REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

JUN 0 8 2023

# REVENUE MEMORANDUM CIRCULAR NO. 65-2023

**SUBJECT** : Amending Item VIII of Revenue Memorandum Circular No. 19-2022 on the Venue for the Issuance of Certificate Authorizing Registration Relative to Tax-Free Exchanges of Properties under Section 40(C)(2) of the National Internal Revenue Code of 1997, as Amended.

**TO** : All Internal Revenue Officers and Others Concerned

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Revenue Memorandum Circular (RMC) No. 19-2022 provides that for the purpose of implementing the transaction covering tax-free exchanges of properties under Section 40(C)(2) of the National Internal Revenue Code (Tax Code) of 1997, as amended, prior ruling is not necessary. Instead, parties to the transaction may directly apply for the issuance of Certificate Authorizing Registration (CAR) with the concerned Revenue District Office (RDO).

Item VIII of RMC No. 19-2022 on "Venue for the issuance of Certificate Authorizing Registration (CAR)", states:

> *"For purposes of the issuance of the CAR for the transferred properties pursuant to the tax-free reorganization/exchange, the parties to the transaction shall submit the documentary requirements listed in **Annex "B"** hereof to the RDO having jurisdiction over the place where the property is located, in case of a real property, or in case of shares of stock, the RDO where the issuing corporation is registered.*
>
> *In case the transaction involves transfer of multiple real properties and/or shares of stocks situated in various locations covered by different RDOs, the CAR shall be processed with the RDO having jurisdiction over the place where the transferee corporation is registered.*
>
> *The CAR should specify, among others, that the transaction involved is a tax-free exchange under Section 40(C)(2) of the Tax Code of 1997, as amended by CREATE, the date of transaction, and the substituted basis of the properties subject therefor."*

In compliance with Section 5 of Republic Act No. 11032, also known as the ***"Ease of Doing Business and Efficient Government Service Delivery Act of 2018",*** and to properly monitor transactions under Section 40(C)(2) of the Tax Code of 1997, as amended, Item VIII of RMC No. 19-2022 is hereby amended to read as follows:

> **"VIII. VENUE FOR THE ISSUANCE OF THE CERTIFICATE AUTHORIZING REGISTRATION (CAR):**
>
> **FOR PURPOSES OF THE ISSUANCE OF THE CAR FOR THE TRANSFERRED PROPERTIES PURSUANT TO THE TAX-FREE REORGANIZATION/EXCHANGE, THE PARTIES TO THE TRANSACTION SHALL, IN ALL CASES, SUBMIT THE DOCUMENTARY REQUIREMENTS LISTED IN ANNEX "B" HEREOF TO THE REVENUE DISTRICT OFFICE (RDO)/LARGE TAXPAYERS (LT) OFFICE HAVING JURISDICTION OVER THE PLACE WHERE**

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**THE TRANSFEREE/SURVIVING CORPORATION IS REGISTERED REGARDLESS OF THE NUMBER OF REAL PROPERTIES AND/OR SHARES OF STOCKS INVOLVED IN A TRANSACTION, AND WHETHER OR NOT, THOSE PROPERTIES ARE SITUATED IN VARIOUS LOCATIONS COVERED BY DIFFERENT RDOs/LT OFFICES."**

All existing rules and regulations or parts thereof which are inconsistent with the provisions of this RMC are hereby amended and revoked accordingly.

This Circular shall take effect immediately.

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

**ROMEO D. LUMAGUI, JR.**
*Commissioner of Internal Revenue*
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