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

May 5, 2006

REVENUE MEMORANDUM CIRCULAR NO. 27-2006

SUBJECT: Publishing the full text of EXECUTIVE ORDER NO. 525 by the President of the Philippines dated April 10, 2006 entitled creating a special task force to investigate irregularities committed in relation to the payment of taxes in transfers of titles of real properties, and for other purposes

TO : All Internal Revenue Officers, Employees and Others Concerned

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For the information and guidance of all internal revenue officers, employees and others concerned, quoted hereunder is the full text of Executive Order No. 525 by the President of the Philippines dated April 10, 2006:

"MALACAÑANG
Manila

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 525

CREATING A SPECIAL TASK FORCE TO INVESTIGATE IRREGULARITIES COMMITTED IN RELATION TO THE PAYMENT OF TAXES IN TRANSFERS OF TITLES OF REAL PROPERTIES, AND FOR OTHER PURPOSES

WHEREAS, anti-corruption and good governance constitute one of the five main components of the Medium-Term Philippine Development Plan for 2004-2010;

WHEREAS, there are reported irregularities in relation to the payment of taxes in transfers of titles of real properties;

WHEREAS, the Department of Justice (DOJ), Office of the Ombudsman and the Commission on Audit entered into a Memorandum of Agreement on 20 September 2005 to ensure the proper payment of taxes in transfer of titles of real property and detect, investigate and prosecute corruption or irregularities committed in relation thereto;

WHEREAS, Section 31, Chapter 10, Title III, Book III of the Administrative Code of 1987 provides the President with continuing authority to organize the Office of the President;

NOW, THEREFORE, I GLORIA M. ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

Section 1. ***Creation.*** - There is hereby created a Task Force attached to the Presidential Anti-Graft Commission to investigate irregularities in the transfer of titles of real properties.

The Task Force shall be headed by the Presidential Adviser on Revenue Enhancement and shall include other members as needed: Provided, that three members shall come from the signatory agencies of the Memorandum of Agreement referred to above.

Section 2. ***Powers and Functions.*** - The Task Force shall have the following powers and functions:

a. Investigate and gather evidence against public officials and employees of the Registries of Deeds and the Bureau of Internal Revenue as well as individuals and entities who allegedly committed irregularities in the transfer of titles of real properties without payment of the correct capital gains, documentary stamp, real estate and other taxes, without prejudice to the on-going investigation and gathering of evidence by the DOJ, or to the latter's authority to continue investigating and gathering evidence against said public officials, employees, individuals and entities;

b. Initiate and/or recommend the filing of the appropriate administrative, civil and criminal cases;

c. Hire personnel on a project or contractual basis;

d. Call upon any department, bureau, office, or other agencies of the government for technical, administrative and operational assistance in the pursuit of its mandate;

e. Coordinate with other government agencies, non-government organizations and other individuals and entities as may be deemed necessary to attain its objectives;

f. Render assistance to the Inter-Agency Council created by the DOJ, the Ombudsman and the COA pursuant to the above Memorandum of Agreement, if called to do so.

Section 3. ***Personnel.*** **-** The hiring of personnel shall be subject to the approval of the Executive Secretary.

Section 4. ***Term*** **-** The Task Force shall exist for two years from the date of effectivity of this Order. After which its functions shall be turned over to the Department of Justice.

Section 5. ***Reports.*** **-** The Task Force shall submit quarterly reports to the Inter-Agency Council established pursuant to the abovementioned Memorandum of Agreement dated 20 September 2005.

Section 6. ***Funding.*** **–** Funds for the operation of the Task Force shall be sourced from the Office of the President and the DOJ. An initial funding of One Million Pesos (P1,000,000.00) from the appropriation of the OP and One Million Pesos (P1,000,000.00) from the appropriations of the DOJ shall be released upon effectivity of this Order.

Section 7. ***Effectivity*** **–** This Order shall take effect immediately.

DONE in the City of Manila, this 10th day of April, in the year of Our Lord, Two Thousand and Six.

(SGD) **GLORIA M. ARROYO**

By the President:

(SGD) **EDUARDO R. ERMITA**
Executive Secretary"

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

(Original Signed)
NORMA L. LIPANA
OIC-Deputy Commissioner
Resource Management Group