



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

BUREAU OF INTERNAL REVENUE
RECORDS MGT. DIVISION

10:55 A.M.
MAY 16 2017

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Date: May 16, 2017

REVENUE MEMORANDUM ORDER NO. 12-2017

SUBJECT : GUIDELINES AND PROCEDURE TO STREAMLINE THE PROCESS AND ISSUANCE OF CERTIFICATE OF TAX EXEMPTION (CTE) AND ELECTRONIC CERTIFICATE AUTHORIZING REGISTRATION (eCAR) FOR TRANSFERS OF RAW LANDS TO COMMUNITY/HOMEOWNERS ASSOCIATIONS FOR SOCIALIZED HOUSING PROJECTS UNDER ARTICLE VIII, SECTION 32, OF REPUBLIC ACT (RA) NO. 7279, OTHERWISE KNOWN AS THE "URBAN DEVELOPMENT AND HOUSING ACT OF 1992"

TO : All Internal Revenue Officers and Others Concerned

I. OBJECTIVES:

- a. To improve the level of taxpayer service especially to the underprivileged and homeless sectors of the society;
- b. To effectively facilitate and expedite the processing and issuance of Certificate of Tax Exemption (CTE) and electronic Certificate Authorizing Registration (eCAR) for the transfer of raw lands to Community/Homeowners Associations intended for socialized housing projects under the Community Mortgage Program (CMP) of RA No. 7279;
- c. To amplify the applicable laws and complement existing revenue issuances with the end view of decongesting voluminous requests for tax exemption on said transfer of raw lands in the Legal and Legislative Division (Law Division); and
- d. To delineate the functions of the offices involved in the processing and issuance of eCAR regarding the aforesaid transfer of raw lands.

II. APPLICABLE LAWS AND ISSUANCES:

1. RA No. 7279; and
2. Revenue Regulations No. 17-2001

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III. COVERAGE:

The transaction covered by this Order shall only apply to the transfer of raw lands to the Community/Homeowners Associations covered under the Community Mortgage Program (CMP) of RA No. 7279 as duly certified by the Social Housing Finance Corporation (SHFC).

IV. PROCEDURE:

A. PROCESSING AND ISSUANCE OF THE CTE:

The application for the issuance of CTE shall be filed directly with the Office of the Commissioner. No application shall be processed unless the following documentary requirements are fully complied with by the requesting party:

- a. Original Certification signed by the President of the SHFC that the subject property qualifies and is actually a CMP Project. Such Certification shall be sufficient guarantee of the validity, authenticity and due diligence in the review of CMP Project loan application of the Homeowners Association;
- b. Certified true copy of the Deed of Sale executed by the landowner in favor of the Community/Homeowners Association;
- c. Certified true copy of the Master List of Beneficiaries;
- d. Certified true copy of the Transfer Certificate of Title /Original Certificate of Title and latest Tax Declaration of the property; and
- e. Extrajudicial Settlement of Estate, in case the title of the property is still in the name of a deceased landowner, and evidence of payment of appropriate taxes.

B. PROCESSING AND ISSUANCE OF eCAR:

The RDO concerned shall undertake to process, approve and issue the necessary eCAR within five working (5) days from the date of submission of the CTE. The CTE shall be a sufficient basis for the Revenue District Officer concerned to issue the eCAR and no other documents shall be required from the taxpayer/landowner requesting for the eCAR.

The eCAR that will be issued shall particularly state that the raw land is intended for a Community Mortgage Program pursuant to RA No. 7279, with a lien on the title of the land annotated by the Register of Deeds having jurisdiction over the properties, to the effect that the same is to be applied or is being applied to socialized housing project pursuant to RA 7279.

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V. POST-AUDIT MECHANISM:

The BIR may at any time conduct a post-audit evaluation and verification on whether or not the raw land is actually covered under the Community Mortgage Program pursuant to RA No. 7279.

VI. REPEALING CLAUSE:

All existing issuances or portions thereof which are inconsistent herewith are hereby repealed or revoked accordingly.

VII. EFFECTIVITY:

This Revenue Memorandum Order shall take effect immediately. All concerned are enjoined to give this Order a wide publicity as possible.

Caesar R. Dulay
CAESAR R. DULAY
Commissioner of Internal Revenue
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