REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
**BUREAU OF INTERNAL REVENUE**

**Quezon City**

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| Sec. 40(C)(2)&(6)(b) of the Tax Code of 1997, as amended; RR No. 18-01 |
| BIR Ruling No. 214-12<br>BIR Ruling No. 100-17<br>BIR Ruling No. 075-18 |
| S.M. |
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**ACRO-TEAM, INC.**
**ALTA TEAM, INC.**
**ALPHADISTRIBUTION, INC.**
Acro Building, Advanced Warehousing
Compound, Km. 22, East Service Road
Muntinlupa City

Attention: **MA. ROSARIO BENIGNA F. TUMACDER**
*President*

Gentlemen:

This refers to your request for confirmation of your opinion that the merger between Acro Team Inc.[1] (ACRO), Alta – Team Inc. (ALTA) and Alphadistribution Inc. (ALPHA), with ACRO as the surviving corporation, qualifies as a tax-free merger in accordance with Section 40(C)(2) and 6(b) of the National Internal Revenue Code (Tax Code) of 1997, as amended.

**Background**

1. ACRO, with Taxpayer Identification Number (TIN) ) is a domestic corporation duly registered with the Securities and Exchange Commission (SEC) with principal office address at Acro Building, Advanced Warehousing Compound, Km. 22 East Service Road, Cupang Muntinlupa City. It has an authorized capital stock of Four Million Pesos (P4,000,000.00) divided into Forty Thousand (40,000) common shares with a par value of One Hundred Pesos (P100.00) per share. The amount of capital stock of ACRO which has actually been subscribed and paid-up is One Million Pesos (P1,000,000.00).

2. ALTA, with TIN is a domestic corporation duly registered with the SEC with principal office at Km 106 Maharlika Highway, Brgy. P. Gomez, San Mariano, Sta. Rosa Nueva Ecija. It has an authorized capital stock of Three Million Pesos (P3,000,000.00) divided into Ten Thousand (10,000) common shares with a par value of Three Hundred Pesos (P300.00) per share. The amount of capital stock of ALTA which has actually been subscribed and paid-up is Three Million Pesos (P3,000,000.00).

[1] *Now ACRO Distribution and Logistics, Inc.*

3. ALPHA, with TIN is a domestic corporation duly registered with the SEC with principal office at at Brgy. Cataning, Roman Highway, Hermosa Bataan. It has an authorized capital stock of One Million Pesos (P1,000,000.00) divided into One Thousand (1,000) common shares with a par value of One Thousand Pesos (P1,000.00) per share. The amount of capital stock of ALPHA which has actually been subscribed and paid-up is One Million Pesos (P1 000,000.00).

4. On January 09, 2015, ACRO, ALTA and ALPHA entered into a Plan of Merger, with ACRO as the Surviving Corporation, wherein the effective date of the merger is the approval of the SEC.

5. On April 06, 2015, a joint meeting of the Stockholders and the Board of Directors of ACRO, ALTA and ALPHA was held. On the same date, all of the members of the respective Board of Directors and Stockholders representing all of the outstanding capital stock of the said companies approved the Plan of Merger, which has the following business purposes:

   a) to strengthen the capital base of the surviving corporation;

   b) to eliminate possible conflicts of interest between the constituent companies since all functions will be directly managed by one body and be guided by a unified corporate objective; and

   c) to obtain operating economies and efficiencies.

6. The Audited Financial Statements of ACRO as of March 31, 2015 indicate that ACRO has total assets of Five Hundred Twelve Million Five Hundred Thousand Two Hundred Seventy-Seven Pesos (P512,500,277.00), total liabilities of Four Hundred Thirty-One Million Four Hundred Forty-Four Thousand Two Hundred Sixty-Four Pesos (P431,444,264.00) and total stockholders' equity of Eighty-One Million Fifty-Six Thousand Thirteen Pesos (P81,056,013.00).

7. To implement the issuance of new shares in implementing the merger between the constituent corporations, ACRO simultaneously increased its authorized capital stock from P4 Million to P150 Million, which was approved on December 28, 2015.

8. On January 11, 2016, SEC approved the Article and Plan of Merger of the constituent corporations and issued the Certificate of Filing of the Plan and Articles of Merger on the same date.

9. On the Effective Date of the Merger, all the rights, powers, privilege, immunities and franchises of ALTA and ALPHA, and all property, real or personal, bank deposits, rights and all receivables due on whatever account, including subscriptions to shares and other choses in action, and all and every other interest of or belonging to or due to ALTA and ALPHA as of March 31, 2015 up to the effective date of merger, shall be taken and deemed to be transferred to and vested in ACRO by operation of law, without further act or deed, except as may be otherwise provided.

10. Under the Deed of Exchange dated July 09, 2015 and pursuant to the Plan of Merger, ACRO shall issue Two Hundred Eighty-One Thousand (281,000) common shares with a par value of One Hundred Pesos (P100.00) per share for the net assets of ALTA as of March 31, 2015, while ACRO shall issue Three Hundred Forty-Two Thousand (342,000) common shares with a par value of One Hundred Pesos (P100.00) per share for the net assets of ALPHA as of March 31, 2015. The excess of the net assets of ALTA and ALPHA over the total par value of the issued shares of ACRO shall be treated as additional paid-in capital in the books of ACRO, as the surviving corporation.

Based on the foregoing representations, you now request confirmation of your opinion that:

1. The merger of ALTA and ALPHA with ACRO is a tax-free merger under Section 40(C)(2) and (6)(b) of the Tax Code of 1997, as amended, such that no gain or loss shall be recognized for income tax purposes;
2. The transfer of assets of ALTA and ALPHA to ACRO is not subject to donor's tax for lack of donative intent on the part of ALTA and ALPHA;
3. The transfer of assets by ALTA and ALPHA to ACRO pursuant to the merger is not subject to value-added tax (VAT) and any unused input tax of ALTA and ALPHA as of the effective date of the merger is absorbed by ACRO, as the surviving corporation;
4. The excess and unexpired minimum corporate income tax (MCIT) of ALTA and ALPHA is carried forward and credited against the normal income tax due of ACRO as of the effective date of the merger pursuant to Section 27(E)(2) of the Tax Code, as amended; and
5. The transfer of assets of ALTA and ALPHA to ACRO is not subject to documentary stamp tax (DST) under Section 199 (m) of the Tax Code of 1997, as amended by Republic Act (RA) No. 9243. However, the original issuance of ACRO's shares to the stockholders of ALTA and ALPHA is subject to DST at the rate of One Peso (P1.00) on each Two Hundred Pesos (200.00), or fractional part thereof.

In reply thereto, please be informed, as follows:

1. The foregoing merger of ALTA and ALPHA with ACRO is a merger within the contemplation of Section 40 (C) (2) (a) in relation to 40 (C) (6) (b) of the Tax Code of 1997, as amended, because ACRO shall acquire/assume all the assets and liabilities of ALTA and ALPHA and the same will result in economies of scale and efficiency of operations of the merging corporations and make possible the more productive use of the properties of the constituent corporations, albeit, to the best interest of their respective stockholders. Hence, the merger of ALTA, ALPHA and ACRO is being undertaken for a *bona fide* business purpose and not for the purpose of escaping the burden of taxation.

The merger of ALTA, ALPHA and ACRO qualifies for non-recognition of gain or loss for income tax purposes in accordance with Section 40(C)(2) of the Tax Code of 1997, as amended, that no gain or loss shall be recognized by ALTA and ALPHA, as the transferors of all assets and liabilities, to ACRO pursuant to the Plan of Merger.

Accordingly, no gain or loss shall be recognized by ACRO, as the transferee, on its receipt of the assets and liabilities of ALTA and ALPHA pursuant to and as a consequence of the merger.

On the other hand, the bases of the shares of stocks to be received by the shareholders of ALTA and ALPHA upon the exchange shall be the same as the bases of the properties, stocks or securities exchanged, decreased by (1) the money received, and (2) the fair market value of the other property/ies received and increased by (a) the amount treated as dividend of the shareholders and (b) the amount of any gain that was recognized in the exchange. (*Sec. 40 (C) (5) (a) of the Tax Code of 1997, as amended*)

The basis of the properties transferred in the hands of the transferee (ACRO) shall be the same as it would be in the hands of the transferors (ALTA and ALPHA) increased by the amount of the gain, if any, recognized to the transferor (ACRO) on the transfer. (*Sec. 40 (C) (5) (b), supra*)

Finally, if the amount of the liabilities assumed plus the amount of the liabilities to which the properties are subject exceed the total of the adjusted basis of the properties transferred pursuant to such exchange, then such excess shall be considered as a gain, on the part of the transferors, from the sale or exchange of a capital asset or of property which is not a capital asset, as the case may be. (Sec. 40 (C) (4) (b), *supra*)

The substituted basis of the properties transferred by ALTA and ALPHA to ACRO shall comply with the rule that cash and other cash items will be excluded from the computation of the adjusted basis of the properties transferred for purposes of determining whether liabilities assumed and to which the property is subject do not exceed the adjusted basis of the property transferred pursuant to No. IV(A)(2) of Revenue Memorandum Ruling (RMR) No. 2-2002 dated June 10, 2002.

Accordingly, the allocated shares and liabilities, and the substituted basis of the assets transferred by ALTA and ALPHA to ACRO, based on ALTA and ALPHA's Audited Financial Statements as of March 31, 2015 shall be as follows:

**ALTA**

| | **Amount (in Php)** | **Allocated Liabilities** | **Allocated Shares** | **Substituted Basis (in Php)** |
|---|---|---|---|---|
| Cash | | | | |
| Trade and other receivable | | | | |
| Inventories | | | | |
| Other current assets | | | | |
| Property and equipment - Net | | | | |
| Other noncurrent assets | | | | |
| **TOTAL** | | | | |

| Liabilities | Amount (in Php) |
|---|---|
| Trade and other payables | |
| Income tax payable | |
| Other current liabilities | |
| Advances from officers | |
| **TOTAL** | |

**ALPHA**

| | Amount (in Php) | Allocated Liabilities | Allocated Shares | Substituted Basis (in Php) |
|---|---|---|---|---|
| Cash on Hand and in Bank | | | | |
| Accounts Receivable-Trade | | | | |
| Merchandise Inventory | | | | 9,073,454.66 |
| Advances to Employees | | | | |
| Other Current Assets | | | | |
| Property and equipment | | | | |
| **TOTAL** | | | | |

| Liabilities | Amount (in Php) |
|---|---|
| Accounts Payable - Trade | |
| Accounts Payable - Others | |
| SSS, Philhealth A& PagIBIG Contributions Payable | |
| VAT Payable | |
| Philippine Income Tax Payable | |
| Other Current liabilities | |
| Loans Payable | |
| **TOTAL** | |

2. Well-settled in our jurisprudence is the fact that the essential elements of a valid donation are: (1) the reduction of the patrimony of the donor, (2) the increase in the patrimony of the donee, and (3) the intent to do an act of liberality *(animus donandi)*.

Clearly, there is no intention on the part of any of the parties to the merger – ALTA and ALPHA to donate to ACRO its assets since the transaction is purely for legitimate business purpose. Thus, the aforesaid merger will not be subject to donor's tax since there is no intention to donate, and the transaction is a *bonafide* merger effected solely for business reasons.

3. Section 105 of the Tax Code of 1997, as amended, identifies the persons liable for the VAT. Thus,

> *"SECTION 105. Persons Liable. Any person who, in the course of trade or business, sells, barters, exchanges, leases goods or properties, renders services, and any person who imports goods shall be subject to the value-added-tax (VAT) imposed in Sections 106 to 108 of this Code.*

*xxx xxx xxx."*

However, Section 4.106-8(b)(3) of Revenue Regulations (RR) No. 16-2005, as amended by RR No. 4-2007[2], specifically excludes mergers from being subject to output tax, to wit:

> *"**SECTION 4.106-8**. Change or Cessation of Status as VAT-registered Person. –*
>
> *xxx xxx xxx*
>
> *(b) **Not subject to output tax**.*
>
> *The VAT shall not apply to goods or properties existing as of the occurrence of the following:*
>
> *(1) xxx xxx xxx*
>
> *(3) Merger or consolidation of corporations. The unused input tax of the dissolved corporation, as of the date of merger or consolidation, shall be absorbed by the surviving or new corporation."*

Thus, the above-mentioned transaction shall not be subject to VAT, and any unused input VAT of ALTA and ALPHA as of the effective date of merger will be transferred to and absorbed by ACRO pursuant to Section 4.106-8(b)(3) of RR No. 16-2005, as amended, the said transfer being considered a transaction "not subject to output tax" under the said Section.

4. The excess and unexpired minimum corporate income tax (MCIT) of ALTO and ALPHA, as of the effective date of the merger as of year 2015, if any, shall be carried forward and credited against the normal income tax due of ACRO for the three (3) immediately succeeding taxable years pursuant to Section 27(E)(2) of the Tax of 1997, as amended;

5. No DST is due on the transfer of assets made pursuant to the Plan of Merger under Section 199 (m) of the Tax Code of 1997, as amended by Republic Act No. 9243, in relation to Section 40 (C) (2) of the Tax Code of 1997, as amended. *(BIR Ruling No. 100-2017 dated March 2, 2017)*

In the case of *Pilipinas Shell Petroleum Corporation vs. Commissioner of Internal Revenue* (C.T.A. Case No. 6477 dated April 20, 2003), the Court stated that all the integral parts of the merger including the surrender of shares in exchange for shares, should be treated as a single and continuing transaction subject only to one DST. The Court held, as follows:

> *"As earlier stated, DST is in the nature of an excise tax because it is really imposed on the privilege to enter into a transaction. Its imposition, therefore, should be only once. And in a statutory merger, there is only one transaction, i.e., the issuance by the surviving corporation of its own shares of stock to the stockholders of the absorbed corporation in exchange for the shares surrendered by the shareholders of the absorbed corporation. All other transactions which are an integral and inherent part of the*

[2] now exempted from VAT under Section 34 of RA No. 10963, amending Section 109 of RA Nos. 8424 and 9337

> *merger, such as the absorption of real property, should no longer be subject to another round of DST. In other words, all the integral parts of the merger (e.g., surrender of shares in exchange for shares, transfer of assets, assumption of liabilities, etc.) should be treated as a single and continuing transaction subject only to one DST. The transfer of real property is not a transaction separate and distinct from the merger but an integral part or a mere continuation of the initial transaction which was previously consummated."*

6. DST at the rate of P1.00[3] on each P200 par value, or fractional part thereof, shall be imposed on the original issuance of shares by ACRO to the stockholders of ALTO and ALPHA as a consequence of the merger as provided under Section 174 of the Tax Code of 1997, as amended.

7. It is to be emphasized, however, that the net operating loss carry-over (NOLCO) under Section 34(D) (3) of the Tax Code of 1997, as amended, and as implemented by RR No. 14-2001, of ALTO and ALPHA, if any, is not one of their assets that can be transferred and absorbed by the surviving corporation, ACRO, as this privilege or deduction can be availed of by ALTO and ALPHA only. Accordingly, the tax-free merger does not cover the NOLCO of ALTO and ALPHA.

8. The retained earnings of the absorbed corporations amounting to Twenty-Two Million One Hundred Seventy-Two Thousand Four Hundred Three (P22,172,403.00) for ALTA and Thirty-Three Million Two Hundred Seventy-Nine Thousand Two Hundred Fifty-One Pesos (P33,279,251.00) for ALPHA are subject to the ten percent (10%) final withholding tax on dividends constructively received by its individual shareholders pursuant to Section 24 (B) (2) of the Tax Code of 1997, as amended. *(BIR Ruling No. 1422-18 dated December 7, 2018)*

In order that the above-described reorganization can be considered as merger under Section 40 (C) (2) and (6) (b) of the Tax Code of 1997, as amended, the parties to the merger should comply with the following requirements set forth under RR No. 18-2001:

A. The plan of reorganization should be adopted by each of the corporations, parties thereto, the adoption being shown by the acts of its duly constituted responsible officers and appearing upon the official records of the corporation. Each corporation, which is a party to the reorganization, shall file, as part of its return for the taxable year within which the reorganization occurred a complete statement of all facts pertinent to the non-recognition of gain or loss in connection with the reorganization, including:

   1. A copy of the plan of reorganization, together with a statement executed under the penalties of perjury, showing in full the purposes thereof and in detail all transactions incident to, or pursuant to the plan;

   2. A complete statement of all cost or other basis of all property, including all stocks or securities, transferred incident to the plan;

   3. A statement of the amount of stock or securities and other property or money received from the exchange, including a statement of all

[3] The old DST is used since the merger became effective prior to Republic Act No. 10963

distribution of other disposition made thereof. The amount of each kind of stock or securities and other property received shall be stated on the basis of the fair market value thereof at the date of the exchange;

4. A statement of the amount and nature of any liabilities assumed upon the exchange, and the amount and nature of any liabilities to which any of the property acquired in the exchange is subject.

B. Every taxpayer, other than a corporation, party to the reorganization, who received stock or securities and other property or money upon a tax-free exchange in connection with a corporate reorganization shall incorporate in his income tax return for the taxable year in which the exchange takes place a complete statement of all facts pertinent to the non-recognition of gain or loss upon such exchange, including:

1. A statement of the cost or other basis of the stock or securities transferred in the exchange; and

2. A statement in full of the amount of stock or securities and other property or money received from the exchange, including any liabilities assumed upon the exchange, and any liabilities to which property received is subject. The amount of each kind of stock or securities and other property (other liabilities assumed upon the exchange) received shall be set forth upon the basis of the fair market value thereof at the date of the exchange.

C. Records in substantial form shall be kept by every taxpayer who participates in a tax-free exchange in connection with a corporate reorganization showing the cost or other basis of the transferred property or money received (including any liabilities assumed on the exchange, or any liabilities to which any of the properties received were subject), in order to facilitate the determination of gain or loss from subsequent disposition of such stock of securities and other property received from the exchange.

In addition to the foregoing requirements, the parties shall enclose with their respective income tax returns for the taxable year in which the merger occurred a copy of the request for ruling filed with, and the corresponding ruling issued by, the Bureau of Internal Revenue, both duly stamp-received by the appropriate office of the Bureau of Internal Revenue.

Such parties shall include as a note to their respective audited financial statements for the taxable year in which the merger occurred a statement to the effect that they hold such assets/shares acquired in a merger and the year in which such merger occurred, and in the taxable years until the subject properties are subsequently transferred to another transferee.

Moreover, the shareholders of the absorbed/dissolving corporation and the surviving/transferee corporation shall record in their respective books of accounts the mandatory accounting entries stated in Annex "A" hereof, pursuant to Revenue Memorandum Order (RMO) No. 17-2016.

Furthermore, the parties shall cause to annotate at the back of the Transfer Certificates of Title (TCT) and Certificates of Stock, the date the merger was executed, the original or historical cost of acquisition of the properties or shares of stock involved, and the fact that no gain or loss was recognized as a result of such merger; provided however, that any violation by the Register of Deeds or by the

Corporate Secretary of this condition shall be penalized under Section 269 or 275, as the case may be, of the Tax Code of 1997, as amended.

Finally, the parties are required to submit to the Law and Legislative Division, Bureau of Internal Revenue, proof of annotation of the substituted basis of the shares of stock and/or real properties involved in the transfer within ninety (90) days from receipt of this ruling. Violation of this requirement is subject to the penalties provided in Section 275 of the Tax Code of 1997, as amended.

This ruling is being issued on the basis of the foregoing facts as represented. However, if upon investigation, it will be disclosed that the facts are different, then this ruling shall be considered null and void.

Very truly yours,

**CAESAR R. DULAY**
*Commissioner of Internal Revenue*

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**ANNEX "A"**

| Particulars | Individual Shareholder's Book (The entry/ies shall be per individual shareholder of the absorbed corporation) | Transferee/Surviving Corporation's Book |
|---|---|---|
| Journal Entry to Record the Tax Free Exchange | Investment in (transferee's name) XXX.XX<br>Investment in (name of dissolving corp.) XXX.XX<br>Dividend Income (net of FWT on dividend) XXX.XX<br><br>To record the Tax-Free Exchange of investment in (share type) shares of (name of issuing corporation/s) with aggregate fair market value of P ____ in exchange for (type and no. of share) of (name of transferee) with par value of P_____ per share. | Investment in (issuing corp., for shares of stock) XXX.XX<br>PPE - Land & Improvement (for real props.) XXX.XX<br>Other Assets (as applicable) XXX.XX<br>Liabilities XXX.XX<br>Capital Stock XXX.XX<br>Additional Paid-In Capital XXX.XX<br><br>To record the Tax-Free Exchange of real properties, investment in (share type) shares of (name of issuing corporation s), and other assets with aggregate fair market value of P_____, including liabilities assumed resulting from merger, in exchange for (type and no. of share) of (name of transferee) with par value of P ____ per share. |
| Balance Sheet Notes Entry | Investment includes (no. and type of share/s) with par value of P ____ in (name of transferee) resulting from the Tax-Free Exchange of investment in (no. and type of share/s) of (issuing corporation/s) covered by Stock Certificate No/s. _____ which were acquired for the total cost of (substituted basis) and which have fair market value as of the date of exchange amounting to P ____ | Real properties, investment in (no. and type of share/s) of (issuing corporation/s), and other assets were acquired through merger as evidenced by Plan of Merger and Articles of Merger, including the increase of the Authorized Capital Stock of (name of transferee), approved by the Securities and Exchange Commission on (date). The total acquisition cost/substituted cost to (name of transferee) of the investment/s amounts to (FMV at the time of the exchange). The real properties, investment's, and other assets were previously covered by Transfer Certificate of Title and Stock Certificate No s. _____ issued by (issuing corporation/s) and are now presently covered by Stock Certificate No/s. _____ constituting (no. and type of share s) [total] shares in the name of (name of transferee). |
| Proforma Entries to Record Subsequent Sale/Transfer | Cash or Accounts Receivables XXX.XX<br>Investment in (name of transferee) XXX.XX<br>Gain on Sale of Investment XXX.XX<br><br>To record subsequent sale transfer of investment acquired thru tax-free exchange<br><br>Current<br>Tax Payable XXX.XX<br>XXX.XX<br><br>Provision for Tax as follows | Cash or Accounts Receivables XXX.XX<br>Investment in (name of issuing corp.)<br>PPE - Land & Improvement Other Assets XXX.XX<br>Gain on Sale of Property ies* XXX.XX<br><br>To record subsequent sale transfer of investment s acquired thru tax-free exchange<br><br>Current<br>Tax Payable XXX.XX<br>XXX.XX<br><br>Provision for Tax as follows |

| | Tax Type | Tax Rate* | Multiply by | Amount |
|---|---|---|---|---|
| 1) | Net Capital Gains Tax | 15% on P100,000 and 10% on excess | Gains realized on tax-free exchange | XXX.XX |
| OR | Stock Transaction Tax | 1/2 of 1% | FMV of investment/s at the time of the tax-free exchange | |
| 2) | Net Capital Gains Tax | 15% | Gains realized on subsequent sale of investment/s | XXX.XX |
| OR | Stock Transaction Tax | 1/2 of 1% | Selling price of investment at the time of subsequent sale | |
| Total Tax Payable | | | | XXX.XX |

* If subsequent sale/s on investment/s was/were made before January 1, 2018, the tax rates used in the computation of Net Capital Gains Tax and Stock Transaction Tax at the time of the tax-free exchange shall apply.

* Computation of Gain Realized on Subsequent Sale of Investment

| | |
|---|---|
| Selling Price | XXX.XX |
| Less: Cost (Substituted Basis) | XXX.XX |
| Net Capital Gain on sale of unlisted shares | XXX.XX |

* Per RMO No. 13-2016, the substituted basis of the stock or securities received by the transferor on a tax-free exchange shall be as follows: (1) The original basis of the property, stock or securities to be transferred; (2) Less: (a) money received, if any; and (b) the fair market value of the other property received, if any; (3) Plus: (a) the amount treated as dividend of the shareholder, if any; and (b) the amount of any gain that was recognized on the exchange, if any.

| | Tax Type | Tax Rate* | Multiply by | Amount |
|---|---|---|---|---|
| 1) | Net Capital Gains Tax | 15% | Gains realized on subsequent sale of investment/s | XXX.XX |
| OR | Stock Transaction Tax | 1/2 of 1% | Selling price of investment at the time of subsequent sale | |
| Total Tax Payable | | | | XXX.XX |

| | Tax Type | Tax Rate | Multiply by | Amount |
|---|---|---|---|---|
| 1) | Withholding Tax - DST/FTT | 1.5% to 6% per RR No. 6-2001 | Fair Market Value (FMV) of the property/ies at the time of subsequent sale/transfer | XXX.XX |
| 2) | Documentary Stamp Tax (DST) | 1.5% for every P1,000 and fractional part thereof) | | XXX.XX |
| 3) | Value-Added Tax (VAT) | 12% | | XXX.XX |

* Gain on sale of property/ies is subject to Normal Corporate Income Tax (NCIT).

* FMV at the time of subsequent sale/transfer refers to the selling price, zonal value or the value reflected in the tax declaration, whichever is highest.