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

March 13, 2008

REVENUE MEMORANDUM ORDER NO. 13-2008

SUBJECT : Prescribing the Policies, Guidelines and Procedures in the Collection, Affixture, Remittance and Reporting of Documentary Stamp Tax (DST) Through "Constructive Stamping or Receipt System" on Certificates Issued by Government Agencies and its Instrumentalities including Local Government Units

TO : All Internal Revenue Officers, Employees and Others Concerned

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I. BACKGROUND

In general, any person liable to pay documentary stamp tax (DST) upon any document subject to tax under Title VII of the Tax Code, as amended, shall file a tax return and pay the tax in accordance with the existing rules and regulations. This general manner of payment is commonly known as "constructive stamping of DST or receipt system" on the taxable document/facility evidencing the transaction. In lieu of the constructive stamping, Section 200(D) of the Tax Code and existing Regulations, however, prescribe the payment of DST either through purchase and actual affixture of loose documentary stamps, if the DST due on a taxable document/transaction is Fifteen (P15.00) pesos or less, or by imprinting the stamps through a Documentary Stamp Metering Machine on certain transactions/documents.

Although the above modes of payment and affixtures are available to taxpayers and/or mandated to a group of users and taxpayers, there are constraints such as the availability of loose stamps and obsolescence of the Documentary Stamp Electronic Imprinting Machines (DSEIMs).

This Order is issued to solve the, once in a while, problem of unavailability of loose stamps and the technical and operational inadequacies of DSEIMs, and to boost DST collection by mandating government agencies and its instrumentalities, including the local government units, to use "Constructive Stamping or Receipt System" in the collection and affixture of DST on the taxable transaction/document.

II. OBJECTIVES

This order is issued to:

1. Prescribe uniform policies, guidelines and procedures in the collection, affixture, remittance and reporting of DST through "Constructive Stamping or Receipt System" on certificates issued by government agencies, its instrumentalities, including Local Government Units (LGUs).
2. Strictly monitor DST collection of the Government Agencies and its Instrumentalities.
3. Define the roles and responsibilities of all concerned offices.

III. LEGAL BASES

Sections 173 and 188 of the Tax Code, as amended, to wit:

> "Section 173. Stamp Taxes Upon Documents, Loan Agreements, Instruments and Papers-*Upon documents, instruments, loan agreements and papers and upon acceptances, assignments, sales and transfers of the obligation, right or property incident thereto, there shall be levied, collected and paid for, and in respect of the transaction so had or accomplished, the corresponding documentary stamp taxes prescribed in the following sections of this Title, by the person making, signing, issuing, accepting, or transferring the same wherever the document is made signed, issued, accepted or transferred x x x x x x : Provided, That whenever one party to the taxable document enjoys exemption from the tax herein imposed, the other party who is not exempt shall be the one directly liable for the tax*."
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> "Section 188. Stamp Tax on Certificates-*On each certificate of damage or otherwise and on every certificate or document issued by any customs officer, marine surveyor, or other person acting as such, and on each certificate issued by a notary public, and on each* ***certificate*** *of any description required by law or by rules or regulations of a public office, or which is issued for the purpose of giving information, or establishing proof of a fact, and not otherwise specified herein, there shall be collected a documentary stamp tax of Fifteen Pesos (P 15.00)."*
> *(Underscoring ours)*

IV. DEFINITION OF TERMS

1. **Constructive Stamping or Receipt System** – a system whereby constructive affixture is done by affixing to the taxable document/facility evidencing transaction the duplicate copy or certified true copy of the DST return (BIR Form No. 2000)/ proof of payment of DST. For the purpose of this order, the corresponding DST shall be collected by the Government Agencies/Instrumentalities (GAs) and indicated as an item on the Government Official Receipt (GOR) that will be issued. The GOR shall then be attached to the certificate as proof of payment of DST.
2. **Government Agencies and its Instrumentalities** – refers to the corporate government entity through which the functions of the government are exercised throughout the Philippines, including the various arms through which political authority is made effective in the Philippines, whether pertaining to the central government or the provincial or municipal branches or other forms of local government (Section 2, Revised Administrative Code).
3. **Certificate** – shall herein be referred to as the document issued by any government agency for the purpose of giving information, or establishing proof of a fact.

V. POLICIES

1. All GAs that are issuing certifications shall be mandated to use "Constructive Stamping or Receipt System (CS/RS)" in the collection and affixture of DST.
2. The GAs that will be mandated to use the system shall register at the concerned Revenue District Office (RDO). Likewise, the logbook to be used by the GAs in recording the details of DST collection and remittance shall also be registered.
3. The GAs shall be constituted as agent of the Commissioner of Internal Revenue for the collection of tax, in which case, shall remit the DST collected to the Bureau.
4. The cost of printing the GOR shall be shouldered by the GA issuing thereof.
5. In case of failure to collect and remit the DST on time, the GA shall be liable for the payment of said tax, in addition to the penalties prescribed under the National Internal Revenue Code, as amended.
6. There shall be no separate GOR to be issued by the GA for the DST collected. The amount of DST collected shall be indicated as an item in the GOR just like other information that have to be reflected in the GOR such as name of the recipient of the certificate/document, kind of certification, "Certification Fee" and amount, among others.
7. The GA shall maintain a logbook of all the GORs issued indicating therein Date of Issuance of the GOR, inclusive Serial Numbers of the GOR issued, number and kind of certifications issued, amount of DST collected, date of remittance, Authorized Agent Bank (AAB) where the remittance was made, amount of remittance.

8. The filing of DST Return (BIR Form No. 2000) and payment of the tax shall be made to an Authorized Agent Bank (AAB) within five (5) days after the close of the month when the taxable documents were made, signed, issued, accepted or transferred.
9. A Report on DST Collection and Remittance shall be submitted by the GA to the concerned RDO for proper collection credit (Annex A).

VI. PROCEDURES

1. The Government Agency shall:

    1.1 Register as a GA collecting DST payments at the concerned RDO, including the logbook to be used;

    1.2 Follow the procedures hereunder stated when collecting the DST for the certifications issued:

        1.2.1 Indicate in the GOR, the amount of DST including other items such as name of recipient of the certification, kind of certification, amount paid, among others;

        1.2.2 Affix to the taxable document/certification the original copy of the GOR;

        1.2.3 Maintain a logbook of all the GORs issued indicating therein inclusive Serial Numbers of the GOR issued, date issued, number and kind of certifications issued, amount of DST collected, including details of remittance (amount of DST remitted, date of remittance and AAB where remittance was made); and

        1.2.4 Summarize all transactions on a daily and monthly basis;

    1.3 Follow the procedures hereunder stated when remitting the DST collected:

        1.3.1 Accomplish the Documentary Stamp Tax Declaration/Return (BIR Form No. 2000), accomplish the deposit slip, file the return and pay the tax due through the Authorized Agent Bank (AAB), located within the territorial jurisdiction of the Revenue District Office (RDO) which has jurisdiction over the government agency concerned within five (5) days after the close of the month when the taxable documents were made, signed, issued, accepted or transferred (e.g., all DST collected and passed-on to customers for the month of January shall be remitted on or before the fifth (5th) of February). The amount to be paid/remitted should tally with the monthly summary of DST collected in the logbook for the month indicated;

1.3.2 Record on the logbook, after the last certification entered for the month being covered, the Deposit Slip number, date of remittance of the tax, and the amount remitted; and

1.3.3 File deposit slip and DST Tax Declaration Form (BIR Form No. 2000) for monitoring and validation purposes.

1.4 Prepare a Monthly Report of DST Collected and Remitted, indicating therein the following details: the inclusive serial number of GORs issued, date issued, number and kind of certification issued and amount of DST collected, including details of remittance (amount remitted, date of remittance and AAB where remittance was made (Annex A)), and submit in soft copy to the Revenue District Office (RDO) that has jurisdiction over the GA on or before the 10th of the following month when the DST were collected or within five (5) days after the DST collections were remitted (e.g., Monthly Report for January containing the details of DST collection for the month of January which was remitted on the 5th of February shall be submitted to the RDO on or before the 10th of February); and

1.5 Allow the field auditors of the Commission on Audit and the BIR to verify all documents or record relative to the collection and remittance of DST.

2. The Revenue District Office/Officer concerned shall:

2.1 Register the GAs who will be using the CS/RS including the logbooks to be used;

2.2 Receive from GAs the Monthly Report of DST Collection and Remittance (Annex A), and submit a Consolidated Report thereof (Annex B) to the Revenue Accounting Division (RAD), copy furnish the Collection Programs Division and the Regional Director concerned, on or before the 15th of the following month when the DST was collected (e.g., the consolidated report for the DST collections by GAs for the month of January shall be submitted to RAD by February 15th);

2.3 Monitor the DST transactions of the GAs;

2.4 Conduct the necessary audit relative to the collection, affixture and remittance of DST by the GAs mandated to use the CS/RS;

2.5 Initiate appropriate action against GAs who fail to collect and remit appropriate DST on time; and

2.6 Report issues and concerns that need to be resolved to the Regional Director, copy furnished the Collection Service.

3. The Revenue Accounting Division (RAD) shall:

3.1 Prepare Consolidated Report of DST Collected and Remitted (Annex C) and submit the original to the Deputy Commissioner, Operations

Group, copy-furnished the Assistant Commissioner, Collection Service on or before the 20th of the following month when the DST was collected (e.g., Consolidated Report for the DST collections for the month of January should be submitted on or before the 20th of the month of February);

4. The Collection Service shall:

   4.1 Resolve issues and concerns needing policy direction.

VII. EFFECTIVITY

This Order shall take effect immediately.

(Original Signed)
LILIAN B. HEFTI
Commissioner of Internal Revenue

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cc: Secretary of Finance