORS OF CORPORATIONS

Directors of a corporation are officers within the meaning of the clause imposing a tax on proxies for voting at the election for officers of an incorporated company.

SECTION 141 – SCOPE OF TAX UNDER THIS SUBSECTION

The tax under this subsection is levied only on proxies for voting at any election of officers of any incorporated company or association, either stock or nonstock, and for

no other purpose, so that proxies for the purpose of voting stock or for the transaction of other business of an incorporated association or company is not subject to this tax.

POWERS OF ATTORNEY

On each power of attorney to perform any act whatsoever, except acts connected with the collection of claims due from or accruing to the Government of the United States, the Government of the Philippine Islands, or the government of any province or municipality, twenty centavos. (Section 1449 (u))

SECTION 142 – EXEMPTIONS UNDER THIS PARAGRAPH

Under the exception in this paragraph, the following papers are exempt from the documentary stamp taxes provided in Section 1449:

Jurat on travelling expense vouchers of Government employees and officials.

Provincial Form Nos. 2 and 9.

Vouchers for payment of rent of building used for Government purposes.

Vouchers statements, or certificates made by creditors of the Government on bills presented for payment.

Documents issued by any Government employee for money paid on account of taxes.

Checks drawn by any Government official in his official capacity against government funds, either insular, provincial, or municipal.

SECTION 143 – TAX ON POWER OF ATTORNEY, WHEN DUE

The tax on a power of attorney is due when the instrument is executed and delivered. Delivery includes depositing instrument in the mails.

SECTION 144 – TAX ATTACHES TO THE INSTRUMENT

The tax is imposed on the instrument itself, and is not measured by the number of persons joining therein.

SECTION 145 – DOCUMENTS NOT TAXABLE

The documents, although they purport to authorize acts to be done by one person for and on behalf and in the stead of another, are not taxed as powers of attorney:

- (1) *Resolution of a board of directors authorizing an officer of the corporation to sell, etc., stock or bonds, not taxed as power of attorney; otherwise in case of person not an officer* – Where a corporation, by resolution of its board of directors, has empowered an officer thereof to sell, assign, or transfer stock or bonds standing in the name of the corporation, or to perform any act in the name of the corporation, such authority is not taxable as power of attorney for the reason that it is necessary for a corporation to perform its corporate acts through one of its officers. If, however, a person other than an officer of the corporation acting in his official capacity is given this authority, the power of attorney so granted is subject to stamp tax.
- (2) *Power of sale embodied in mortgage not taxable* – A power of sale embodied in a mortgage, authorizing and empowering a mortgagee himself, upon default, to make public sale of the property affected and to convey the title to the purchaser at such sale free from all rights or equity of redemption, thus avoiding the necessity of resorting to the courts for foreclosure, is not taxable.
- (3) *Powers of attorney contained in assignments of insurance policies* – Powers of attorney contained in assignments, absolute or as collateral security, of insurance policies are not subject to tax.
- (4) *Authority of secretary of a corporation to transfer stock on the books not taxable* – An instrument authorizing the secretary to transfer stock on the books of a corporation is not taxable as a power of attorney; but an instrument appointing an attorney in fact to transfer stock on the books of a corporation is taxable.
- (5) *Pro forma power of attorney to transfer bonds or stocks on books of corporation, printed on bond or stock certificate, not taxable* – The pro forma power of attorney to transfer bonds or stocks on the books of a corporation, embodied in the assignment printed on the back of the bond or stock certificate, is not subject to tax.
- (6) *A warrant of attorney in a judgement note or promissory note authorizing confession of judgement* – The clause in a judgement note or promissory note authorizing confession of judgement is not taxable as a power of attorney.
- (7) *Warrant of attorney in a lease* – A warrant of attorney embodied in a lease is not taxable.
- (8) *Power of attorney authorizing vendee of shares of stock to transfer same* – A power of attorney by which a person executing the instrument sells, assigns, and transfers shares of stock and appoints the vendee agent for the transfer is not subject to tax.

**SECTION 146 – REVENUE STAMP REQUIRED ON EACH INSTRUMENT
EXECUTED UNDER GENERAL POWER OF ATTORNEY GRANTED
TO PERSON NOT AN OFFICER OF THE CORPORATION**

A general power of attorney granted by a board of directors to a person, other than an officer of a corporation acting in his official capacity for the purpose of transacting business of the corporation, including making conveyances of land and acknowledging deeds, is considered specific authority for each such transaction, and a revenue stamp is required on each instrument executed under the power of attorney.

**SECTION 147 – POWERS OF ATTORNEY FROM CORPORATIONS
TO RESIDENT AGENTS**

Powers of attorney executed by corporations to resident agents authorizing the latter to accept service of process are taxable.

**SECTION 148 – POWER OF ATTORNEY TO SELL OR TRANSFER
GOVERNMENT BONDS**

A power of attorney to sell or transfer Government bonds is taxable.

**SECTION 149 – POWER OF ATTORNEY MAILED IN THE PHILIPPINE ISLANDS
TO POINTS ABROAD; POWER OF ATTORNEY MAILED ABROAD
TO PARTY IN THE PHILIPPINE ISLANDS**

A power of attorney, executed and mailed within the Philippine Islands to a foreign point is subject to tax, but a power of attorney executed in a foreign country and mailed to an agent in the Philippine Islands is not subject to tax.

**SECTION 150 – POWER OF ATTORNEY TO SELL, ETC., SHARES
OF CAPITAL STOCK TAXABLE**

A power of attorney to sell, assign, and transfer shares of capital stock is subject to tax unless it is given in connection with a deposit of the stock as security for a loan.

**SECTION 151 – POWER OF ATTORNEY AUTHORIZING DEPUTY TO HAVE
ACCESS TO SAFE**

A power of attorney authorizing a deputy to have access only to a safe or safety deposit box is not subject to tax, but a power of attorney to have access and control over its contents is subject to tax.

LEASES OF REAL ESTATE

On each lease, agreement, memorandum, or contract for the hire, use, or rent of any lands or tenements, or portions thereof:

- (1) If executed for not more than one year, twenty centavos.
- (2) If executed for more than one year, and not more than three years, fifty centavos.
- (3) If executed for a period of more than three years, one peso.
(Section 1449 (v))

SECTION 152 – LEASES

The 20-centavo documentary stamp tax imposed by subsection (o) of Section 1449 of the Administrative Code, need not be paid when the certificate is in the nature of an acknowledgment to a power of attorney, lease, mortgage, or pledge, conveyance, or any other document made subject to a documentary stamp tax by the provisions of subsections (u), (v), (w), and (x) of the said section.

MORTGAGES OF REAL OR PERSONAL PROPERTIES

On every mortgage or pledge of lands, estate, or property, real or personal, heritable or movable, whatsoever, where the same shall be made as a security for the payment of any definite and certain sum of money lent at the time or previously due and owing or forborne to be paid being payable, and on any conveyance of land, estate, or property whatsoever in trust to be sold or otherwise converted into money, which shall be and intended only as security, either by express stipulation or otherwise:

- (1) When the amount for which the mortgage or deed of trust is given is not less than one thousand pesos or more than three thousand pesos, fifty centavos.
- (2) On each three thousand pesos, or fractional part thereof, in excess of three thousand pesos, and additional tax of fifty centavos.
(Section 1449 (w))

SECTION 153 – TAX TO BE PAID ON THE SUM OF MONEY HYPOTHECATED

The tax should be paid on the sum of money hypothecated and not upon the value of the property pledged or mortgaged. However, if the pledge and mortgage cover but one transaction; that is, secure the same amount, only one tax will be due, as the documents would be considered together as but one instrument and the tax would be payable on the instrument which is subject to the higher tax.

SECTION 154 – DEED OF TRUST IN THE NATURE OF A MORTGAGE

If an instrument purporting to be a contract of pledge executed by a company in favor of a bank, conveys certain bonds and shares of stock to the said bank as security

for a credit, and confers upon the said bank power to sell or dispose of the same in case of failure on the part of the company, it is a deed of trust in the nature of a mortgage falling under subsection (w) of Section 1449.

SECTION 155 – “CONTRATO DE PRESTAMO Y PRENDA”

Such document is a combined promissory note and mortgage, and should bear the higher documentary stamp tax of the two to which it is subject.

SECTION 156 – TRUST RECEIPTS OR PLEDGES OF PERSONAL PROPERTY GIVEN BY FIRMS TO BANKS

Trust receipts or pledges of personal property given by firms to banks for the purpose of securing a loan will be considered subject to this tax as mortgages.

SECTION 157 – BOND SECURED BY A MORTGAGE

In cases where a bond and a mortgage are simultaneously issued and executed, the bond having been secured by the mortgage, only one stamp tax on both the bond and the mortgage, shall be collected. The said tax to be collected shall be the highest rate which can be imposed on the bond or on the mortgage. In other words, if the tax that can be collected on the bond under subsection (a) of section 1449 is greater than that which can be realized on the mortgage under subsection (w) of the same section, the tax to be imposed is the former, and in the contrary case, the latter.

CONVEYANCES OF REAL ESTATE

On all conveyances, deeds, instruments, or writings, other than grants, patents, or original certificates of adjudication issued by the Government, whereby any lands, tenements, or other realty sold shall be granted, assigned, transferred, or otherwise conveyed to the purchaser or purchasers, or to any other person or persons designated by such purchaser or purchasers:

- (1) When the true consideration, or value received or contracted to be paid for such realty, after making proper allowance for any encumbrance, is more than two hundred pesos but not more than two hundred pesos, fifty centavos.
- (2) For each additional one thousand pesos, or fractional part thereof, of such true consideration or value, fifty centavos.

When it appears that the amount of the documentary tax payable hereunder has been reduced by an incorrect statement of the consideration in any conveyance, deed, instrument, or writing subject to such tax, the Collector of Internal Revenue, provincial treasurer, or other revenue officer shall, from the assessment rolls or other reliable source of information, assess the property at its true market value and collect the proper tax thereon. (Section 1449 (x))

SECTION 158 – DEEDS TO PROPERTY DONATED TO THE GOVERNMENT

No documentary stamp taxes are required on such documents.

SECTION 159 – DEEDS WITHOUT STATEMENT OF MONEY CONSIDERATION

The value of the land transferred will be determined and taxes collected accordingly, where no consideration is stated, or if it be understated. The documentary stamp tax is based on the value of the property described in the deed.

SECTION 160 – QUIT-CLAIM DEEDS; PARTITION OF AN UNDIVIDED INTEREST IN A PIECE OF PROPERTY BY MEANS OF QUIT-CLAIM DEEDS

If one document is used in such transaction, the stamp tax in this paragraph accrues thereon. And on each copy of the instrument signed, sealed, and delivered, the tax will also be due.

The true consideration in cases of such transaction is as follows:

If one conveys, for instance, an undivided one half of the property to the other, the real consideration of such transaction would be but one half of the value of the whole property; so if the two convey, one to the other, the same rule would apply. The transaction of the partition of an undivided interest, where one heir quit-claims to another in consideration of an equal quit-claim the other way, is but one disposition of the property in question, and neither one by quit-claiming to the other, is conveying the whole property, nor is his deed therefore subject to a tax upon the whole value of the property, but in such transaction, the correct tax would be one tax upon the whole value of the property.

SECTION 161 – DEEDS OF DONATION

Deeds of donation, which expressly show upon the face of the instrument that the transfer is gratuitous and where, as a matter of fact, there is no consideration, are not subject to this tax.

SECTION 162 – SALES OF REAL ESTATE

Sales of real estate with right of repurchase commonly known as "pacto de retro" are not mortgages but sales of real estate and when, in such cases, the real property sold is repurchased by virtue of the contract contained in the original deed, such repurchase constitutes a purchase and sale and cannot be considered as a cancellation of a mortgage or lien. Deeds given by virtue of "resales" to the original vendor of real property previously sold by him with a right to repurchase are subject to the stamp tax provided by this paragraph.

SECTION 163 – CONTRACT FOR SALE OF LAND

If contract for the sale of land vests title on the land and improvements thereon, it would be subject to taxation as a conveyance. If it does not vest title but contains only certain provisions for the giving of a deed in the future upon compliance with conditions precedent, it is not subject to tax.

SECTION 164 – DEED OF REAL ESTATE EXECUTED ABROAD

A deed of real estate executed in the United States or any foreign country by the grantor and forwarded to the Philippine Islands for recording purposes is subject to the documentary stamp tax.

SECTION 165 – DEED EXECUTED BY SHERIFF, ETC.

Deeds of final sale, executed by the sheriff after the period of one year of legal redemption had expired in accordance with the Code of Civil Procedure, are subject to the documentary stamp tax.

SECTION 166 – PUBLIC AUCTION SALES

Deeds of sale at public auction of mortgaged real property, made by the sheriff pursuant to an order of foreclosure of mortgage, in favor of the purchaser or purchasers are subject to the documentary stamp tax.

SECTION 167 – DEED AND MORTGAGE FOR THE SAME PIECE OF PROPERTY

This is not a case where encumbered property is sold and in which the amount of the encumbrance can be deducted from the consideration on account of the provisions of paragraph (x) of this section for the reason that the deed is necessary to vest the title in the party executing the mortgage and until such deed is executed no such mortgage can be made. There is nothing in paragraph (x) to indicate that the consideration must be a cash consideration. Both the deed and the mortgage are subject to tax.

SECTION 168 – DEEDS EXECUTED BY GOVERNMENT OFFICIALS

The tax imposed by this paragraph does not accrue on any deed executed by a Government official for the purpose of conveying public land of any kind.

SECTION 169 – ACTUAL VALUE, AT TIME OF CONVEYANCE, THE MEASURE OF THE TAX

Where the consideration for a conveyance of lands, tenements, or other real property, is left open, to be fixed by future contingencies, the actual value at the time of

conveyance is the measure of the tax upon the deed, instrument, or writing whereby the conveyance is made.

SECTION 170 – TAX, HOW COMPUTED

In calculating the amount of stamps, which must be affixed to a deed of conveyance, the tax is computed upon the full consideration for the transfer less all encumbrances which rest on the property before the sale and which are not removed by the sale. Encumbrances placed on the property in connection with and as a result of the sale or transfer, as well as notes for deferred payments, cannot be deducted in determining the amount upon which the tax is calculated.

SECTION 171 – TAX ON DEED EXECUTED BY SHERIFF, REFEREE, OR COMMISSIONER, HOW COMPUTED

The stamp tax on a deed of real property executed by a sheriff, referee, or commissioner to a mortgage, who bids in the property at foreclosure sale to satisfy a mortgage lien, should be computed upon the amount bid for the property plus the costs, if paid by the purchaser.

SECTION 172 – DEEDS CONVEYING PROPERTY SOLD UNDER FORECLOSURE OR EXECUTION; TAX, HOW PAID

Deeds executed by sheriffs, clerks of court, etc., to cover transfers of property sold under a foreclosure or execution are subject to tax. The grantee or vendee may be required to pay the tax or the cost of revenue stamps may be included in the expenses of foreclosure sale.

SECTION 173 – DEEDS ON EXCHANGE OF PROPERTIES

In the case of an exchange of two properties, the deeds transferring title to each are subject to tax, which should in each case be computed on the basis of the actual value of the interest or property conveyed, the amount of any preexisting lien or encumbrance which is not removed by the sale being deductible.

SECTION 174 – DEEDS CONVEYING MINES

Deeds conveying mines are taxable.

SECTION 175 – CONVEYANCE OF LAND IN CONSIDERATION OF MAINTENANCE

A conveyance of land in consideration of life maintenance is taxable, the tax to be measured by the value of the property or interest conveyed.

SECTION 176 – DEEDS OF BUILDING AND LOAN ASSOCIATIONS

Deeds of building and loan associations conveying realty are taxable.

SECTION 177 – STOCK IN CORPORATION A VALUABLE CONSIDERATION

Stock in a corporation is a valuable consideration for the transfer of real property.

SECTION 178 – OPTIONS AND CONTRACTS FOR REAL ESTATE

No tax is imposed upon an option for the purchase of real property or upon a contract for the sale of real estate.

SECTION 179 – DEEDS OF RELEASE AND DEEDS OF TRUST

Deeds of release and deeds of trust are exempt from tax under the provisions of this law.

SECTION 180 – DEEDS TO BURIAL SITES

Deeds to burial sites, which do not convey title to land, but only a right to sepulture, to erect monuments, etc., are not subject to stamp tax.

SECTION 181 – DEED TO TRUSTEE FOR BENEFIT OF CREDITOR

A deed executed by a debtor covering an assignment of property to a trustee to be held for the benefit of a creditor is not subject to tax. When, however, the trustee sells or conveys such property either to the creditor or any other person, the deed executed by him is taxable.

SECTION 182 – DEEDS FROM AGENT TO PRINCIPAL

Deeds from an agent to his principal conveying real estate purchased for and with funds of the principal are not taxable.

SECTION 183 – RECONVEYANCES OF PARTNERSHIP PROPERTY BY RECEIVERS

Conveyance of property of a co-partnership, in the hands of receivers, back to the owners after administration of the estate is not taxable.

SECTION 184 – PARTITION DEEDS

Partition deeds are not subject to tax unless a consideration passes between the parties by reason of one or more of them taking under the division a share of real estate of greater value than his undivided interest, in which event stamp tax attaches to the deeds conveying such greater shares, calculated upon the value of such consideration.

SECTION 185 – CONVEYANCES WITHOUT CONSIDERATION

Conveyances of realty, not in connection with a sale, to trustees or other persons without consideration are not taxable.

SECTION 186 – CONTRACTS FOR SALE OF REAL PROPERTY

Contracts for the sale of real property are not taxable unless they vest title.

SECTION 187 – CONVEYANCE BY CO-OWNERS IN CONSIDERATION OF CAPITAL STOCK

A conveyance of real estate by co-owners to a corporation organized for convenience in handling the property, made in consideration of the issue to them of the corporation's capital stock, is subject to tax.

SECTION 188 – DEEDS BY EXECUTOR

Deeds by an executor to devisees, conveying specific parcels of real estate, devised to them in common, are not subject to tax unless a consideration passes between the devisees by reason of some of them taking a greater share in the real estate than that to which they are entitled under the will, in which event tax attaches to the deeds conveying such greater shares, and is calculated upon the amount of value of such consideration.

SECTION 189 – CONVEYANCES BY CORPORATION TO OWNER OF ALL THE CAPITAL

A conveyance of real estate by a corporation without valuable consideration to an owner of all its capital stock in consequence of its dissolution is not subject to tax.

SECTION 190 – CONVEYANCE BY MORTGAGOR TO MORTGAGEE

A conveyance by defaulting mortgagor to mortgagee in consideration of the cancellation of mortgage debt is subject to tax calculated on the amount of the mortgage debt plus unpaid accrued interest.

**SECTION 191 – CONVEYANCES TO TRUSTEE, OR FROM TRUSTEE TO
CESTUI QUE TRUST, WITHOUT CONSIDERATION**

Conveyances to a trustee without valuable consideration or from a trustee to a *cestui que trust* without valuable consideration are not subject to tax.

**SECTION 192 – DEED FROM ONE CORPORATION TO ANOTHER OWING
CAPITAL STOCK OF FORMER IN CONSIDERATION OF
PAYMENT OF DEBTS**

A deed from a corporation, the entire capital stock of which is owned by another corporation, conveying real estate to the latter in consideration of the payment by the grantee of all obligations of the grantor is subject to tax.

**SECTION 193 – JUDGMENT OR DECREE OF COURT TRANSFERRING TITLE TO
REAL ESTATE**

Judgment or decree of a court operating to transfer title to real estate is not taxable as a conveyance.

SECTION 194 – TAXES AND ASSESSMENTS, WHEN DEDUCTIBLE

Taxes and assessments, which have become a lien on real estate by operation of statute and which are not paid at time of sale are deductible from the consideration in computing the stamp tax.

**SECTION 195 – CONVEYANCE BY CORPORATION TO AN OFFICER
THROUGH THIRD PARTY**

Where an officer of a corporation purchases real estate from the corporation, conveyance being first made to a third party and as part of the same transaction, the property is conveyed by the third party to the officer, the conveyance to the third party is subject to tax, while the conveyance from the third party is not subject to tax.

CHARTER PARTIES

On every charter party, contract, or agreement for the charter of any ship, vessel, or steamer, or any letter or memorandum or other writing between the captain, master, or owner, or other person acting as agent of any ship, vessel, or steamer and any other person or persons for or relating to the charter of any such ship, vessel, or steamer, and on any renewal or transfer of such charter, contract, agreement, letter or memorandum:

- (1) If the registered gross tonnage of the ship, vessel or steamer is not more than three hundred tons, and the duration of the charter or contract is not

over six months, six pesos; and for each month or fraction of a month in excess of six months, an additional tax of one peso shall be paid.

- (2) If the registered gross tonnage is more than three hundred tons but not more than six hundred tons, and the duration of the charter or contract is not more than six months, twelve pesos; and for each month or fraction of a month in excess of six months, an additional tax of two pesos shall be paid.
- (3) If the registered gross tonnage is more than six hundred tons and the duration of the charter or contract is not more than six months, twenty-four pesos; and for each month or fraction of a month in excess of six months, an additional tax of four pesos shall be paid.

(Section 1449 (y), as amended by Section 1, Act No. 3047)

SECTION 196 – BASIS OF THE TAX

Under the above provisions of Section 1449 (y) of the Administrative Code, as amended by Section 1 of Act No. 3047, the tax is now based not only upon registered gross tonnage of the ship, vessel, or steamer chartered but also upon the duration of the charter.

SECTION 197 – ORIGINAL OF DOCUMENT TO BEAR STAMP

All of the papers relating to the chartering of a vessel constitute one document, and such charter parties are, under the Commercial Code, required to be made in duplicate. The original only of the document is required to bear the stamp tax, but the duplicate copy should have noted thereon: "original duly stamped."

SECTION 198 – CHARTER PARTIES MADE IN THE PHILIPPINE ISLANDS

Every charter party made in the Philippine Islands is subject to the documentary stamp tax provided by this paragraph, whether the vessel chartered is a domestic or foreign one and whether such vessel is in Philippine waters or elsewhere.

TRANSFERS AND RENEWALS OF CONTRACTS

Upon each and every assignment or transfer of any mortgage, lease, or policy of insurance, or the renewal or continuance of any agreement, contract or charter by altering or otherwise, a stamp tax shall be levied, collected, and paid at the same rate as that imposed on the original instrument. (Section 1449 (z))

SECTION 199 – INSURANCE POLICY; ASSIGNMENT OR TRANSFER

Stamps upon the assignment or transfer of any mortgage, lease, or policy of insurance, shall be the same as that required upon the original instrument. However, if the assignment or transfer is in the nature of a pledge of the insurance policy to secure a loan, the above ruling will not apply.

SECTION 200 – POLICY LOAN AGREEMENT

Policy loan agreements which combine the nature of two documents, viz., promissory note and assignment or transfer of the insurance policy, are subject to the tax on assignment or transfer of insurance policies at the rate of ten centavos on each P200, or fractional part thereof, of the amount insured by the policy.

SECTION 201 – ASSIGNMENT OF SECURITIES

An assignment of securities by an insurance company in favor of the Government of the Philippine Islands, made in compliance with the provisions of Section 178 of Act No. 2427, is subject to the documentary stamp tax under Section 1449 (z) of the Administrative Code. This ruling is made on the ground that the act performed serves interest other than those required to carry on the Government machinery.

EXEMPTIONS

The following instruments, documents and papers shall be exempt from the documentary stamp tax:

- (a) Bonds, debentures and certificates of indebtedness issued by the Insular Government or any provincial or municipal government.
- (b) Checks, drafts, warrants, and bills of exchange issued in payment of any debt, obligation, or liability, or in fulfillment of any contract of the Government of the United States, or the Insular Government, or of a provincial or municipal government.
- (c) Policies of insurance or annuities made or granted by a fraternal or beneficiary society, order, association, or cooperative company, operated on the lodge system or local cooperation plan, and organized and conducted solely by the members thereof for the exclusive benefit of its members and not for profit.
- (d) Certificates of oaths administered to any Government official, in his official capacity, or of acknowledgment by any Government official in the performance of his official duties; written appearances in any court by any Government official, in his official capacity; certificates of the administration of oaths to any person as to the authenticity of any paper required to be filed in court by any person or party thereto, whether the proceedings be civil or criminal; papers and documents filed in courts for the military, naval, insular, provincial or municipal governments, whether civil or criminal; affidavits of poor persons for the purpose of proving poverty; statements and other compulsory information required of persons or corporations by rules and regulations of the military, naval, insular, provincial or municipal governments exclusively for statistical purposes and which are wholly for the use of the Bureau in which the same are filed, and not at the instance of, or for the use or benefit of, the person filing the same; certified copies and other certificates placed upon documents, instruments, and papers for the military, naval, insular, provincial, or municipal governments, made at the instance and for the sole use of some other branch of the military, naval,

insular, provincial, or municipal governments; and certificates of the assessed value of lands, not exceeding two hundred pesos in value assessed, furnished by provincial or municipal treasurers to applicants for registration of title to land.

When any bond, note, or other obligation is secured by a mortgage, pledge, deed of trust, or by the assignment or transfer of any documentary security, one tax only shall be collected upon such papers, such tax to be at the highest rate imposed on such mortgage, bond, note, obligation or other document as the case may be. (Section 1450, Act No. 2711)

SECTION 202 – EXEMPTIONS UNDER THIS SECTION

Under the provisions of Section 1450 of the Administrative Code, the following papers are also exempt from the documentary stamp taxes:

- (a) Certified copies of documents filed in any office of the Government, when furnished to officers of the Federal or Insular Governments for official purposes.
- (b) Tax deeds and certificates of acknowledgment thereon.
- (c) Deeds to property donated to the Government.
- (d) Bonds for the appearance of defendants; and affidavits of bondsmen as to their solvency filed in criminal cases.
- (e) Certificates to oaths administered to sureties on bond of shipper of forest products required by regulations of the Bureau of Internal Revenue.
- (f) Bank reports required under Section 1501 of the Administrative Code.
- (g) Certificates of ownership and transfer of cattle.
- (h) Enlistment papers of soldiers of the Philippine Constabulary.
- (i) Leases, contracts, and certificates of sale affecting Government "friar lands" and assignments of the same so long as the land remains the property of the Government.
- (j) Affidavits of transfer of property, Provincial Form (9-a), are not deeds but are forms required solely for the use and benefit of the Government for statistical purposes and are therefore exempt from documentary stamp taxes.
- (k) Certificates of origin issued by the Bureau of Customs (Customs Form 471).
- (l) Ordinary bills of sale of personal property.
- (m) *Bill of sale for a steamship* – A bill of sale for a steamship is not subject to the documentary stamp tax unless there is incorporated and described therein, either written or printed, a matter or thing which would cause the contract or a part thereof to become a document, instrument, or paper upon which a tax is specifically imposed, such as carrying with it a specific promise to pay, etc., in which case the bill of sale would be subject to such documentary stamp tax as is required upon the matter incorporated in and made a part of the bill of sale, that is, the specific document of which this bill of sale partakes.
- (n) *Certificates of acknowledgments on instruments* – No documentary stamps are required on certificates of acknowledgments to deeds, leases, powers of attorney, mortgages, or any documents taxed under paragraphs (t), (u), (v), (w), and (x) of Section 1449 of the Revised Administrative Code, when such certificates are a necessary part of the instrument, but one documentary stamp tax will be collected on the instrument.

ADMINISTRATIVE PROVISIONS

SECTION 203 – MANNER OF PAYMENT OF STAMP TAX

The documentary stamp tax imposed in Section 1449 of the Revised Administrative Code, as amended by Act No. 3047, shall be paid under administrative Schedule J by the purchase and affixture of documentary stamps of the proper value to the document or instrument taxed or to such other paper as may be indicated by law as the proper recipient of the stamp. Provided, that in cases of warehouse receipts, certificates of stock, passage tickets, and other documents having stubs or duplicates kept by the persons issuing the same, said stamps should be adhered to the stubs or to the duplicates thereof, and that a note initialed by a responsible person on the face of such documents be made as follows:

"Documentary stamps to the value of P _____ have been affixed on the stub or to the duplicate (as the case may be)."

SECTION 204 – CANCELLATION OF DOCUMENTARY STAMPS

The cancellation of documentary stamps affixed to taxable documents should be accomplished by writing or stamping the date across the face of the stamp itself and part on the paper to which it is attached. No manner of canceling documentary stamps other than that provided for in Section 1451 of the Administrative Code will be considered sufficient, and noncompliance with the provisions of that section will subject the offender to prosecution under Section 2721 of the same Code. Both the person issuing and the one accepting any document to which the law requires that documentary stamps be affixed are liable for failure to affix and properly cancel such stamps.

SECTION 205 – MANNER OF PAYMENT OF FINES IMPOSED UNDER SECTION 2721 OF THE ADMINISTRATIVE CODE, AS AMENDED BY SECTION 16 OF ACT NO. 2835

All fines imposed under the provisions of Section 2721 of the Administrative Code, as amended by Section 16 of Act No. 2835, shall be paid by the purchase and affixture of stamps to the document or documents involved in the case. Provided, that if such documents are not available, the fine may be paid by the affixture and cancellation of stamps to a blank sheet of paper. No special report of collections of fines for violations of this section is required. All offers of compromise made for violation of law concerning the documentary stamp tax shall be deposited and accounted for by the purchase and affixture of documentary stamps to the back of the original signed admission of guilt, B.I.R. Form No. 418, except the stamp covering the tax which should be affixed to the document and properly cancelled.

SECTION 206 – DENOMINATIONS OF DOCUMENTARY STAMPS

Documentary stamps, in sheets, will be issued in denominations of 100, 50, 20, 10, 3, and 1 pesos, and 50, 20, 10, 4, and 2 centavos, and will be furnished upon requisition to provincial treasurers who shall keep their deputies supplied with the same.

**SECTION 207 – SALES OF DOCUMENTARY STAMPS;
NO SPECIAL RECORD REQUIRED**

Deputy provincial treasurers shall sell documentary stamps to any person who applies for the same. No special record of sale is required to be kept.

SECTION 208 – ISSUE OF DOCUMENTARY STAMPS TO BONDED OFFICIALS

In cases where it is necessary to accommodate the public, provincial treasurers may issue to bonded officials documentary stamps on memorandum receipt. In order to transfer the responsibility for the value of such stamps from the accountable officer to the bonded officials receiving them, the designation of such officials must be changed by the addition of: *Agent in charge of the sale of internal revenue stamps.*

**SECTION 209 – DUTIES OF NOTARIES PUBLIC AND OTHER OFFICERS
AUTHORIZED TO ADMINISTER OATHS**

Section 2 of Act No. 2835 provides that "no notary public or other officer authorized to administer oaths shall add his jurat to the certificate on documents subject to the documentary stamp tax unless the proper documentary stamps are affixed thereto and cancelled."

SECTION 210 – DUPLICATES OF DOCUMENTS WHICH ARE SUBJECT TO TAX

The duplicate of a document would only be subject to the stamp tax where the same has been substituted and used in place of the original, and the original itself can not be reached by taxation. The documentary stamp tax provided for in Section 1449 of the Administrative Code can only be imposed once with respect to each of the transactions enumerated in the said section, so that even if the instrument embodying such transaction is executed in duplicate, only one of the copies need bear the required documentary stamp, and the copy to which the stamp is affixed shall be considered as the original.

SECTION 211 – EFFECTIVE DATE

The Regulations shall take effect upon their promulgation in the Official Gazette.

Appendix 9
EFFECTIVITY DATES OF CERTAIN LEGISLATIONS

RMO No. 3-75 - January 9, 1975
PD No. 1045 - November 5, 1976
RR No. 9-76 - December 6, 1976
RR No. 9-77 - August 29, 1977
PD No. 19-59 - October 10, 1984
RR No. 5-88 - August 30, 1988
RR No. 5-91 - October 30, 1991
RR No. 7-92 - October 5, 1992
RMO No. 21-93 - April 12, 1993
PD No. 19-94 - November 5, 1995

Appendix 10
MATERIALS SUBMITTED BY MRS. LEONILA BULAON
IN CONNECTION WITH THE DST PROJECT

- Comparative Collections on DST 1998/1999
- Forms Bundle – BIR Form No. 2000/2002
- BIR Rulings and Revisions pertaining to DST
- Historical Background of DST
- List of documents/instruments that needs DST affixture
- Source document on default payment on DST-RDC-4C
- One (1) folder DST ledger on metered machine
- DST Collections for 1998 (Electronic)
- DST Collections for 1998 (Metered Machine)
- Transmittal List (1998) on BIR Form 2000 – East Manila
- DST Collections for the whole BIR (1998)
- Process Flows – Metered Machines
- Process Flows – Electronic
- Methods of DST Affixture
- DST Collection (Constructive: Capital Gains/Stocks)
- Breakdown of DST Collection – 1 Commercial Bank (Electronic)
- Insurance Data (Premiums, Policies, etc.)
- Monthly Collection Report (RDO Form 12.09)

**Documentary Stamp Tax
Revenue Regulations and
Revenue Memorandum Orders
1976-1998**



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE



BUREAU OF INTERNAL REVENUE

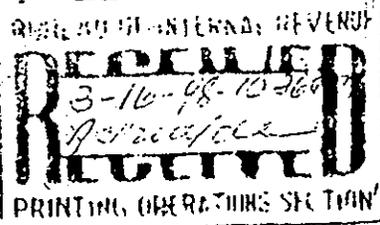
RECORDS DIVISION

MAR 13 1998

11 March 1998

RECEIVED

REVENUE MEMORANDUM ORDER No. 25-98



SUBJECT: Prescribing Policies for the Amendment / Clarification of RMO No. 8-98
on The Corporate Stock Documentary Stamp Tax (DST) Program

TO: All Internal Revenue Officers and Others Concerned

I. RATIONALE

It has been observed that a considerable number of existing corporations covered by the provisions of RMO No. 8-98 were incorporated several years prior to the use of BIR Form No. 2000 in 1996. As such, these corporations have expressed their need for more time within which to gather from their corporate records evidences of payment for documentary stamps taxes paid on the original issuance of shares of stock.

II. OBJECTIVE

This Order is issued to amend and/or clarify the pertinent provisions of RMO No. 8-98 relative to:

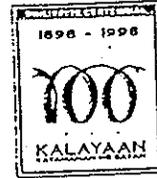
1. The deadline for the filing of BIR Forms 2000 and 2000-A, and the payment of the corresponding documentary stamps tax on subscribed shares of stock (if applicable), by existing corporations; and
2. The evidences of payment that may be submitted by existing corporations as proof that they have fully paid the documentary stamps tax for the issuance of subscribed shares of stock.

III. POLICIES

1. The time for filing of BIR Form Nos. 2000 and 2000-A by existing corporations for documentary stamps tax on subscribed shares of stock is extended to *Tuesday, March 31, 1998.*



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE



BUREAU OF INTERNAL REVENUE
RECORDS DIVISION

4:24 P.M.
FEB 13 1998

10 February 1998

RECEIVED

REVENUE MEMORANDUM ORDER NO. 8-98

SUBJECT : Corporate Stock Documentary Stamp Tax (DST) Program
TO : All Internal Revenue Officers and Others Concerned

I RATIONALE

Relative to the imposition of Documentary Stamp Tax on issuances of shares of stocks:

- 1 It has been observed that most corporations limit payment of documentary stamp taxes to certificates issued on paid-up capital stocks;
- 2 The Supreme Court ruled that the documentary stamp tax on original issues of certificates of stock attaches upon acceptance of the stockholder's subscription in the capital stock of a corporation regardless of the physical issuance and delivery to the stockholder of the certificate of stock evidencing his stockholding as enunciated by the Supreme Court in the case of the Commissioner of Internal Revenue vs. Construction Resources of Asia, Inc.;
- 3 Revenue Memorandum Circular No. 47-97 clarified that what is being taxed is the privilege of issuing shares of stock, and, therefore, the taxes accrue at the time the shares are issued. Further, issuance means the point at which the stockholder acquires and may exercise attributes of ownership over the stocks; and
- 4 Republic Act No. 8424 otherwise known as the "Tax Reform Act of 1997" further clarifies that the DST on original issues of shares of stock shall attach, upon acceptance by the corporation of the stockholder's subscription, regardless of the actual delivery of the certificates of stock pursuant to Section 175 of the Tax Code, as amended.

IV PROCEDURES

1 For the Taxpayer;

1.1 The corporation shall accomplish the DST Return (BIR Form No. 2000), together with the prescribed Annexes, in triplicate.

1.2 The corporation shall file the Return and pay the corresponding DST with the AAB or the Collection Agent/City/Municipal Treasurer at designated dates prescribed above.

All existing corporations that have already fully paid their DST on issuances of subscribed shares of stock must file their Corporate Stock DST Declaration (Annex A), together with photocopies of the duly-received DST Return (BIR Form No. 2000) and other evidences of payment, with the Revenue District Office where the corporation is registered.

1.3 The Corporate Secretary shall update accordingly the Stock and Transfer Book of the corporation, by recording all DST payments made for all shares subscribed or paid for.

2 For the Revenue Districts:

The Revenue District Officers shall make available sufficient copies of BIR Form No. 2000 and the Annexes herein prescribed to the AABs and the requesting taxpayers.

The procedures on the receipt, transmittal and processing of tax returns filed thru the AABs as well as the processing and submission of Batch Control Sheets (BCS) shall be as prescribed under RMO No. 29-91, RMO No. 16-92 and RMO No. 61-94. In case of Computerized Revenue Districts, the procedures provided in the Operations Manual relative to the Registration System (REG), the Collection and Bank Reconciliation System (CBRS) and the Returns Processing System (RPS) shall govern. In addition, the following procedures shall be observed:

*Noted
RDO*

2.1 For Non-Computerized Districts:

2.1.1 The Revenue District Office shall segregate the returns filed under the Corporate DST Program under this Order from the regular returns, upon retrieval of the returns from AABs.

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RECORDS DIVISION
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- b. The QAD shall then prepare the account adjustment form for penalty remission.

what about new corp - in hand. & there any penalty?

3 For the Revenue Regional Offices:

- 3.1 Gather the returns filed under the corporate DST program and evaluate these returns;
- 3.2 Prepare and submit a consolidated corporate DST Collection Report and a listing of the corporations and their issuances of shares of stocks to the Assistant Commissioner for Assessment Service;

*why not to call the Service?
are there reports not a duplicate
we can compare public*

4 For the Assessment Service:

- 4.1 The National Assessment Support Task Force (NASTF), under the Assistant Commissioner (Assessment Service), shall monitor the implementation of the corporate DST in the Regional Offices; and
- 4.2 Consolidate the DST reports of the Regional Offices
- 4.3 Submit a Monthly Collection Report, together with the corresponding analysis, to the Collection Service, copy furnished the Management Committee (MANCOM).

*why should do this analysis
is this part the job of call. lab.*

V PENALTY CLAUSE

1 There shall be imposed, in addition to the DST required to be paid, a surcharge equivalent to twenty-five percent (25%) of the amount due, in the following cases:

- 1.1 Failure to file the return and pay the tax due thereon on or before the time prescribed by Items 1, 2 and 3 of the Policies and Guidelines of this Order.
- 1.2 Failure to pay the full amount of tax shown on any return required to be filed under this Order.

is this retroactive report.

2 In case of wilful neglect to file the return within the period prescribed by this Order, or in case a false or fraudulent return is wilfully made, the penalty to be imposed shall be fifty percent (50%) of the total amount due.

3 In addition to the penalties herein imposed, penal liabilities, as provided by law, shall be imposed upon the responsible corporate officers for each

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Republika ng Pilipinas
Kagawaran ng Pananalapi
Kawanihan ng Rentas Internas

**CORPORATE STOCK DOCUMENTARY
STAMP TAX (DST) DECLARATION
FOR NEW CORPORATION**

BIR Form No.

2000-B

February 1998

Date of Declaration

--	--	--	--	--	--	--	--

Corporate Name

--

Taxpayer Identification No.

--	--	--	--	--	--	--	--	--	--

Date of Incorporation

--	--	--	--	--	--	--	--

PSIC Code

--	--	--	--	--	--

Business Address

Authorized Capital Stock

No. of Shares

--

Par Value

--

Total Authorized Capital

--

Subscribed Capital Stock

Date of Subscription

--	--	--	--	--	--	--	--

No. of Shares

--

Par Value

--

Amount

--

DST Computation

Subscribed Capital Stock

--

DST Per P200

--

Total DST Due

--

I declare, under the penalties of perjury, that this declaration has been made in good faith, verified by me, and to the best of my knowledge and belief, is true and correct, pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof.

President's Signature Over Printed Name

TIN: _____

Corporate Secretary's Signature Over Printed Name

TIN: _____



Republika ng Pilipinas
Kagawaran ng Pananalapi
Kawanihan ng Rentas Internas

**CORPORATE STOCK DOCUMENTARY STAMP
TAX (DST) DECLARATION FOR EXISTING
CORPORATIONS ON ADDITIONAL STOCK
AUTHORIZATION AND NEW SUBSCRIPTION**

BIR Form No.

2000-C

February 1998

Date of Declaration

--	--	--	--	--	--

Corporate Name

--	--	--	--	--	--	--	--	--	--

Taxpayer Identification No.

--	--	--	--	--	--	--	--	--	--

Date of Incorporation

--	--	--	--	--	--

PSIC Code

--	--	--	--	--	--

Business Address

Additional Authorized Capital Stock:

No. of Shares

--	--	--	--	--	--

Par Value

--	--	--	--	--	--

Total Additional Authorized Capital Stock

--	--	--	--	--	--

Subscribed Capital Stock

Date of Subscription

--	--	--	--	--	--

No. of Shares

--	--	--	--	--	--

Par Value

--	--	--	--	--	--

Amount

--	--	--	--	--	--

DST Computation

Subscribed Capital Stock

--	--	--	--	--	--

DST Per P200

--	--	--	--	--	--

Total DST Due

--	--	--	--	--	--

I declare, under the penalties of perjury, that this declaration has been made in good faith, verified by me, and to the best of my knowledge and belief, is true and correct, pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof.

President's Signature Over Printed Name

Corporate Secretary's Signature Over Printed Name

TIN: _____

TIN: _____

Mandatory Requirement: Xerox copy of Form 2000-A or Form 2000-B should be attached to this Form upon filing



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE



BUREAU OF INTERNAL REVENUE
RECORDS DIVISION

NOV 13 1997
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November 12, 1997

REVENUE MEMORANDUM CIRCULAR NO. 47-97

SUBJECT : Documentary Stamp Tax on Original Issues of Certificates of Stock.

TO : All Internal Revenue Officers and Others Concerned.

It has been observed that there are many corporations which have not paid the documentary stamp taxes on their original issues of shares of stock required under Section 175 of the Tax Code, as amended, and its implementing rules and regulations.

Under the BIR Handbook on National Internal Revenue Taxes (1988 Edition), the Opinion of the Secretary of Justice cited therein, and the jurisprudence enunciated by the Supreme Court, the documentary stamp tax on original issues of certificates of stock as provided under Sec. 175 of the Tax Code attaches upon acceptance of the stockholder's subscription in the capital stock of a corporation regardless of the physical issuance and delivery to the stockholder of the certificate of stock evidencing his stockholding.

Thus, the Supreme Court in the case of Commissioner of Internal Revenue vs. Construction Resources of Asia, Inc. and the Court of Tax Appeals (L-68230, November 25, 1986, 145 SCRA 671) held that *'the delivery of the certificates of stock to the x x x stockholders, whether actual or constructive, is not essential for the documentary x x x stamps taxes to attach. What is taxed is the privilege of issuing shares of stock and, therefore, the taxes accrue at the time the shares are issued.x x x'*

It simply means therefore that the documentary stamp tax attaches upon acceptance by the corporation of the stockholder's subscription in the capital stock of the corporation, and that the meaning of the term "original issue" of the certificate of stock is - the point at which the stockholder acquires and may exercise attributes of ownership over the stocks. The stocks can be alienated; the dividends or fruits derived therefrom can be enjoyed, and they can be conveyed, pledged or encumbered. The certificate is irrespective of whether or not it is in the actual or constructive possession of the

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stockholder, is considered issued because it is with value and hence the documentary stamp tax must be paid. A person may therefore own shares of stock without possessing a certificate of stock.

It is well settled as a general rule of Corporation Law that a subscriber for stock in a corporation or purchaser of stock becomes a stockholder as soon as his subscription is accepted by the corporation whether a certificate of stock is issued to him or not, and although he may have no certificate, he is thereupon entitled to all the rights and is subject to all the liabilities of a stockholder. (SEC Opinion dated December 16, 1983 citing 11 Fletcher Cyc. Corp., 5094)

All revenue officials and employees are enjoined to give this circular as wide a publicity as possible.

Liwayway Vinzons-Chato

LIWAYWAY VINZONS-CHATO
Commissioner of Internal Revenue

B-1-ESC
dst-rmc

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RECORDS DIVISION

NOV 13 1997
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DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

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RECORDS DIVISION
JAN 31 1997
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January 31, 1997

REVENUE REGULATIONS NO. 5-97

SUBJECT: Revised Regulations Prescribing the New Procedures on the Purchase and Affixture of Documentary Stamp on Taxable Documents/Transactions.

TO: All Internal Revenue Officers and Others Concerned.

SECTION 1. Scope. - Pursuant to Sections 4 and 245 in relation to Section 200 of the National Internal Revenue Code, as amended, these Regulations are hereby promulgated to prescribe the new procedures on the manner of purchase and affixture of documentary stamp upon taxable documents/transactions.

SEC. 2. Purchase and affixture of loose documentary stamps or Actual Stamping System. -

- 2.1. Any person may purchase loose documentary stamps not exceeding P200.00 for future application upon taxable documents/transactions from Revenue Collections Officers.
- 2.2. Loose documentary stamps shall be allowed to be used only when the amount of documentary stamp tax due on a taxable document /transaction does not exceed P10.
- 2.3. Cancellation of the documentary stamp affixed to the taxable documents must be done by writing two lines across the stamp and portion of the document to which it is affixed, and indicating the date of affixture thereto by perforation as to render it un reusable.

SEC. 3. Purchase and Affixture of Documentary Stamps Through Constructive Stamping on Taxable Documents/Transactions or Receipts System. -

- 3.1. Any person may at any one time purchase documentary stamps for constructive affixture on each taxable documents/transactions if the amount of documentary stamp tax due is ten pesos (P10.00) or more.
- 3.2. In lieu of the actual documentary stamps, the duplicate copy or certified xerox copy of proof of payment may be affixed on each document.
- 3.3. Advance purchase of documentary stamps for future application on taxable documents/transactions shall not be allowed through the constructive stamping or receipt system.

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SEC. 4. New Procedure on Purchase of Documentary Stamp for Use in BIR Registered Metering Machine. - Purchase of Documentary Stamps for future applications not covered by Sections 2 and 3 of these Regulations shall be allowed only to persons authorized to use BIR Registered Metering Machine under Revenue Regulations No. 7-92, dated September 7, 1992.

SEC. 5. Documentary Stamp Tax Declaration. - The following persons are required to accomplish and file a documentary stamp tax declaration under BIR Form 2000:

5.1 Any person liable to pay documentary stamp tax on a taxable document or transaction when the tax due amounts to more than P200. The DST declaration form shall be filed with and the tax paid to the Authorized Agent Bank (AAB). In places where there are no Authorized Agent Banks, said declaration shall be filed with the Revenue Collection Officer or duly authorized City or Municipal Treasurer in the Philippines.

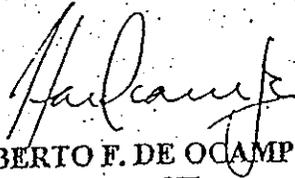
5.2 Any Revenue Collection Officer, duly authorized to sell loose documentary stamps shall accomplish and file the DST Declaration within five (5) days after the close of each week, showing among others, the amount of documentary stamps sold for the preceding week, which is intended to be replenished. The DST declaration shall be filed by the Revenue Collection Officer and the amount collected from the sale of loose stamps paid to any Authorized Agent Bank, using the dummy TIN of his/her RDO. In addition to the declaration, the Revenue Collection Officer shall accomplish General Form 16A in accordance with Section 445 of the Government Accounting and Auditing Manual.

5.3 Any person duly authorized to use DST Metering Machine shall file a DST Declaration under BIR Form No. 2000 each time documentary stamps are purchased for loading or reloading on the said machine. This declaration shall be filed with any duly Authorized Agent Bank, Revenue Collection Officer, or duly authorized City or Municipal Treasurer in the Philippines. The amount of documentary stamps to be reloaded on the Metering Machine should be equal to the amount of documentary stamps consumed from previous purchase. The details of usage or consumption of documentary stamps should be indicated on the declaration.

SEC. 6. Penalty Clause. - Any violation of the provisions of these Regulations shall be penalized under the pertinent provisions of the National Internal Revenue Code, as amended.

SEC. 7. Repealing Clause. - The provisions of any revenue regulations, memorandum order, memorandum circular or any other issuance of the BIR inconsistent with these Regulations are hereby repealed, amended, or modified accordingly.

SEC. 8. Effectivity Clause. - These Regulations shall take effect fifteen (15) days after publication in the Official Gazette or any newspaper of general circulation, whichever comes first.



ROBERTO F. DE OCAMPO
Secretary of Finance

Recommending Approval:



LIWAYWAY VINZONS-CHATO
Commissioner

B-ALT
dstl

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RECORDS DIVISION
JAN 31 1997
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REPUBLIKA NG PILIPINAS
KAGAWARAN NG PANANALAM
KAWANIHAN NG RENTAS INTERNAS
Lungsod ng Quezon

BUREAU OF INTERNAL REVENUE
RECORDS DIVISION

NOV - 2 1994 *ful*

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BIR LIBRARY

October 25, 1994

REVENUE MEMORANDUM ORDER NO. 64-94

Addendum to RMO No. 21-93 dated
December 21, 1992

SUBJECT : Sealing of Documentary Stamps Metering Machines (DSMM)
Used by Authorized Taxpayers/Users pursuant to Sec. 4,
paragraph "d" of Revenue Regulations No. 7-92:

T O : All Internal Revenue Officers and Others Concerned

I. Objectives:

1. To set up specific guidelines in handling and safekeeping of Padlock Seals of Documentary Stamps Metering Machines; and
2. To set up adequate security measures to prevent tampering or occurrence of fraud in the use and operation of Documentary Stamps Metering Machines.

II. Guidelines and Procedures:

In order to have control of the use and operation of Documentary Stamps Metering Machines (DSMM), the Chief Collection Division of the Region concerned is tasked to keep records or inventory of all duly registered and unregistered DSMM within their respective jurisdictional areas. Said machines should be properly sealed after having been re-registered with the Office of the Collection Programs Division, National Office Bldg., Quezon City, using the newly prescribed new Padlock Seals which are numbered, to prevent fraud or tampering of machines.

A. The Chief Collection Division shall:

1. With the approval of the Regional Director, be tasked to requisition from the Property Division Padlock Seals for the use of the Region and act as custodian of same;
2. Keep or maintain complete records of all requisitions and issuances of padlock seals, indicating therein the serial numbers;

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The Chief, Collection Programs Division

5. Submit a monthly report to the Assistant Commissioner for Collection, of the total receipts and distribution of Padlock Seals, per Regional Offices, and distribution therein the respective serial numbers, indicating

- 3 -

- 2 -

Everytime a taxpayer/user loads or reloads DSM, he shall be issued a new padlock seal by the Chief of the Collection Division, for which he shall pay a sealing and/or re-sealing fee of P20.00 per piece.

3. Keep the used seals in safe containers of sealed envelopes for safekeeping;
4. Every 5th day of the succeeding month, prepares and submits an inventory of used and unused seals and thereafter surrender them to the General Services Division, BIR National Office, Diliman, Quezon City;
5. Submit a monthly report to the Chief, Collection Programs Division, NCB, Quezon City, indicating therein the serial numbers of the seals, the names of taxpayers/users and the corresponding Revenue District where the machines are located; and
6. Submit a monthly report to the Chief, Collection Programs Division, of the total used seals surrendered to the Chief, General Services Division indicating the serial numbers of the used seals. The serial numbers of the used seals shall be counter-checked against the numbers of the requisitions.

B. The Chief, General Services Division Shall:

1. Act as the exclusive custodian of Documentary Stamps Metering Machines Padlock Seals;
2. Maintain a permanent record book of all purchases and distribution of the D.S.M.M. seals under his custody, indicating the following:
 - a. Date of purchase, quantity and amount and serial numbers;
 - b. Date of requisition, requisition numbers, requisitioning office, serial numbers and number of seals requisitioned. A running balance should be maintained in order to determine the inventory at any given time.
3. Acknowledge receipt of all used seals surrendered by the Collection Division, for verification and accounting purposes to ascertain the accountability of the seal custodian;
4. Keep a permanent register or record/control book of all surrendered seals per Revenue District and/or Region, and shall submit a monthly report to the Chief, Collection Programs Division; and

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Everytime a taxpayer/user loads or reloads
DSM, he shall be issued a new padlock seal by
the Chief of the Collection Division, for which
he shall pay a sealing and/or re-sealing fee of
\$20.00 per piece.

- 2 -

- 3 -

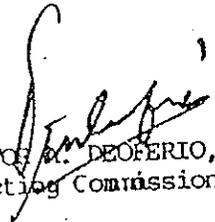
5. Submit a monthly report to the Assistant Commissioner for Collection, of the total receipts and distribution of Padlock Seals, per Regional Offices, indicating therein the respective serial numbers.

The Chief, Collection Programs Division, shall likewise consolidate all the monthly reports submitted by the Chiefs of Collection Divisions and Chief, General Services Division. He shall verify, counter-check and reconcile the monthly reports thru the designated Chief, Documentary Stamps Metering Machines Unit, in order to determine whether there are some irregularities or anomalies in the handling and safe-keeping and sitribution of the seals.

Failure on the part of the offices/officers concerned, to perform their assigned task shall subject them to Administrative sanction.

This Memorandum Order amends the provisions of RMO No. 21-93 dated December 21, 1992 which are inconsistent herewith and shall take effect immediately.

For the information and guidance of everyone concerned.


VICTOR M. DEOFERIO, JR.
Acting Commissioner

BUREAU OF INTERNAL REVENUE
RECORDS DIVISION

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REPUBLICA NG PILIPINAS
KAGAWARAN NG PANANALAPI
KAWANIHAN NG RENTAS INTERNAS

BUREAU OF INTERNAL REVENUE
RECORDS DIVISION

APR 26 1994

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March 8, 1994

REVENUE REGULATIONS NO. 9-94

SUBJECT: Republic Act No. 7660, An Act Rationalizing Further the Structure and Administration of the Documentary Stamp Tax, Amending for the Purpose Certain Provisions of the National Internal Revenue Code, as Amended.

TO : All Internal Revenue Officers and Others Concerned.

SECTION 1. SCOPE. - Pursuant to Sections 4 and 245 of the National Internal Revenue Code (NIRC), as amended, in relation to Section 23 of Republic Act No. 7660, these regulations are hereby promulgated to implement the provisions of said Act which rationalizes further the structure and administration of the documentary stamp tax, amending for the purpose Sections 173, 174, 175, 176, 178, 179, 180, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, Title VII of the National Internal Revenue Code (NIRC).

SEC. 2. PERSONS LIABLE. - Upon documents, instruments, loan agreements, and papers and upon acceptances, assignments, sales and transfers of the obligation, right or property incident thereto, documentary stamp taxes for and in respect of the transaction so had or accomplished shall be paid as hereinafter prescribed by the person making, signing, issuing, accepting, or transferring the same, wherever the document is made, signed, issued, accepted, or transferred when the obligation or right arises from Philippine sources or the property is situated in the Philippines, and at the same time such act is done or transaction had: Provided, That whenever one party to the taxable document enjoys exemption from the tax herein imposed, the other party who is not exempt shall be the one directly liable for the tax.

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SEC. 3. *DEFINITION OF TERMS.* - For purposes of these Regulations, the following terms shall mean:

(a) "Act" - refers to Republic Act No. 7660.

(b) "Loan agreement" - refers to a contract in writing where one of the parties delivers to another money or other consummable thing, upon the condition that the same amount of the same kind and quality shall be paid. The term shall include credit facilities, which may be evidenced by credit memo, advice or drawings.

The terms "Loan Agreement" under Section 180 and "Mortgage" under Section 195, both of the Tax Code, as amended, generally refer to distinct and separate instruments. A loan agreement shall be taxed under Section 180, while a deed of mortgage shall be taxed under Section 195.

(c) "Securities" - include bonds, debentures, notes, evidence of indebtedness, shares in a company, pre-organization certificates or subscriptions, investment contracts, certificates of interest or participation in a profit sharing agreement, collateral trust certificates, equipment trust certificates (including conditional sale contracts or similar interests or instruments serving the same purposes) voting trust certificates, certificates of deposit for a security or fractional undivided interest in oil, gas or other mineral rights or in general, interests or instruments commonly considered to be "securities," or certificates of interests or participation in, temporary or interim certificates for, receipts for, guarantees of or warrants or rights to subscribe to or buy or sell any of the foregoing; or commercial papers evidencing indebtedness of any person, financial or non-financial entity, irrespective of maturity, issued, endorsed, sold, transferred or in any manner conveyed to another, with or without recourse, such as promissory notes, repurchase agreements, certificates of assignments, certificates of participation, trust certificates or similar instruments; or proprietary or non-proprietary membership certificates, commodity future contracts, transferable stock options, pre-need plans, pension plans, life plans, joint venture contracts, and similar contracts and investments where there is no tangible return on investments plus profits but an appreciation of capital as well as enjoyment of particular privileges and services. (Revised Securities Act.)

(d) "When the obligation or right arises from Philippine sources" - means the obligation, i.e., the juridical necessity to give, to do or not to do, or the right arises from sources within the Philippines.

(e) "The property is situated in the Philippines" - means the property, real or personal, is located in the Philippines.

(f) "Promissory note" - refers to an instrument, whether negotiable or non-negotiable, whereby the maker agrees (promises) to pay a sum certain in money or its equivalent at a definite time.

(g) "Lotto" - refers to a numbers game authorized by law which includes, but is not limited to, lottery, drawing, sweepstakes or sweep draft lottery, raffle, pick six, pick four, tombola, number lottery, numbers pool, numbers game or policy, Chinese lottery, interest lottery, Dutch or class lottery, tontine, grab bag or barrel or box.

(h) "Beginning 1996" - means beginning January 1, 1996.

(i) "At the same time such act is done or transaction had" - means on the same date the document was executed, i.e., made, signed, issued, accepted or transferred.

(j) "Government instruments or securities" - refer to bonds, debentures, notes, certificates, or other evidence of indebtedness issued by the government or by any of its political subdivisions.

SEC. 4. TIME AND MANNER OF PAYMENT OF DOCUMENTARY STAMP TAX. - The documentary stamp tax shall be paid by the purchase and affixture of the documentary stamp(s) to the document or instrument taxed or to such other papers as may be indicated by law or regulations as the proper recipients of the stamp and by the subsequent cancellation of the documentary stamp which may be done by writing, stamping or perforating the date of the cancellation across the face of each stamp in such a manner that part of the writing, impression, or perforation shall be on the stamp itself and partly on the document to which the stamp is attached.

If, however, the amount of the documentary stamp tax due on the taxable document is ten pesos (P10.00) or more, the documentary stamp tax shall be paid

by the taxpayer at the time the act is done or transaction had, and instead of affixing actual documentary stamp on the face of the taxable document, the information shown on the evidence of payment of the documentary stamp tax due on the document, that is, the official receipt number of the evidence of payment, date of payment, amount paid, and the name of the payor, shall be written on the face of the document or on any suitable space in the document.

SEC. 5. STAMP TAX ON ISSUANCE OF CERTIFICATES OF STOCK. - A documentary stamp tax shall be imposed only on fully paid shares of stocks at two pesos (P2.00) on each two hundred pesos, or fractional part thereof, of the par value of the certificate of stock. In the case of original issuance of stock without par value, the tax base shall be the actual consideration received by the association, company, or corporation for the issuance of such stock, and in the case of stock dividends on the actual value represented by each share.

The documentary stamp tax is imposed on the privilege of issuing shares of stock; it accrues at the time the shares are issued. Therefore, the delivery of the certificates of stocks to stockholders is not essential for the documentary stamp tax to attach.

SEC. 6. STAMP TAX ON ALL LOAN AGREEMENTS. - All loan agreements, whether made or signed in the Philippines, or abroad when the obligation or right arises from Philippine sources or the property or object of the contract is located or used in the Philippines shall be subject to the documentary stamp tax of thirty centavos (P0.30) on each two hundred pesos, or fractional part thereof, of the face value of any such agreements, pursuant to Section 180 in relation to Section 173 of the Tax Code.

In cases where no formal loan agreements or promissory notes have been executed to cover credit facilities, the documentary stamp tax shall be based on the amount of drawings or availment of the facilities, which may be evidenced by credit/debit memo, advice or drawings by any form of check or withdrawal slip, under Section 180 of the Tax Code, as amended.

SEC. 7. LOAN SECURED BY A PROMISSORY NOTE. - In cases where a loan agreement and a promissory note are simultaneously issued and executed, the loan having been secured by the promissory note, only one documentary stamp tax shall be imposed on either loan agreement or promissory note, whichever will yield a higher tax.

SEC. 8. LOAN AGREEMENTS/PROMISSORY NOTES SECURED BY A PLEDGE/MORTGAGE. - Where only one instrument was prepared, made, signed and executed to cover a loan agreement/promissory note, pledge/mortgage, the documentary stamp tax prescribed in Section 195 of the Tax Code, as amended, shall be paid and computed on the full amount of the loan or credit granted. In this regard, the instrument shall be treated as covering only one taxable transaction, subject to the higher documentary stamp tax.

SEC. 9. PURCHASE ON INSTALLMENT BASIS. - Loan agreements or promissory notes the aggregate of which does not exceed two hundred fifty thousand (P250,000.00) pesos executed by an individual for his purchase, on installment, of a house, lot, motor vehicle, appliance or furniture, for his personal use or that of his family and not for business, resale, barter or hire, shall be exempt from the payment of the documentary stamp tax imposed under Section 180 of the Tax Code, as amended.

For this purpose, where several promissory notes have been executed to secure a loan agreement or where such promissory notes pertain to the same object, the value shall be aggregated and the promissory notes shall be taken as one.

Where the purchase on installment exceeds two hundred fifty thousand pesos, the whole purchase price shall be subject to the documentary stamp tax prescribed under Section 180 of the Tax Code, as amended.

SEC. 10. GOVERNMENT INSTRUMENTS AND SECURITIES. - Instruments and securities issued by the government or any of its instrumentalities are subject to the documentary stamp tax of thirty centavos (P0.30) on each two hundred pesos, or fractional part thereof, of the face value of any such securities of instruments.

SEC. 11. RATES OF DOCUMENTARY STAMP TAXES under Sections 174, 175, 176, 178, 179, 180, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, and 197, Title VII of the National Internal Revenue Code, as amended by Republic Act No. 7660.

SEC. 174. Stamp tax on bonds, debentures, and certificates of indebtedness. - On all bonds, debentures, and certificates of indebtedness issued by any association, company, or corporation, there shall be collected a documentary stamp tax of one peso and fifty centavos (P1.50) on each two hundred pesos, or fractional part thereof, of the face value of such documents.

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SEC. 175. Stamp tax on original issue of certificates of stock. - On every original issue, whether on organization, reorganization or for any lawful purpose, of certificates of stock by any association, company, or corporations, there shall be collected a documentary stamp tax of Two Pesos (P2.00) on each two hundred pesos, or fractional part thereof, of the par value of such certificates: Provided, That in the case of the original issue of stock without par value the amount of the documentary stamp tax herein prescribed shall be based upon the actual consideration received by the association, company, or corporation for the issuance of such stock, and in the case of stock dividends on the actual value represented by each share.

SEC. 176. Stamp tax on sales, agreements to sell, memoranda of sales, deliveries or transfer of due-bills, certificates of obligation, or shares of certificates of stock. - On all sales, or agreements to sell, or memoranda of sales, or deliveries, or transfer of due-bills, certificates of obligation, or shares or certificates of stock in any association, company, or corporation, or transfer of such securities by assignment in blank, or by delivery, or by any paper or agreement, or memorandum or holder in any manner to the benefit of such due-bills, certificates of obligation or stock, or to secure the future payment of money, or for the future transfer of any due-bill, certificates of obligation or stock, there shall be collected a documentary stamp tax of One peso (P1.00) on each two hundred pesos, or fractional part thereof, of the par value of such due-bill, certificates of obligation or stock: Provided, That only one tax shall be collected on each sale or transfer of stock or securities from one person to another, regardless of whether or not a certificate of stock or obligation is issued, endorsed, or delivered in pursuance of such sale or transfer: and Provided, further, That in the case of stock without par value the amount of the documentary stamp herein prescribed shall be equivalent to twenty-five per centum of the documentary stamp tax paid upon the original issue of said stock: Provided, furthermore, That the tax herein imposed shall be increased to One peso and fifty centavos (P1.50) beginning 1996.

SEC. 178. Stamp tax on certificates of profits of interest in property or accumulations. - On all certificates of profits, or any certificate or memorandum showing interest in the property or accumulations of any association, company or corporation, and on all transfers of such certificates or memoranda, there shall be collected a documentary stamp tax of fifty centavos (P0.50) on each two hundred

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pesos, or fractional part thereof, of the face value of such certificate or memorandum.

SEC. 179. Stamp tax on bank checks, drafts, certificates of deposit not bearing interest, and other instruments. - On each bank check, draft, or certificate of deposit not drawing interest, or order for the payment of any sum of money drawn upon or issued by any bank, trust company, or any person or persons, companies or corporations, at sight or on demand, there shall be collected a documentary stamp tax of One peso and twenty-five centavos (P1.25): Provided, That the law herein imposed shall be increased to One peso and fifty centavos (P1.50) beginning 1996.

SEC. 180. Stamp tax on all loan agreements, promissory notes, bills of exchange, drafts, instruments and securities issued by the government or any of its instrumentalities, certificates of deposit bearing interest and others not payable on sight or demand. - On all loan agreements signed abroad wherein the object of the contract is located or used in the Philippines; bills of exchange (between points within the Philippines), drafts, instruments and securities issued by the Government or any of its instrumentalities or certificates of deposits drawing interest, or orders for the payment of any sum of money otherwise than at sight or on demand, or on all promissory notes, whether negotiable or non-negotiable, except bank notes issued for circulation, and on each renewal of any such note, there shall be collected a documentary stamp tax of thirty centavos (P0.30) on each two hundred pesos, or fractional part thereof, of the face value of any such agreement, bill of exchange, draft, certificate of deposit, or note: Provided, That only one documentary stamp tax shall be imposed on either loan agreement, or promissory notes issued to secure such loan, whichever will yield a higher tax: Provided, however, That loan agreements or promissory notes the aggregate of which does not exceed Two hundred fifty thousand pesos (P250,000) executed by an individual for his purchase on installment for his personal use or that of his family and not for business, resale, barter or hire of a house, lot, motor vehicle, appliance or furniture shall be exempt from the payment of the documentary stamp tax provided under this Section.

SEC. 184. Stamp tax on policies of insurance upon property. - On all policies of insurance or other instruments by whatever name the same may be called, by which insurance shall be made or renewed upon property of any description, including rents or profits, against peril by sea

or on inland waters, or by fire or lightning, there shall be collected a documentary stamp tax of Fifty centavos (P0.50) on each four pesos, or fractional part thereof, of the amount of premium charged: Provided, however, That no documentary stamp tax shall be collected on reinsurance contracts or on any instrument by which cession or acceptance of insurance risks under any reinsurance agreement is effected or recorded.

SEC. 185. Stamp tax on fidelity bonds and other insurance policies. - On all policies of insurance or bonds or obligations of the nature of indemnity for loss, damage, or liability made or renewed by any person, association, company or corporation transacting the business of accident, fidelity, employer's liability, plate, glass, steam boiler, burglar, elevator, automatic sprinkler, or other branch of insurance (except life, marine, inland, and fire insurance), and all bonds, undertakings, or any recognizances, conditioned for the performance of the duties of the office or position, for the doing or not doing of anything therein specified, and on all obligations guaranteeing the validity or legality of any bonds or other obligations issued by any province, city, municipality, or other public body or organization, and on all obligations guaranteeing the title to any real estate, or guaranteeing any mercantile credits, which may be made or renewed by any person, company or corporation, there shall be collected a documentary stamp tax of Fifty centavos on each four pesos, or fractional part thereof of the premium charged.

SEC. 186. Stamp tax on policies of annuities and pre-need plans. - On all policies of annuities, or other instruments by whatever name the same may be called, whereby an annuity may be made, transferred, or redeemed, there shall be collected a documentary stamp tax of one peso and fifty centavos (P1.50) on each two hundred pesos or fractional part thereof, of the capital of the annuity, or should this be unknown, then on each two hundred pesos, or fractional part thereof, of thirty-three and one-third times the annual income: On pre-need plans, the documentary stamp tax shall be at Fifty centavos (P0.50) on each Five hundred pesos (P500.00), or fractional part thereof, of the value or amount of the plan.

SEC. 187. Stamp tax on indemnity bonds. - On all bonds, for indemnifying any person, firm or corporation who shall become bound or engaged as surety for the payment of any sum of money or for the due

execution or performance of the duties of any office or position or to account for money received by virtue thereof, and on all other bonds of any description, except such as may be required in legal proceedings, or are otherwise provided for herein, there shall be collected a documentary stamp tax of Ten centavos (P0.10) on each four pesos or fractional part thereof of the premium charged: Provided, That the tax herein imposed shall be increased to Thirty centavos (P0.30) on each four pesos or fractional part thereof of the premium charged beginning 1996.

SEC. 188. **Stamp tax on certificates.** - On each certificate of damage or otherwise, and on every other certificate or document issued by any customs officer, marine surveyor, or other person acting as such, and on each certificate issued by a notary public, and on each certificate of any description required by law or by rules or regulations of a public office, or which is issued for the purpose of giving information, or establishing proof of a fact, and not otherwise specified herein; there shall be collected a documentary stamp tax of Ten pesos (P10.00): Provided, That the tax herein imposed shall be increased to Fifteen pesos (P15.00) beginning 1996.

SEC. 189. **Stamp tax on warehouse receipts.** - On each warehouse receipt for property held in storage in a public or private warehouse or yard for any other person other than the proprietor of such warehouse or yard, there shall be collected a documentary stamp tax of Ten pesos (P10.00): Provided, That no tax shall be collected on each warehouse receipt issued to any one person in any one calendar month covering property the value of which does not exceed two hundred pesos: Provided, further, That the tax herein imposed shall be increased to Fifteen pesos (P15.00) beginning 1996.

SEC. 190. **Stamp tax on jai-alai, horse race tickets, lotto, or other authorized number games.** - On each jai-alai, horse race tickets, lotto, or other authorized numbers games, there shall be collected a documentary stamp tax of ten centavos (P0.10): Provided, That if the cost of the ticket exceeds One peso (P1.00), an additional tax of Ten centavos (P0.10) on every One peso (P1.00) or fractional part thereof shall be collected.

SEC. 191. **Stamp tax on bills of lading or receipts.** - On each set of bills of lading or receipts (except charter party) for any goods, merchandise, or effects shipped from one port or place in the Philippines to another port or place in the Philippines (except in ferries across rivers), or to any foreign port, there shall be collected a documentary stamp tax of One peso (P1.00), if the value of such goods exceed One hundred pesos (P100.00), and does not exceed One thousand pesos (P1,000): ten pesos ((P10.00) if the value exceeds One thousand pesos (P1,000): Provided, however, That freight tickets covering goods, merchandise or effects carried as accompanied baggage of passengers on land and water carriers primarily engaged in the transportation of passengers are hereby exempt.

SEC. 192. **Stamp tax on proxies.** - On each proxy for voting at any election for officers of any company or association, or for any other purpose, except proxies issued affecting the affairs of associations or corporations organized for religious, charitable, or literary purposes, there shall be collected a documentary stamp tax of Ten pesos (P10.00): Provided, That the tax herein imposed shall be increased to Fifteen pesos (P15.00) beginning 1996.

SEC. 193. **Stamp tax on powers of attorney.** - On each power of attorney to perform any act whatsoever, except acts connected with the collection of claims due from or accruing to the Government of the Republic of the Philippines, or the government of any province, city or municipality, there shall be collected a documentary stamp tax of Five pesos (P5.00).

SEC. 194. **Stamp tax on leases and other hiring agreements.** - On each lease, agreement, memorandum, or contract for hire, use or rent of any lands or tenements, or portions thereof, there shall be collected a documentary stamp of Three pesos (P3.00) for the first Two thousand pesos (P2,000.00), or fractional part thereof, and an additional One peso (P1.00) for every One thousand pesos (P1,000.00) or fractional part thereof in excess of the first two thousand pesos (P2,000.00) for each year of the term of said contracts or agreement.

SEC. 195. **Stamp tax on mortgages, pledges, and deeds of trust.** - On every mortgage or pledge of lands, estate, or property, real or personal, heritable or movable, whatsoever, where the same shall be made

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as a security for the payment of any definite and certain sum of money lent at the time or previously due and owing or forborne to be paid being payable, and on any conveyance of land, estate, or property whatsoever, in trust or to be sold, or otherwise converted into money which shall be and intended only as security, either by express stipulation or otherwise, there shall be collected a documentary stamp tax at the following rates:

(a) When the amount secured does not exceed Five thousand pesos, Twenty pesos (P20.00);

(b) On each Five thousand pesos, or fractional part thereof in excess of Five thousand pesos, an additional tax of Ten pesos (P10.00).

On any mortgage, pledge, or deed of trust, where the same shall be made as a security for the payment of a fluctuating account or future advances without fixed limit, the documentary stamp tax on such mortgage, pledge or deed of trust shall be computed on the amount actually loaned or given at the time of the execution of the mortgage, pledge or deed of trust. However, if subsequent advances are made on such mortgage, pledge, or deed of trust, additional documentary stamp tax shall be paid which shall be computed on the basis of the amount advanced or loaned at the rates specified above: Provided, however, That if the full amount of the loan or credit, granted under the mortgage, pledge or deed of trust is specified in such mortgage, pledge or deed of trust is specified in such mortgage, pledge or deed of trust, the documentary stamp tax prescribed in this section shall be paid and computed on the full amount of the loan or credit granted."

SEC. 196. Stamp tax on deeds of sale and conveyance of real property. - On all conveyance, deeds, instruments, or writings, other than grants, patents, or original certificates of adjudication issued by the Government, whereby any lands, tenements or other realty sold shall be granted, assigned, transferred, or otherwise conveyed to the purchaser, or purchasers, or to any other person or persons designated by such purchaser or purchasers, there shall be collected a documentary stamp tax at the following rates:

(a) When the consideration, or value received or contracted to be paid for such realty, after making proper allowance of any encumbrance, does not exceed one thousand pesos, Fifteen pesos (P15.00).

(b) For each additional one thousand pesos, or fractional part thereof in excess of one thousand pesos of such consideration or value, Fifteen pesos (P15.00).

When it appears that the amount of the documentary stamp tax payable hereunder has been reduced by an incorrect statement, of the consideration in any conveyance, deed, instrument, or writing subject to such tax the Commissioner, provincial or city treasurer, or other revenue officer shall from the assessment rolls or other reliable source of information, assess the property of its true market value and collect the proper tax thereon.

SEC. 197. Stamp tax on charter parties and similar instruments. - On every charter party, contract, or agreement for the charter of any ship, vessel, or steamer, or any letter or memorandum or other writing between the captain, master, or owner, or other person acting as agent of any ship, vessel, or steamer and any other person or

persons for or relating to the charter of any such ship, vessel, or steamer, and on any renewal or transfer of such charter, contract, agreement, letter or memorandum, there shall be collected a documentary stamp tax at the following rates:

(a) If the registered gross tonnage of the ship, vessel, or steamer does not exceed one thousand tons, and the duration of the charter or contract does not exceed six months, Five hundred pesos (P500.00); and for each month or fraction of a month in excess of six months, an additional tax of Fifty pesos (P50.00) shall be paid.

(b) If the registered gross tonnage exceeds one thousand tons and does not exceed ten thousand tons, and the duration of the charter or contract does not exceed six months, One thousand pesos (P1,000); and for each month or fraction of a month in excess of six months, an additional tax of One hundred pesos (P100.00) shall be paid.

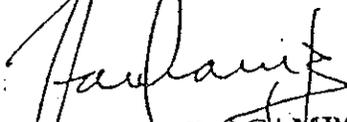
(c) If the registered gross tonnage exceeds ten thousand tons and the duration of the charter or contract does not exceed six months; One thousand five hundred pesos (P1,500); and for each month or fraction of a month in excess of six months, an additional tax of One hundred fifty pesos (P150.00) shall be paid.

SEC. 12. **PENALTY CLAUSE.** - (a) In case of late payment of the documentary stamp tax due, there shall be imposed a surcharge equivalent to twenty-five percent (25%) of the basic tax due. In case of failure to pay the basic tax and twenty-five percent (25%) surcharge within the time prescribed in the notice and demand, there shall be further assessed and collected a twenty percent (20%) interest per annum, computed on the basis of the aforesaid basic tax and surcharge.

(b) Any other violation of the provisions of these regulations shall be punishable under the pertinent provisions of Title X, Chapter II of the Tax Code, as amended.

SEC. 13. **REPEALING CLAUSE.** - All existing rules and regulations or parts thereof which are inconsistent with the provisions of these regulations are hereby revoked or modified.

SEC. 14. **EFFECTIVITY.** - These regulations shall apply to all transactions made or to documents/instruments executed or issued as of January 14, 1994, the date when Republic Act No. 7660 took effect.


ROBERTO F. DE OCAMPO
Secretary of Finance

Recommending Approval:


LIWAYWAY VINZONS-CHATO
Commissioner

BUREAU OF INTERNAL REVENUE
RECORDS DIVISION
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REPUBLIC OF PHILIPPINES
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KAWANIHAN NG RENTAS INTERNAS
Lungsod ng Quezon

BUREAU OF INTERNAL REVENUE
RECORDS DIVISION

SEP 5 1992
RECEIVED

September 7, 1992

REVENUE REGULATIONS NO. 7-92

SUBJECT: Revised Regulations on the Management of Documentary Stamps Metering Machines in the Custody of Authorized Taxpayers

Section 1. Objective. - Pursuant to the provisions of Section 245, in relation to Section 4 of the National Internal Revenue Code, as amended, these regulations are promulgated to prescribe policies and guidelines to control and monitor the installation, operation, and use of documentary stamp (DS) metering machines.

Section 2. Scope. - Any person/s or business entity/ies may apply to operate a DS metering machine and may install the same in his/her or their respective office/s or in any other place as may be designated by them.

Section 3. Duties and Responsibilities of Revenue Officials.
- To ensure the effective implementation of these regulations, the following revenue officials are hereby designated to perform pertinent duties and responsibilities:

a) The Chief, Collection Performance Evaluation Division (CPEE) shall:

- i) Serve as the record custodian of DS metering machines deployed or assigned to taxpayers/users and all other records pertinent thereto;
- ii) Conduct formal investigations whenever cases of irregularities involving the use and operation of DS metering machines are discovered, upon recommendation of the Chief of the Collection Branch concerned;
- iii) Recommend, for approval, to the Asst. Commissioner (Collection Service), the cancellation of duly approved permit issued in favor of the taxpayer/user of the DS metering machines found to be tampered and the confiscation of the "die";

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iv) Keep record of obsolete and unused DS metering machines.

b) The Chief, Collection Branch shall:

- i) Supervise the loading, re-loading and sealing of metering machines in the presence of the Resident Commission on Audit (COA) auditor or his/her duly authorized representatives and the taxpayer/user;
- ii) Keep custody of a "documentary stamp meter sealer";
- iii) Conduct meter reading before and after loading;
- iv) Recommend, for approval, to the Regional Director request/s for repair/s of defective metering machine/s;
- v) Conduct quarterly inspection of all installed DS metering machines within his jurisdictional area; and
- vi) Submit quarterly report on collection, verification and inspection of the DS metering machine, copy furnished the Revenue District Officer (RDO) concerned.

Section 4. Policies on the Use and Operation of DS Metering Machines. - The following are the policies and procedures on the management of DS metering machines:

a) Registration.

i) Any person or entity intending to install and operate a documentary stamp metering machine shall file an application for permit to operate the same with the Assistant Commissioner (Collection Service), thru the Chief, Collection Performance Evaluation Division (CPEE).

ii) Persons or entities who have been authorized to operate DS metering machines prior to the effectivity of these regulations are required to re-register their metering machines with the same office for inventory purposes, within ONE (1) month after the publication of these Revenue Regulations.

iii) New applications and re-registrations shall be processed by the Collection Performance Evaluation Division and approved by the Assistant Commissioner (Collection Service).

b) Installation of DS Metering Machines. - Persons or entities whose permit to operate DS metering machines has been duly approved, may install such machines in their respective offices or any other place as may be designated by them. Likewise, these authorized taxpayers/users shall inform the Chief, Collection Branch, of any change of place or address of the installation of the DS metering machine shall be made.

c) Loading/Re-loading of DS Metering Machines. - Whenever loading or re-loading of a documentary stamp metering machine becomes necessary, e.g., when load is near exhaustion, the taxpayer/user or the owner of the DS machine must request in writing the Chief, Collection Branch of the Revenue Region where the metering machine is located, who, in turn, shall notify the resident COA auditor of the specific date, time and place of loading or re-loading.

That all authorized taxpayers/users of DS metering machines must maintain an Official Control Book for DS Metering Machines Daily Transactions, which is duly registered with the Collection Branch of the Revenue Region having jurisdiction over the metering machines. Such book shall be subject to audit and verification on quarterly basis by the Chief, Collection Branch or his duly authorized representative.

At the time of loading/re-loading of a metering machine, the Chief, Collection Branch and the resident COA auditor or their duly authorized representatives shall be present and keep records of such load which shall be the basis of said audit and verification of the accounts of the taxpayer/user.

d) Sealing of Metering Machines. - After the machine is loaded, the Chief, Collection Branch of the Revenue Region where the metering machine is located, or his/her authorized representative, shall attach a seal, consisting of wire and lead, to the machine and thereafter, properly seal it with a "documentary stamp meter sealer".

e) Possession of Keys of the Metering Machines. - Each metering machine shall have two (2) distinct padlocks and keys. One key will be kept by the taxpayer/user, and the other will be kept in a sealed envelope by the Chief, Collection Branch of the Revenue Region, where the metering machine is located.

The metering machine shall be opened only when written request therefor is sent by the taxpayer/user to and received by the Chief, Collection Branch concerned, and it is proven that opening of the machine is warranted after evaluation of the reason/s contained in such request. The machine shall not be opened without the presence of the taxpayer/user, the Chief of

Collection Branch concerned and the resident COA auditor or their authorized representatives.

f) Report of Documentary Stamp Transactions/Loads.- The taxpayer/user of the DS metering machine or his duly authorized representative shall prepare and submit a monthly summary report on documentary stamp transactions/loads of the machine to the Chief, Collection Branch of the Revenue Region having jurisdiction over the machine. The report shall contain the cumulative sales and credit balance of the company. Upon submission of such report, the Chief, Collection Branch or his/her authorized representative shall verify the accuracy and validity of such report.

Section 5. Repair of Defective Metering Machines.- Whenever the metering machine is found to be defective and necessary repairs have to be undertaken, a written request for repair shall be prepared by the taxpayer/user and submitted for approval to the Regional Director, Attention: The Chief, Collection Branch concerned.

Upon approval of the request, repair shall be undertaken only by those authorized by the Bureau of Internal Revenue. After making the necessary repairs, the authorized persons shall submit a written report containing their findings, nature of repair undertaken or any recommendation pertaining thereto.

The Chief, Collection Branch or his duly authorized representative shall see to it or insure that the aforesaid procedures on repair of DS metering machines are properly followed and/or implemented.

Section 6. Inspection of DS Metering Machines.

The term "inspection" shall cover the physical check on the condition of the machine, as well as the verification and scrutiny of the Official Control Book for DS Metering Machine Daily Transactions.

The Chief, Collection Branch or his duly authorized representative/s shall conduct quarterly inspection of all installed DS metering machines located within the jurisdiction of the Revenue Region and which are in the custody or possession of persons or entities authorized to use the machine, to insure security and regularity in the use thereof.

In cases where irregularities are discovered, e.g., tampering of the seal of metering machine, the Chief, Collection Branch or his duly authorized representative who discovered the same, shall submit to the Chief, CPED, a written report on the anomaly within twenty-four (24) hours from the discovery thereof.

A formal investigation of the matter shall then be conducted by the Chief, CPED, or his duly authorized representative and a written report on the result of the investigation shall be submitted to the Assistant Commissioner (Collection Service), within ten (10) days from the discovery of such irregularity/ies.

Section 7. Transfer of DS metering machine. - Whenever a DS metering machine shall be transferred to another place or location of operation, the taxpayer/user shall first notify in writing the Chief of the Collection Branch concerned, by specifying therein the particular place, Revenue District Office and Revenue Region where the DS metering machine shall be transferred or installed.

Moreover, for control and inventory purposes, the Chief of Collection Branch concerned shall inform The Chief, CPED on every movement of DS metering machines within his jurisdictional area or outside the territorial jurisdiction of the Region.

Section 8. Cancellation of Registration and/or Permit. - The registration or permit to operate a DS metering machine shall be revoked whenever:

- a) The business of the taxpayer authorized to use the machine has ceased to operate.

In case of cessation of business operations, the taxpayer/user of the metering machine shall surrender the "die" to the Chief, Collection Branch of the Region where the machine is located.

The Chief of the Collection Branch, on the other hand, shall keep the "die" in his/her office for safekeeping.

The "die" is the module of the metering machine that prints documentary stamps for clearance certificates;

- b) The machine is deemed to have outlived its usefulness due to obsolescence or wear and tear.

When the DS metering machine has outlived its usefulness as determined by the authorized supplier, a certificate to that effect shall be issued by the Chief, Collection Branch concerned where the metering machine is located, to be

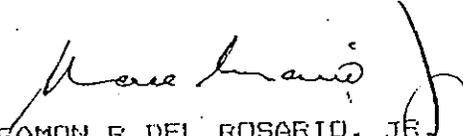
attested to by the supplier of said machine, copy furnished the Chief, CPED;

- c) The machine has remained unused for a period of six (6) months without sufficient and valid reasons; and
- d) There are irregularities and anomalies in the use and operation of the metering machines.

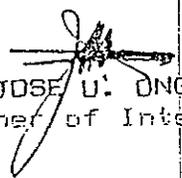
If the commission of irregularities is evident, the Chief of the Collection Branch shall recommend immediate cancellation of the permit and confiscation of the "die" of the tampered metering machine.

Section 9. Repealing Clause. - All regulations, rulings, orders or portions thereof which are inconsistent with the provisions of these Regulations are hereby revoked. These regulations, however, supplement existing legal fiats which are consistent with its provisions.

Section 10. Effectivity. - These regulations shall take effect immediately.


RAMON R. DEL ROSARIO, JR.
Secretary of Finance

Recommending Approval:


JOSE U. ONG
Commissioner of Internal Revenue

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BUREAU OF INTERNAL REVENUE
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REPUBLIKA NG PILIPINAS
KAGAWARAN NG PANANALAPI
KAWANIHAN NG RENTAS INTERNAS
Lungsod ng Maynila

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October 25, 1991

REVENUE MEMORANDUM ORDER NO. 38-91

SUBJECT: Implementing Revenue Regulation No. 5-91
Relative To The Payment Of The Documentary Stamp
Tax On Stocks Transactions In The Stock Exchanges.

TO: All Revenue Officials and others Concerned.

In order to facilitate the assessment and collection of the documentary stamp tax on stock transactions in the stock exchanges, the following are hereby prescribed:

1. RIR personnel shall be assigned and stationed in every stock exchange and shall perform the following functions:
 - a) Receive daily all tax returns (RIR Form No. 111) filed and tax payments relative to stock transactions (i.e., 1/4 of 1% stock transaction tax and documentary stamp tax);
 - b) Assist taxpayers whenever necessary and inform them of special tax measures and procedures pertinent to the industry;
 - c) Act as liaison between the stock exchanges and the RIR relative to matters involving the industry;
 - d) Undertake all related tasks as may be assigned by the Director General.
2. All notices, forms and regulations which may be issued by the RIR for the purpose of providing a better system of collecting taxes on stock transactions shall be disseminated to all the revenue concerned who shall implement the same accordingly.

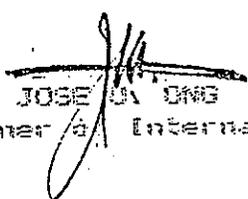
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- 2 -

All prior instructions, orders, circulars and other existing
orders or portions thereof inconsistent with this Memorandum
Order is hereby amended or modified accordingly.

This Memorandum Order shall take effect immediately.


JOSE M. ONG

Commissioner of Internal Revenue

SUBJECT: INTERNAL REVENUE

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Republic of the Philippines
Department of Finance
BUREAU OF INTERNAL REVENUE
Quezon City

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July 1, 1991

REVENUE REGULATIONS NO. 5-91

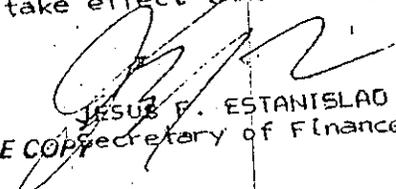
SUBJECT: Amendment to Section 203 of Regulations No. 26, as amended, otherwise known as the "Documentary Stamp Tax Regulation."

TO : All Internal Revenue Officers and Others Concerned.

SECTION 1. Section 203 of Regulations No. 26, as amended by Regulations Nos. 77, 3-75 and 5-88, is hereby further amended to read as follows:

"Sec. 203. Manner of payment of documentary stamp tax.
The payment of the documentary stamp tax imposed in Title VII of the National Internal Revenue Code, as amended, shall be made by the purchase and affixture of documentary stamps of the proper value to the document or instrument sought to be taxed or to any other paper which the law indicates as the proper recipient of the stamp; Provided, That in cases of warehouse receipts, certificates of stocks, passage tickets, and other documents having stubs or duplicates kept by the persons issuing them, the documentary stamps shall be adhered to the stubs or to the duplicates thereof; Provided, further, that in meritorious cases involving issuance of numerous certificates of stock at one time, the Commissioner of Internal Revenue may, in his discretion, authorize adherence of stamps to the stock certificate register and for shares of stocks traded through a stockbroker, affixture may be made to the memorandum of sale or purchase or confirmation slip that with respect to checks drawn against current account manager's/cashier's/treasurer's checks or insurance policies, the documentary stamps shall be adhered to the requisition/purchase slip, register copy or premium register; That with respect to banks, the documentary stamps may be affixed in the proof sheets of each department; and that a note properly signed by a responsible person on the face of such documents shall be made as follows: "Documentary stamps to the value of P _____ have been affixed to the stub, the duplicate, the requisition/purchase slip, the register copy, stock certificate register, premium register, or proof sheet, as the case may be; "Provided, further, that where the use of the Pitney-Bowes Machine or the like for the manufacture and printing of documentary stamps on documents or instruments subject to tax is permitted by the Commissioner of Internal Revenue, the payment of the tax due shall be accomplished by the filing of proper requisition for stamps intended to be manufactured, and printed with the Commissioner of Internal Revenue and by the payment of the value of the stamps so requisitioned."

SECTION 2. These Regulations shall take effect immediately.


JESUS F. ESTANISLAO
Secretary of Finance

RECOMMENDING APPROVAL:


JOSE U. ONG
Commissioner of Internal Revenue



REPUBLIKA NG PILIPINAS
 MINISTERI NG PANANALAPI
 KAWANIHAN NG RENTAS INTERNAS
 Lungsod ng Quezon

RECORDS DIVISION
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May 15, 1987

REVENUE MEMORANDUM CIRCULAR NO. 19-87

SUBJECT: Issuance of New Serially-Numbered Documentary Strip Stamps of various denominations designed and printed by the Central Bank Security Printing Plant.

TO : All Internal Revenue Officers and Others Concerned.

For the information and guidance of all concerned, announcement is hereby made that starting June 1, 1987, the Accountable Forms Division of this Bureau will issue the new serially-numbered documentary strip stamps of various denominations designed and printed by the Central Bank Security Printing Plant to replace the existing unnumbered documentary strip stamps which may still be used until June 30, 1987 after which they shall be rendered obsolete.

Hereunder is the general description of the serially-numbered documentary strip stamps:

Size: 23 mm x 43 mm (cutting guide)

Design: Border inscribed with letters "RENTAS INTERNAS", vanishing spherical lines as background and the seal of the Republic of the Philippines at the center with price inscriptions on both sides

Color Scheme by Denomination:

<u>DENOMINATION</u>	<u>COLOR SCHEME</u>
P0.20	Orange
0.30	Purple
0.50	Rubine red
1.00	Brown
2.00	Process blue
3.00	Dark blue
5.00	Green

This Circular shall take effect immediately and shall be given the widest publicity possible.

[Signature]
 EUFRACIO D. SANTOS
 Officer-in-Charge

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August 12, 1938

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REVENUE REGULATIONS NO. 5-88

SUBJECT: Amendment to Section 203 of Regulations No. 26, as amended, otherwise known as the "Documentary Stamp Tax Regulation."

TO : All Internal Revenue Officers and Others Concerned

SECTION 1. Section 203 of Regulations No. 26, as amended by Regulations No. 77 and Rev. Reg. No. 3-75, is hereby further amended to read as follows:

"Sec. 203. Manner of payment of documentary stamp tax. - The payment of the documentary stamp tax imposed in TITLE VII OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED, shall be made by the purchase and affixture of documentary stamps of the proper value to the document or instrument sought to be taxed or to any other paper which the law indicates as the proper recipient of the stamp: Provided, That in cases of warehouse receipts, certificates of stocks, passage tickets, and other documents having stubs or duplicates kept by the persons issuing them, the documentary stamps shall be adhered to the stubs or to the duplicates thereof; PROVIDED, FURTHER, THAT IN MERITIOUS CASES INVOLVING ISSUANCE OF NUMEROUS CERTIFICATES OF STOCK AT ONE TIME, THE COMMISSIONER OF INTERNAL REVENUE MAY, IN HIS DISCRETION, AUTHORIZE ADHERENCE OF STAMPS TO THE STOCK CERTIFICATE REGISTER; THAT WITH RESPECT TO CHECKS DRAWN AGAINST CURRENT ACCOUNT, MANAGER'S/CASHIER'S/ TELLER'S CHECKS OR INSURANCE POLICIES, THE DOCUMENTARY STAMPS SHALL BE ADHERED TO THE ACQUISITION/PURCHASE SLIP, REGISTER COPY OR PREMIUM REGISTER: THAT WITH RESPECT TO BANKS, THE DOCUMENTARY STAMPS MAY BE AFFIXED IN THE PROOF SHEETS OF EACH DEPARTMENT: and that a note properly initialed by a responsible person on the face of such documents shall be made as follows: "Documentary stamps to the value of _____ have been affixed to the stub, /or to/ the duplicate, THE ACQUISITION/PURCHASE SLIP, THE REGISTER COPY, STOCK CERTIFICATE REGISTER, PREMIUM REGISTER, or Proof Sheet, as the case may be: "Provided, further, That where the use of the Pitney-Bowes postage Meter and Machine, or the like for the manufacture and printing of documentary stamps on documents or instruments subject to tax is permitted by the COMMISSIONER of Internal Revenue, the payment of the tax due shall be accomplished by the filing of proper requisition for stamps intended to be manufactured and printed with the COMMISSIONER of Internal Revenue and by the payment of the value of the stamps so requisitioned."

SECTION 2. These Regulations shall take effect immediately.

VICENTE R. JAYME
Secretary of Finance

RECOMMENDING APPROVAL:

BLERVENITO A. TAN, JR.
Commissioner of Internal Revenue

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REPUBLIC OF THE PHILIPPINES
Bureau of Internal Revenue
Quezon City

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DEC 08 1987

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December 7, 1987

REVENUE MEMORANDUM ORDER NO. 34-87

SUBJECT: Guidelines in the disposition of unnumbered documentary stamps declared obsolete as of November 1, 1987

T O : All internal revenue officers concerned.

1.0 Purpose

To prescribe a systematic and orderly disposition of unnumbered documentary stamps which became obsolete as of November 1, 1987.

2.0 General Policies

- 2.1 The Bureau shall be responsible for the disposition of obsolete stamps and other revenue accountable forms in accordance with the National Accounting and Auditing Manual and other auditing rules and regulations.
- 2.2 The Bureau thru the Accountable Forms Division and the Records Control Division shall keep and maintain a sufficient quantity of each kind of documentary stamps by denomination as samples and for archival purposes.
- 2.3 In the National Office, disposal shall be made by the Committee to Supervise the Disposal of Specialized Accountable Forms created under Revenue Special Order No. 23-84. In the Regions, disposal shall be by the Regional Committee created under Revenue Memorandum Order No. 21-84 dated August 8, 1984.

3.0 Inventory Taking

3.1 BIR offices and units subject to inventory

All unnumbered documentary stamps in the possession of the following officials shall be inventoried:

- 3.1.1 Chief, Accountable Forms Division and other employees in the Central Office in possession of unnumbered documentary stamps;
- 3.1.2 Chief, Administrative Branch and other accountable officers of the regional office in possession of obsolete documentary stamps;
- 3.1.3 District Collection Supervisors/Chief, Administrative Unit;
- 3.1.4 Collection Agents;
- 3.1.5 Cash Clerks; and
- 3.1.6 Municipal Treasurers acting as Collection Agents.

3.2 Who shall undertake the inventory

3.2.1 Revenue district level The Revenue District Officer and his duly authorized representatives shall conduct the inventory of the stamps in the possession of District Collection Supervisors, Chief, Administrative Unit, Collection Agents, Cash Clerks, and Municipal Treasurers acting as collection agents.

3.2.2 Regional level The Assistant Regional Director and the Chief, Legal Branch, as Chairman and member of the Regional Committee, respectively, shall conduct the inventory of stamps in the possession of the Chief, Administrative Branch and the other accountable officers assigned in the regional offices.

3.2.3 Central office level The Committee to Supervise the Disposal of Specialized Accountable Forms created under Revenue Special Order No. 23-84 shall undertake the inventory of the unnumbered documentary stamps in the Accountable Forms Division and the other units in the Central Office which are in possession of such stamps.

3.3 Procedure

3.3.1 Revenue district level

3.3.1.1 Inventory in all units in the district shall be taken simultaneously if feasible. If the Revenue District Officer lacks the necessary men he may request the Regional Director for the temporary detail of regional employees to assist in the taking of inventory. Under no circumstances, however, shall a Collection Agent, Cash Clerk, or other officials in possession of unnumbered documentary stamps be designated as members of the inventory group.

3.3.1.2 Before counting begins, the accountable officer concerned shall affix his initial at the back of every sheet or piece (as the case may be) of unnumbered documentary stamps. Each sheet shall be counted separately to ensure that a sheet of documentary stamps is complete and there are no gaps inside.

3.3.1.3 Counting and listing shall be by denomination. Listing shall be in seven (7) copies and should show the quantity surrendered for each denomination.

3.3.1.4 After inventory, all unnumbered documentary stamps shall be surrendered to and properly received for by the inventorying officer.

3.3.1.5 The surrendered stamps shall be arranged by denomination and placed in one envelope or such other container that can accommodate the stamps.

3.3.1.6 The listings of the stamps shall be distributed as follows:

- a. Original - to be placed inside the envelope or box containing the stamps;
- b. Duplicate - to the official who has original custody of the stamps;

- c. Triplicate - to the Inventorying Officer;
- d. Quadruplicate - to the Revenue District Officer;
- e. Quintuplicate - to the Assistant Regional Director;
- f. Sixth Copy - to the Chief Administrative Branch; and
- g. Seventh Copy - to the Regional Auditor.

- 3.3.1.7 The Collection Agent, Cash Clerk, or other persons surrendering the stamps shall submit to the inventorying officer a certification that he has no more unnumbered documentary stamps in his possession. The original of this certification shall likewise be placed inside the container for the stamps.
- 3.3.1.8 The envelope or box containing the stamps shall be securely sealed. Across the flap, the officer conducting the inventory and the original custodian of the stamps, shall affix their signatures to indicate that they have verified the correctness of the contents. The envelope or container shall likewise be labeled to show the source of the surrendered stamps.
- 3.3.1.9 The inventorying officer shall turn over the stamps and inventory listings to the Revenue District Officer. The Revenue District Officer shall then prepare the Consolidated Report of Inventory for his district in the prescribed form (Annex A) for submission to the Regional Director, Attention: The Assistant Regional Director.
- 3.3.1.10 The Revenue District Officer, after detaching his copy of the inventory, shall forward the envelope containing the stamps and all other attachments to the Assistant Regional Director who shall issue the corresponding receipt to the former.
- 3.3.1.11 The Assistant Regional Director shall, in the presence of the Regional Auditor or his duly authorized representative, open the envelopes/containers and check the contents for correctness based on the enclosed listing.
- 3.3.1.12 All copies of the inventory listing including the original shall be verified correct by the Regional Auditor or his duly authorized representative. The original of the inventory listing, duly verified correct, and a legible copy of the Consolidated Report of Inventory for the District (Annex A) are then sent to the Chief, Accountable Forms Division for his file.

3.3.2 Regional office level

- 3.3.2.1 The Assistant Regional Director and the Chief, Legal Branch, shall conduct the inventory of stamps in the regional office in the presence of the Regional Auditor or his duly authorized representative.
- 3.3.2.2 The same procedure, as outlined in the preceding paragraphs shall be followed except that the Regional Auditor or his duly authorized representative shall be present from the start to the end of the inventory taking. The original of the inventory listings, duly verified by the Regional Auditor or his duly authorized representative, is then transmitted to the Chief, Accountable Forms Division for his file.

3.3.3. Central office level

Unnumbered documentary stamps in the custody of the Accountable Forms Division and other units in the Central Office, shall be inventoried by the Committee to Supervise the Disposal of Specialized Accountable Forms created under Revenue Special Order No. 23-84 in the presence of the BIR Resident Auditor or his duly authorized representative. The procedure for taking the inventory as detailed in the preceding paragraphs shall also be followed in the Central Office.

4.0 Storage of the Surrendered Stamps

Pending final disposal, all surrendered documentary stamps shall be stored separately from all other accountable forms and the room where they are kept shall be sealed.

5.0 Provisions for Retention of a Sufficient Quantity of Obsolete Documentary Stamps as Samples and for Archive Purposes.

5.1 The Chief, Accountable Forms Division is authorized to retain/retrieve for the Bureau a maximum of 1,000 sheets for each kind of obsolete documentary stamps by denomination, as samples and for archive purposes.

5.2 Based on the regional and district inventory listings, the Chief, Accountable Forms Division shall advise each Assistant Regional Director the quantity of stamps of each kind and denomination that the former will retrieve from the stock of the latter before proceeding with the burning of the excess.

5.3 The Chief, Accountable Forms Division shall retain the stamps for samples and transmit the rest to the Chief, Records Control Division for archival purposes.

6.0 Burning of the Stamps

6.1 Regional level

6.1.1 Before burning, the Assistant Regional Director in his capacity as Chairman of the Regional Committee shall request the Chief, Laboratory Office in the National Office for laboratory test of the stamps to determine their genuineness.

6.1.2 The Chief, Laboratory Office shall, upon receipt of said request, send a team to the requesting regional office to conduct laboratory tests on the stamps. A written report of their findings which shall specify whether the stamps are genuine or fake, shall be submitted by the team to the Chairman of the Regional Committee, copy furnished: the Regional Auditor. In case stamps are found to be fake, the name of the revenue accountable officer who returned the same, shall be indicated in the report.

The Chief, Laboratory Office shall furnish the Chief, Accountable Forms Division with a copy of all reports of the laboratory technicians.

6.1.3 The Assistant Regional Director shall accomplish the affidavit required in Section 63 of the National Accounting and Auditing Manual, attaching a copy of the inventory of the stamps being proposed for burning. Care should be

taken by the Assistant Regional Director to exclude from the inventory of stamps to be burned; the stamps found to be fake. He shall make arrangements with the Regional Auditor for the actual burning of the stamps, furnishing the latter with a copy of the affidavit and inventory of the stamps that will be burned. The arrangements shall cover the date, the time and the place where the stamps will be burned.

6.1.4 The burning of the stamps shall be supervised by the Chairman and witnessed by the members of the Regional Committee and by the Regional Auditor or his duly authorized representative.

6.1.5 After the burning of the stamps, the Regional Committee shall prepare the certificate of destruction in five (5) copies, to be distributed as follows:

- a. Original - to the Revenue Accounting Division to be attached to the Journal Voucher;
- b. Duplicate - to the Chairman, Regional Committee to supervise the Disposal of Specialized Accountable Forms;
- c. Triplicate - to the Chief, Administrative Branch;
- d. Quaduplicate - to the Chief, Accountable Forms Division; and
- e. Quintuplicate - to the Regional Auditor.

6.1.6 The Assistant Regional Director shall submit his report together with the original and fourth copies of the certificate of destruction to the Commissioner, Attention: The Chief, Accountable Forms Division who shall, in turn, forward the original of the certificate of destruction to the Chief, Revenue Accounting Division for attachment to the journal voucher. The report shall contain among others, a summary of the total quantity of the documentary stamps burned, by denominations, and by accountable officers.

6.1.7 The Assistant Regional Director shall furnish the Chief, Administrative Branch with a copy of his report as well as the triplicate copy of the certificate of destruction.

6.1.8 Proper adjustments shall then be made in the records of the Administrative Branch in the region and in those of the Accountable Forms Division and the Revenue Accounting Division in the Central Office.

6.2 Central office level

Burning of the unnumbered documentary stamps shall be made under the supervision of the Chairman, Committee to Supervise the Disposal of Specialized Accountable Forms created under Revenue Special Order No. 23-34, in the presence of the RIR Resident Auditor or his duly authorized representative. The procedure for burning as detailed in the preceding paragraphs shall be followed, except that sub-paragraphs 6.1.1 and 6.1.2 shall not be applied for stamps in the custody of the Accountable Forms Division.

7.0 Disposition of Fake Stamps

7. The Assistant Regional Director shall make a separate listing of documentary stamps found to be fake indicating the particular revenue accountable officer/s who surrendered the same. The said

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listing together with a xerox copy of the report on the findings of the laboratory test conducted on the said stamps, shall be forwarded to the Inspection Service for appropriate action.

7.2 Pending the disposition of the administrative case arising from such action, the stamps shall be stored separately from the other accountable forms and the room where they are kept shall be sealed.

7.3 After the termination of the case, the subject stamps shall be burned in the presence of the Regional Auditor or his duly authorized representative under the supervision of the Regional Committee under Revenue Memorandum Order No. 21-84 which shall, subsequently, submit a certificate of destruction to the Inspection Service for attachment to the docket of the case, copy furnished: the Chief, Accountable Forms Division for his file.

8.0 Effectivity

This Order shall take effect immediately.


BILAL NIDO A. TAN, JR.
Commissioner

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DEC 08 1987

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Bureau of Internal Revenue
 Revenue Region No. _____
 Revenue District No. _____

ANNEX A

CONSOLIDATED REPORT OF INVENTORY OF OBSOLETE DOCUMENTARY STAMPS

Accountable Officer	Quantity (In Pieces)									
	P5.00	P3.00	P2.00	P1.00	P0.50	P0.30	P0.20	P0.10	P0.05	PC
1.										
2.										
3.										
4.										
5.										
6.										
7.										
8.										
9.										
10.										
11.										
12.										
13.										
14.										
15.	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Total Stamps Surrendered	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

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VERIFIED CORRECT:

CERTIFIED CORRECT:

 Regional Auditor/Duly Authorized Representative

 Revenue District Officer

 Date

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Republika Ng Pilipinas
Ministri Ng Pananalapi
KAWANJHAN NG RENTAS INTERNAS
Lungsod Ng Quezon

RECORDS DIVISION
RECEIVED
DEC 18 1986

December 4, 1986

REVENUE MEMORANDUM CIRCULAR NO. 44-76

SUBJECT: Documentary stamp tax on instrument of sale
or conveyance of real property.

TO : All Internal Revenue Officers and others concerned.

1. Background. - Stamp taxes on taxable documents, including instrument of sale or conveyance of real property, shall be paid by any of the parties to the taxable document at the time the act is done or transaction had. Whenever one of the parties enjoys exemption from the tax, the other party who is not exempt shall be the one directly liable (Sec. 186, NIRC, as amended). Section 2 of Presidential Decree No. 1045, as implemented by Section 6 of Revenue Regulations No. 9-76, requires that if the amount of the stamp tax due is ten pesos (P10.00) or more, the stamp tax shall be paid to the Bureau of Internal Revenue or through its authorized agent bank, after which a corresponding official receipt evidencing payment shall be issued and a notation of such payment shall be made on the original and every copy of the document, as follows: (a) Amount of stamp tax paid; (b) Official receipt number; (c) Date of payment; and (d) Name and signature of the payor. If the amount of stamp tax due is below ten pesos (below P10.00), rather than the said official receipt, actual stamp shall be issued by the BIR - the stamp shall be affixed in the taxable document and after affixture shall be cancelled in order that payment of the tax may be effected. Section 214 of the Tax Code provides that a taxable document shall not be recorded nor shall it or any copy thereof or any record of transfer of the same be admitted or used in evidence in any court unless the corresponding stamp tax due thereon had been paid and that a notary public is prohibited from adding his jurat or acknowledgment to any taxable document unless the proper documentary stamp tax had been paid.

2. Stamp tax on instrument of sale/conveyance of real property. - Section 209 of the Tax Code imposes a documentary stamp tax on all conveyances, deeds, instruments or writings bearing on the sale or other disposition of real property for a consideration. The tax shall be based on the amount of consideration, or value received or contracted to be paid or the fair market value of the real property, whichever is higher.

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3. Procedure for determination and collection of stamp tax on instrument of sale or conveyance of real property. -

3.1 - The stamp tax on the said document shall be paid through the Revenue District Office having jurisdiction over the locality where the real property sold/disposed is located.

3.2 - The stamp tax referred hereunder applies only if the instrument is a sale or other conveyance of real property for a consideration in money or money's worth.

3.3 - Since the basis of the tax is either (a) the consideration as shown in the said document or (b) the fair market value of the real property, whichever is higher, the taxpayer shall present to the Revenue District Officer for verification (a) the original and every other copy/ies of the said document and (b) a true copy of the latest Tax Declaration of the said real property, duly certified by the corresponding City/Municipal Assessor.

From the said documents, the Revenue District Officer shall determine the actual amount of stamp tax due on the said taxable document.

3.4 - Payment Order shall be issued by the said Revenue District Officer to effect payment of the stamp tax due.

3.5 - After payment, the Revenue District Officer shall cause the notation on the taxable document of the following information: (a) Amount of stamp tax paid; (b) Official Receipt number; (c) Date of payment; and (d) Name and signature of the payor.

At the bottom of the foregoing notations, the following shall also be shown:

AMOUNT OF STAMP TAX PAID ON THIS DOCUMENT
CERTIFIED CORRECT:

Revenue District Officer

3.6 - A notary public shall not add his jurat or acknowledgment on the taxable document unless evidence of payment of the tax as provided in paragraph 3.5 hereof is shown on the said document.

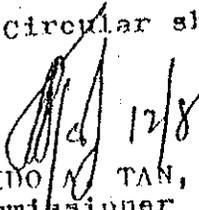
3.7 - The Registrar of Deeds shall not record the transaction and cause transfer of title to the real property unless the evidence of payment of the tax as

provided in paragraph 3.5 hereof is shown on the said document.

This requirement shall be in addition to the certification of the Revenue District Officer in case of a sale, exchange or other disposition of real property, classified as capital asset, made by an individual, estate or trust, pursuant to the provisions of Batas Pambansa Blg. 37, as amended.

3.8 - The stamp tax referred herein shall be due and payable on every instrument of sale or conveyance of real property, regardless of the parties to the taxable document, whether an individual, estate, trust, a corporation or a partnership and regardless of the class of the real property, whether capital or ordinary business asset in the hands of the vendor/transferor.

4. This Revenue Memorandum Circular shall take effect immediately.


BIENVENIDO N. TAN, JR.
Commissioner

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OCT 16 1986



REPUBLICA NG PILIPINAS
MINISTRI NG PANANALAPI
KAWANIHAN NG RENTAS INTERNAS
Lungsod Quezon

October 15, 1986

REVENUE MEMORANDUM CIRCULAR NO. 33-86

SUBJECT: Publishing Questions Raised and Answers Given on
The Interpretation of Certain Provisions of the
Tax Code and Revenue Regulations Regarding Docu-
mentary Stamp Tax.

T O : All Internal Revenue Officers and Others Concerned.

The following are questions and answers which were discussed in a series of conferences between the SIR Committee on Banks and representatives of the Banker's Association of the Philippines (BAP), the Philippine Association of Finance Companies, Inc. (PAFCI), the Investment Houses Association of the Philippines (IHAP), and the Central Bank of the Philippines.

Question 1. - Are Treasury Bills subject to DST? If so, at what rate and who is liable?

Ans. - Effective January 1, 1986, all bonds, debentures and certificate of indebtedness issued by the Government of the Philippines or the government of any province, city or municipality are subject to DST at the rate of ₱0.20/200.00 or fractional part thereof, pursuant to Section 229 (now Section 193) of the Tax Code.

Question 2. - Are promissory notes, whether negotiable or non-negotiable subject to DST? If so, at what rate?

Ans. - All promissory notes, whether negotiable or non-negotiable, except bank notes issued for circulation, and on each renewal of any such note is now subject to DST at ₱0.20/200.00, or fractional part thereof, of the face value of such note.

However, non-negotiable promissory notes became subject to DST only beginning October 15, 1984, the effectivity date of P.D. 1959. Prior to such date, non-negotiable promissory notes, as such both in form and substance are not subject to DST.

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Question 3. - Are deposit substitutes subject to DST?
If so, at what rate?

Ans. - Deposit substitutes are subject to DST at P.O. 20/200.00, or fractional part thereof, of the face value of such note pursuant to Section 229 of the Tax Code, as amended by P.D. 1959, now re-numbered as Section 193, per P.O. 1994.

Question 4. - Is the Central Bank, as issuer of CBCI and CB Bills liable for DST?

Ans. - The Fiscal Incentives Review Board (FIRB) in its Resolution No. 33-83, restored the tax exemption privilege of the Central Bank, effective June 11, 1984.

However, Section 130 of R.A. No. 265 (Central Bank Charter) states that "x x x Provided, however, that said exemptions shall apply only to such taxes and assessments for which the Central Bank itself would otherwise be liable, and shall not apply to taxes and assessments payable by persons or entities doing business with the Central Bank."

Corollary to this, Section 186 of the Tax Code provides that "whenever one of the party to the taxable document enjoys exemptions from the tax herein imposed, the other party thereto who is not exempt shall be the one directly liable to the tax".

In view of the above, the Central Bank is exempt from DST; however, the purchaser or the other party to the CBCI or CB Bills, who is not exempt, is the one liable for DST.

All Internal Revenue Officials and Others concerned are hereby enjoined to give this Revenue Memorandum Circular the widest publicity possible.


BIENVENIDO A. TAN, JR.
Commissioner of Internal Revenue

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November 25, 1976

REVENUE REGULATIONS NO. 9-76

SUBJECT: Regulations implementing Presidential Decree No. 1045 declaring without value certain denominations of documentary and science stamps

T O : All Internal Revenue Officers and others concerned.

Pursuant to Presidential Decree No. 1045, which declares without value certain denominations of documentary and science stamps, the following regulations implementing said decree are hereby promulgated and shall be known as Revenue Regulations No. 9-76.

SECTION 1. Scope.- These regulations shall govern the surrender of documentary and science stamps with denominations of P10.00 or above which have been declared without value and withdrawn from circulation, the refund of the face value thereof, as well as the disposition of the said stamps.

Denominations of documentary and science stamps of less than P10.00 shall continue to be in circulation and used in payment of documentary and science stamp taxes in accordance with the existing laws and regulations.

SEC. 2. Surrender of the stamps.- Documentary and science stamps with denominations of P10.00 or above must be surrendered to the Commissioner of Internal Revenue not later than February 5, 1977. Persons whose residence or place of business are within the Metro Manila Area shall surrender the said stamps to the Chief, Accountable Forms Division, Central Office, Bureau of Internal Revenue, while those whose residence or place of business are outside the Metro Manila Area shall surrender the stamps to the Revenue District Officer of the district where his place of business or residence is located.

SEC. 3. Requirements in surrendering the stamps.- The stamps required to be surrendered under these regulations shall be accompanied by a statement containing the following information:

- a. Name and address of the purchaser of stamps;
- b. Revenue Office where the stamps were purchased as well as the date of purchase;
- c. Quantity and face value of the surrendered stamps classified by denominations; and
- d. Any evidence of purchase issued by the Revenue Office selling the stamps.

SEC. 4. Conditions precedent in refunding the face value of the surrendered stamps.-

- a. No refund of the face value of the stamps shall be made unless the stamps are returned in good condition, analyzed and determined by the Laboratory Center of the Bureau of Internal Revenue to be genuine.

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b. The refund shall be made only to the purchaser of his duly authorized representative

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b. The refund shall be made only to the purchaser of his duly authorized representative.
c. The stamps are surrendered on or before February 5, 1977.

SEC. 5. Disposition of Surrendered Stamps.- The stamps surrendered as required by these Regulations including those stamps in the possession of the personnel of the Bureau of Internal Revenue shall be destroyed by burning or recycling under the supervision of a BIR Committee and in the presence of the representative of the Commission on Audit. The BIR Committee shall be composed of the Revenue Service Chief (Inspection) as Chairman; the Chief, Accountable Forms Division, member; and a representative of the Commissioner of Internal Revenue as the other member. The destruction of the stamps surrendered by personnel in the Bureau of Internal Revenue shall be effected immediately by the Committee. With respect to those stamps surrendered by taxpayers for purposes of refund, destruction shall be effected after the refund of the face value thereof has been made and a certificate of destruction shall be attached to the records of the case.

SEC. 6. Payment of documentary or science stamp taxes with denomination of P10.00 or above.- Payment of documentary or science stamp taxes with denomination of P10.00 or more shall be effected as in the case of other internal revenue taxes by the issuance of the corresponding official receipt by authorized BIR personnel or the issuance of Bank Official Receipt by Authorized Banks. Upon payment of the required documentary and science stamp taxes due on the taxable document or instrument subject to tax, such document or instrument must bear the following notation on the original and every duplicate copy thereof, if there is any.

Amount of documentary stamp tax paid P _____
Amount of science stamp tax paid _____
Under O.R. or C.B. Official Receipt No. _____
dated _____

Payor

If the taxable instrument does not bear the foregoing notation, it shall be presumed that no documentary or science stamp taxes have been paid.

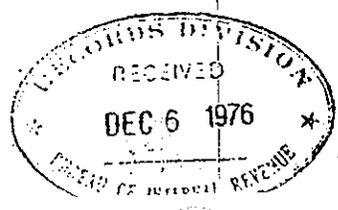
The splitting of the total amount of stamps due through the purchase or affixture of several pieces of stamps lower than the denominations of P10.00 of either science and documentary stamps even if the sum total of the several pieces of stamps will reflect correctly the value of the tax on the document is hereby prohibited.

SEC. 7. Effectivity.- These regulations shall take effect immediately.

Cesar Virata
CESAR VIRATA
Secretary of Finance

RECOMMENDING APPROVAL:

Eugen Plana
EUGEN I. PLANA
Acting Commissioner of Internal Revenue
TAN-1456-040-3



REGULATION

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