REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

1-018-2021
2-1-2021

BUENAVISTA PROPERTIES, INC.
Unit F-2, Agcor Building, 335 Katipunan Avenue
Loyola Heights, Quezon City

Attention: **GEMMA S. BUENAFE**
Vice President for Administration and Finance

Gentlemen:

This refers to your letter dated May 21, 2020 requesting for a legal opinion on the following:

> *"1. If the Deed of Assignment by way of Dacion en Pago was notarized between May 14, 2006 – May 14, 2008, how much tax are we going to pay?*
> *2. If the Deed of Assignment by way of Dacion en Pago was notarized today i.e. May 19, 2020, how much taxes are we liable for?*
> *3. What tax exemption and/or fee privileges can we avail of right now?"*

Please be informed that under Revenue Bulletin No. 01-2003[1] the ruling function is limited to the determination of purely legal issues, as opposed to questions of fact. Likewise, the ruling function need not be exercised where the law, rule or regulation is clear, thereby dispensing with the need for the interpretation thereof.

Corollary thereto, Section 2 (t) of Revenue Bulletin No. 01-03 provides that:

> *"Section 2. List of No-Ruling Areas. — The following shall hereby be construed and identified as "No-Ruling Areas":*
>
> *xxx xxx xxx*
>
> *t) Request for rulings on issue/s or transactions based on hypothetical situations;"*
>
> *xxx xxx xxx*

[1] Prescribing the Procedure and Guidelines for the Proper Handling of Request for Rulings Which are Determined Hereunder as "No-Ruling Areas", and Providing the Initial List of "No-Ruling Areas"

"Hypothetical Questions" also known as "what if?" questions are queries involving theoretical, speculative, conjectured, conjectural, notional, suppositional, supposed or assumed entities or transactions. A ruling will not be issued on alternative plans of proposed transactions or on supposed situations.[2]

In view of the foregoing, we regret our inability to issue a definitive ruling or opinion on the above matters as it painstakingly demonstrates the application of law predicated on conjectural circumstances.

Please be guided accordingly.

Very truly yours,

Nº 0004841

MARISSA O. CABREROS
Deputy Commissioner, Legal Group

[2] Section 3 of Revenue Memorandum Order (RMO) No. 9-2014