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

Sec. 98(A), 1997 NIRC
BIR Ruling No. 365-2016
JAN 19-2017
1-31-2017

Dr. Ramonito C. Eubanas
1827 Taft Ave., Malate, Manila

Sir:

This refers to your undated letter received by this Office on December 28, 2016 stating that a Deed of Assignment was made and executed by Nora C. Eubanas on May 26, 2015, transferring and conveying all her rights, interests, and participation over several deposit accounts to his son, Dr. Ramonito Chuanico Eubanas (TIN), a Physician, and in recognition of the latter's selfless efforts in taking care of her mother. The aforesaid accounts assigned and ceded by Nora C. Eubanas includes deposit accounts in: 1) Citibank, 2) HSBC-Manila Main Office, 3) Robinson's Bank-Dumaguete City Branch, 4) BDO-SM City Iloilo Branch, 5) BDO-SM City Bacolod Branch, 6) United Coconut Planters Bank (UCPB)-Shangri-la Branch and J.P. Rizal, Makati Branch, 7) Bank of the Philippine Islands (BPI) in Taft Ave.-Gen. Malvar St., Manila Branch, and 8) Metropolitan Bank and Trust Company (Metrobank for brevity)-Taft Ave. cor. Nakpil St., Manila Branch.

You had previously requested for a ruling that several deposit accounts of your mother with UCPB which was assigned to you by way of a Deed of Assignment on May 26, 2015 and before her death on August 8, 2015, should not form part of her estate. This Office thru BIR Ruling No. 365-2016 dated October 27, 2016 opined that the UCPB bank deposits, including interest and all earnings of such deposit made by Nora C. Eubanas with the said bank should be excluded from her gross estate, but nonetheless, should be subject to donor's tax pursuant to Sec. 98(A) of the 1997 Tax Code, as amended.

While the afore-mentioned ruling has given you authority over the UCPB accounts, as being excluded from your mother's gross estate, the said opinion did not make mention of the other accounts in Citibank, HSBC-Manila Main Office, Robinson's Bank-Dumaguete City Branch, BDO-SM City Iloilo Branch, BDO-SM City Bacolod Branch and UCPB-Shangri-la Branch which were similarly transferred through the same Deed of Assignment. As a consequence, thereof, you have been prevented to withdraw and use the subject accounts.

You now request for a ruling that your deposit accounts with BPI- Taft Ave. cor. Gen. Malvar St., Manila Branch, with BPI Head Office, Makati City and with Metrobank-Taft Ave. cor. Nakpil St., Manila Branch, which are particularly described herein with the corresponding amounts are likewise not subject to estate taxes.

Name of Bank	Account No.	Kind	Account Balance	Peso Value
BPI – Taft Ave. Branch		Peso Deposit		
BPI – Taft Ave. Branch		Peso Deposit		
BPI – Taft Ave. Branch		Peso Deposit		

IN.

BPI – Taft Ave. Branch		USD Deposit		
Total				

Name of Bank	Account No.	Kind	Account Balance	Peso Value
Metrobank - Taft Ave., cor. Nakpil St. Branch		C/A Peso Deposit		
Metrobank - Taft Ave., cor. Nakpil St. Branch		S/A Peso Deposit		
Metrobank - Taft Ave., cor. Nakpil St. Branch		S/A Peso Deposit		
Metrobank - Taft Ave., cor. Nakpil St. Branch		S/A USD Deposit		
Metrobank - Taft Ave., cor. Nakpil St. Branch		S/A USD Deposit		
Total				

** at Philippine Peso exchange rate of 45.83*

In reply thereto, please be informed that pursuant to Sec. 85 of the Tax Code of 1997, as amended, the value of the gross estate of the decedent shall be determined by including the value at the time of his death all of his property/ies, real or personal, tangible or intangible, wherever situated.

Any deposit account with its corresponding interest maintained by a depositor is presumed to be owned by him. The said presumption will not apply if there is evidence that the ownership of the aforesaid deposit account belongs to another, other than the one named in the accounts.

In the instant case, subject deposit accounts now belong to Dr. Eubanas. These accounts were transferred and conveyed by Nora C. Eubanas to reward his son's medical and other valuable services to her. This is evidenced by a notarized Deed of Assignment which was executed prior to the death of Nora C. Eubanas which would substantiate the claim of Dr. Eubanas that the entire deposit accounts with BPI- Taft Ave. cor. Gen. Malvar St., Manila Branch, and Metrobank Taft Ave. cor. Nakpil St., Manila Branch shall belong to him. Thus, no part of said accounts shall belong to the deceased depositor, Nora C. Eubanas and should be excluded from the latter's gross estate. Hence, not subject to estate tax.

Furthermore, a review of the Deed of Assignment would show that Nora C. Eubanas intended to transfer the deposit accounts upon the execution of the Deed of Transfer. A person certainly can transfer or donate his property/ies to anyone during his lifetime. In fact, upon disposition thereof, the aforesaid assignor was no longer the true owner of the property/ies transferred.

Accordingly, the BPI and Metrobank accounts, including interest and all earnings of such accounts made by Nora C. Eubanas with the said banks should be excluded from her gross estate, but nonetheless, should be subject to donor's tax pursuant to Sec. 98(A) of the 1997 Tax Code, as amended.

It is to be noted that BPI- Taft Ave. cor. Gen. Malvar St., Manila Branch, and Metrobank-Taft Ave. cor. Nakpil St., Manila Branch shall not allow withdrawals and/or distribution of the said funds without the necessary tax clearance issued by the concerned Revenue District Office that the donor's tax has been fully paid.

Moreover, the concerned Revenue District Office must include the UCPB accounts, with an aggregate amount of , covered by BIR Ruling No. 365-2016, and all other gifts/ donations made, if any, in 2015 in determining the total net gifts made by Nora C. Eubanas during the calendar year 2015, for purposes of computing the correct donor's tax, interest, surcharge and penalties that may be due thereon. In addition, Dr. Ramonito Chuanico Eubanas must execute a sworn statement as to all other gifts/donations made by Nora C. Eubanas in 2015 to ensure that said gifts / donations, known personally to Dr. Ramonito Chuanico Eubanas, are taken into consideration in the proper determination of the total net gifts made by Nora C. Eubanas in the calendar year 2015.

This ruling is being issued on the basis of the foregoing facts as represented. However, if upon investigation, it will be ascertained 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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