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

April 17, 2015

# REVENUE MEMORANDUM CIRCULAR NO. 28-2015

**SUBJECT** : Publishing the Full Text of the Joint Memorandum Circular between the **Bureau of Internal Revenue (BIR)** and **Land Registration Authority (LRA)**

**TO** : All Internal Revenue Officials, Employees, and Other Concerned

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For the information and guidance of all concerned, quoted hereunder is the full text of the Joint Memorandum Circular between the Bureau of Internal Revenue (BIR) and Land Registration Authority (LRA) signed on April 6, 2015 in Quezon City, Metro Manila, Philippines.

**" JOINT BIR-LRA MEMORANDUM CIRCULAR**

**TO:** **THE BUREAU OF INTERNAL REVENUE AND ITS REVENUE DISTRICT OFFICES, THE LAND REGISTRATION AUTHORITY AND ITS REGISTRIES OF DEEDS**

**SUBJECT:** **IMPLEMENTATION AND USE OF THE LRA's PHILIPPINE LAND REGISTRATION AND INFORMATION SYSTEM (PHILARIS) FOR THE AUTOMATED VERIFICATION OF THE BIR ELECTRONIC CERTIFICATE AUTHORIZING REGISTRATION (eCAR)**

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## I. PREFATORY STATEMENT

The Bureau of Internal Revenue (BIR) is a government agency under the supervision of the Department of Finance (DOF) mandated by law to generate financial resources for the government through the enforcement of internal revenue laws and regulations.

The Land Registration Authority (LRA) is a government agency under the Department of Justice (DOJ) mandated by law to preserve the integrity of the land registration process, protect the sanctity of the Torrens System, and act as the central repository of records relative to original registration of lands titled under the Torrens System, including subdivision and consolidation plans of titled lands and, through its Registry of Deeds (RD) offices nationwide, be the repository of records of instruments affecting registered or unregistered lands and chattel mortgages in the province and the city wherein such office is situated.

The LRA is currently implementing the Land Titling Computerization Project (LTCP) which involves, among others, the development of customized application systems, the supply of IT products and services, training of end-users, conversion of titles and documents from physical to digital format, nationwide network interconnection, and rehabilitation and construction of IT-enabled government offices.

Under the LTCP, the operations of the LRA and its RDs shall be fully-computerized, where all documents, deeds, instruments shall be electronically-registered, and requests for verification, certifications and certified true copies shall be processed pursuant to published Circulars and Guidelines of the LRA, namely:

1. Implementing Guidelines on Electronic Registration of Land Titles and Deeds issued on 02 July 2009;

2. Implementing Guidelines on Electronic Registration of Land Titles and Deeds and Processing of Central Office Transactions issued on 21 December 2010; and,

3. Amendment to the Implementing Guidelines on Electronic Registration of Chattel Mortgage and Other Personal Properties, Electronic Recording of Transactions on Unregistered Land, and Electronic Registration of Land Titles and Deeds issued on 21 January 2011.

BIR is likewise implementing various computerization projects aimed at further improving tax collection. One of the systems developed by BIR is the Electronic Certificate Authorizing Registration (eCAR) System for the processing and generation of Certificates Authorizing Registration (CAR) as evidence of proper and complete payment of transfer taxes.

In the spirit of inter-agency cooperation, the DOF, the DOJ, the BIR and the LRA entered into a Memorandum of Agreement (MOA) on September 25, 2013, whereby all parties agreed to implement the automated verification of CAR issued by the BIR and presented in the Registries of Deeds, to ensure the effective implementation of Section 5(B) of the National Internal Revenue Code (NIRC) of 1997, as amended, in relation to Sections 58 (E) and 95 of the same Code.

This Joint Memorandum Circular is being issued to guide all concerned on the rules and procedures for the implementation of the LRA-BIR eCAR Verification System Project.

## II. COVERAGE

This Circular shall cover all transactions involving transfer of real properties processed in the Registries of Deeds requiring the presentation of the eCAR, which shall be automatically verified using the PHILARIS prior to the processing of a transfer transaction.

The automated verification of the eCAR shall be implemented in the Registries of Deeds already using the PHILARIS for transaction processing, and where the corresponding BIR Office has started using the BIR eCAR System for the issuance of the eCAR.

The eCAR verification follows the general guidelines listed below:

1. BIR shall provide LRA with data relevant to an eCAR by directly updating the LRA-BIR eCAR Database;

2. BIR shall issue an eCAR only after successfully updating the LRA-BIR eCAR Database;

3. The eCAR shall contain a barcode, which shall be scanned at the Registry of Deeds for verification, after the entry into the Electronic Primary Entry Book of the eCAR as a supporting document of a transaction;

4. The eCAR presented shall be automatically validated against the data provided by BIR in the LRA-BIR eCAR Database, and only transactions that have validated eCARs shall be approved by the Registry of Deeds; and,

5. LRA shall provide BIR relevant data relating the eCAR to its corresponding Certificate of Title.

## III. OPERATING PROCEDURES AND GUIDELINES - BIR

1. The eCARs (BIR Form No. 2313-R) for transactions involving transfer of real properties are currently being used by the following Revenue Regions and Large Taxpayers' offices:

| BIR OFFICE | DATE OF eCAR SYSTEM IMPLEMENTATION |
|---|---|
| **Revenue Region No. 1 – Calasiao, Pangasinan** (RDO Nos. 1-Laoag City, 2-Bantay,Ilocos Sur, 3-San Fernando, La Union, 4-San Miguel, Calasiao, Pangasinan, 5-Alaminos City, Pangasinan, 6-Urdaneta, Pangasinan) | May 19, 2014 |
| **Revenue Region No. 5 – Caloocan** (RDO Nos. 24-Valenzuela City, 25-A-Plaridel, bulacan, 25-B-Sta. Maria, Bulacan, 26-Malabon/Navotas, 27-Caloocan) | July 7, 2014 |
| **Revenue Region No. 8 – Makati City** (RDO Nos. 44-Taguig/Pateros, 47-East Makati, 48-West Makati, 49-North Makati, 50-South Makati, 51- Pasay City, 52-Paranaque City, 53-A Las Pinas City, 53-B Muntinlupa City) | |
| **Large Taxpayers (LT)** Audit Division Regular 1- (RDO No. 116), 2- (RDO No. 125), 3 – (RDO No. 126) | |
| LT Excise Audit Division 1 (RDO No. 121), 2 (RDO No. 124) | |
| LT District Office – Makati (RDO No. 122) | |

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|---|---|
| **Revenue Region No. 6 – Manila** (RDO Nos. 29-Tondo/San Nicolas, 30-Binondo, 31-Sta. Cruz, 32-Sampaloc/Sta. Mesa/San Miguel/Quiapo, 33-Ermita/Intramuros/Malate, 34-Paco/Pandacan/Sta. Ana) | July 14, 2014 |
| **Revenue Region No. 7 – Quezon City** (RDO Nos. 28-Novaliches, 38-North QC, 39-South QC, 40-Cubao, QC, 41-Mandaluyong, 42-San Juan, 43-A East Pasig, 43-B West Pasig, 45-Marikina, 46-Cainta, Rizal) | July 21, 2014 |
| **Revenue Region No. 2 – Cordillera Administrative Region** (RDO Nos. 7-Bangued, Abra, 8-Baguio City, 9-La Trinidad, Benguet, 10-Bontoc, Mt. Province, 11-Tabuk Kalinga, 12-Lagawe, Ifugao) | September 15, 2014 |
| **Revenue Region No. 3 – Tuguegarao, Cagayan** (RDONos. 13 Tuguegarao City, 14-Bayombong, Nueva Vizcaya, 15-Naguilian, Isabela, 16-Cabarroguis, Quirino) | |
| **Revenue Region No. 4 – San Fernando, Pampanga** (RDO Nos. 17A-Tarlac City, Tarlac, 17B Paniqui, Tarlac, 18-Olongapo City, 19-SBMA, 20-Balanga City, 21A-North Pampanga, 21B-South Pampanga, 22-Baler, Aurora, 23A-North Nueva Ecija, 23B-South Nueva Ecija) | |
| **Revenue Region No. 6 – Manila** (RDO Nos. 35-Odiongan, Romblon, sub-office Romblon, Romblon, 36-Puerto Princesa City, 37-Occidental Mindoro) | |
| **Revenue Region No. 9 – San Pablo City** (RDO Nos. 54A-Trece Martirez City, South Cavite, 54B- Bacoor, Cavite, 55-San Pablo City, 56-Calamba City, 57-Binan, Laguna, 58-Batangas City, 59-Lipa City, 60-Lucena City, 61-Gumaca, Quezon, 62-Boac, Marinduque, 63-Calapan City) | |

2. However, the following BIR offices shall continue to manually prepare and issue CAR until these offices are ready to implement the eCAR System:

   a. Revenue Region No. 10 – Legaspi City;
   b. Revenue Region No. 11 – Iloilo City;
   c. Revenue Region No. 12 – Bacolod City;
   d. Revenue Region No. 13 – Cebu City;
   e. Revenue Region No. 14 – Tacloban City;
   f. Revenue Region No. 15 – Zamboanga City;
   g. Revenue Region No. 16 – Cagayan de Oro City;
   h. Revenue Region No. 17 – Butuan City;
   i. Revenue Region No. 18 – Koronadal City;
   j. Revenue Region No. 19 – Davao City; and,
   k. Large Taxpayers District Office – Cebu (RDO No. 123).

   The roll out dates for the above-mentioned offices shall be accordingly informed by BIR to LRA. Thereupon, LRA shall immediately issue corresponding notice advising all Registries concerned of the automatic inclusion of the said offices in the coverage of this Joint Memorandum Circular upon the roll-out of the eCAR System.

3. There shall be one (1) eCAR per title in case of registered land and/or improvement(s) and one (1) eCAR per tax declaration in case of unregistered land and/or improvement(s).

4. All CARs issued within one (1) year prior to the implementation of the eCAR System are still valid for presentation by taxpayers to the Registry of Deeds. Thus, the Revenue District Officers/ LT Division Chiefs shall furnish the concerned Registry of Deeds with a list of the said manually issued CARs. The list, in hard copy, shall be provided to the Register of Deeds not later than two (2) days after implementation of the eCAR system in the RDO concerned.

5. For other manually-issued CARs that are outstanding but not yet presented to the Registry of Deeds, within the validity period as prescribed in existing BIR issuances, the same shall no longer be valid for presentation to the Registry of Deeds. Instead, the said CARs shall be replaced with an eCAR by the concerned Revenue District Officer/ LT Division Chief, provided, the eCAR System is already implemented in the concerned Revenue District Office. Otherwise, a new CAR shall be manually issued in its stead.

6. All eCARs shall have a validity period of one (1) year from date of issue. In case the taxpayer fails to present the eCAR to the RD concerned within the one (1) year validity period, the RDO/LT Division Chief shall issue a new eCAR to the taxpayer. In the event the eCAR is lost or destroyed within its validity period, the RDO/LT Division Chief shall not issue a new eCAR but instead he shall reprint the same eCAR and issue this to the requesting taxpayer.

7. In the case of Estate and Donor's Taxes, the eCARs shall be issued by the RDO having jurisdiction over the domicile/residence of the decedent/donor. For non-resident decedent/donor, the eCAR shall be issued by RDO 39 South Quezon City.

8. The eCAR shall be printed on an accountable form with security features and a barcode. There shall be a Barcode Reference Number located below the barcode, which can be encoded in case the latter cannot be scanned/read.

9. The RDO shall indicate on the face of each page of all the copies of the document of sale or exchange or transfer (e.g., *Deed of Sale, Deed of Exchange, Deed of* Assignment, *Deed of Donation, Deed of Extrajudicial* Settlement *of Estate, etc.)* the details of information indicated in the eCAR, to wit:

    a. Transaction Number;
    b. eCAR Number;
    c. Date of eCAR;
    d. Title Number of Property (for titled property); and,
    e. Tax Declaration Number of the Property (for untitled property).

10. No registration of any deed or instrument resulting in the transfer of ownership of real property shall be allowed by the RD unless the Commissioner or his duly authorized representative has issued the corresponding eCAR, which has been properly verified under the LRA-BIR eCAR Veification System Project. Once the new TCT/CCT is issued in the name of the transferee/s, the RDs shall annotate on the cancelled OCT/TCT/CCT the following information:

    a. eCAR Number;
    b. Date of issuance of eCAR;
    c. RDO Number;
    d. Name of Revenue District Officer; and,
    e. Type and Amount of Taxes Paid.

## IV. OPERATING PROCEDURES AND GUIDELINES - LRA

1. The BIR shall inform the LRA of the roll-out dates for the offices listed in Section III (2) hereof. Thereupon, LRA shall imediately notify all Registries concerned of the automatic inclusion of the said offices in the coverage of this Joint Memorandum Circular, upon eCAR System roll-out.

2. Upon presentation of the required documents for registration, the Entry Clerk shall assign a system-generated unique Electronic Primary Entry Book Number (EPEB Number) for the transaction.

3. The bar code of eCAR shall be scanned at the Entry Module, thereby capturing the required eCAR data and automatically storing these in the RD's Database.

4. In case the eCAR bar code cannot be read, the Entry Clerk shall input the Bar Code Reference Number shown under the bar code.

5. The same documents currently required for the registration of deeds and instruments relating to registered and unregistered lands shall be complied with.

6. The RD personnel shall also input other data in the Entry and Return to Entry Modules, as required under the law and existing LRA rules and regulations, such as, presenter information, received documents, etc.

7. After the input of all required information in the Entry Module, the PHILARIS shall validate the submitted eCARs.

    a. If any eCAR does not pass the verification process, the PHILARIS shall generate a "Notice of Unverified eCAR" to be presented to the client, and the System shall tag the EPEB Number as "void". This "void" tag shall render this EPEB Number without force and effect; or,

b. If all eCARs pass the verification process, the PHILARIS shall generate the Assessment Form and Payment Order, which shall be used by the client as the basis for paying the required fees.

8. An eCAR Authentication Fee amounting to One Hundred Fifty Pesos (Php150.00), exclusive of VAT, shall be collected from the Registrants for each verified eCAR submitted, on top of the regular fees charged for each transaction type as provided for under the law and existing LRA Circulars on the matter.

9. After payment of all fees duly assessed for the transaction, the transaction shall proceed to the next module, and the regular transaction process shall be followed.

10. Any subsequent modification by the BIR of an eCAR that has been entered in and verified by the RD shall not affect any transaction already approved by the RD.

11. The annotation text referred to Section III (10) above shall be automatically generated by the PHILARIS using the standard LRA templates and the data from the eCAR.

12. The LRA shall, using their eCAR Verification System, provide the BIR, after the processing of the transaction where the eCAR was submitted as a supporting document, with the following information:

    a. Newly issued TCT/CCT Number;
    b. OCT/TCT/CCT Number of old OCT/TCT/CCT Cancelled (title of previous owner and replaced by the TCT/CCT newly issued);
    c. eCAR Number;
    d. Transaction Status;
    e. Register of Deeds (RD) Code and Name;
    f. Entry Number;
    g. Entry Date and Time; and,
    h. Approval Date and Time.

13. All other transaction processes shall be in accordance with published Circulars and Guidelines of the LRA.

## V. OTHERS

1. This Joint Memorandum Circular may be amended, from time to time, as may be deemed necessary. All amendments shall be in writing and shall be jointly approved by the BIR and LRA.

2. Should any provision of this Joint Memorandum Circular, or application of such provision to any circumstance, is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

3. All orders, guidelines, circulars, rules and regulations inconsistent herewith are hereby repealed or amended accordingly.

4. This Joint Memorandum Circular shall take effect immediately upon approval and publication in a newspaper of general circulation.

Diliman, Quezon City, April 6, 2015.

**LAND REGISTRATION AUTHORITY**

By: (Original Signed)
**Atty. EULALIO C. DIAZ III**
Administrator

Witnessed by:

(Original Signed)
**Atty. ROBERT NOMAR V. LEYRETANA**
Deputy Administrator

(Original Signed)
**Atty. RONALD A. ORTILE**
Deputy Administrator

**BUREAU OF INTERNAL REVENUE**

By: (Original Signed)
**Atty. KIM S. JACINTO-HENARES**
Commissioner

Witnessed by:

(Original Signed)
**LILIA C. GUILLERMO**
Deputy Commissioner

(Original Signed)
**NELSON M. ASPE**
Deputy Commissioner "

All revenue officials and employees are enjoined to give this Circular the most extensive publicity as possible.

(Original Signed)
**KIM S. JACINTO-HENARES**
Commissioner of Internal Revenue

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