Republic of the Philippines
Department of Finance
Bureau of Internal Revenue
National Office Building
Quezon City

February 25, 2014

REVENUE MEMORANDUM ORDER NO. 13-2014

SUBJECT: **Policies, Guidelines and Procedures in the Management, Sale/Disposal of Acquired/Forfeited Assets (Absolutely Forfeited Personal and Real Properties)**

TO : All Internal Revenue Officers and Others Concerned

I. OBJECTIVES:

This Order is issued to:

1. Prescribe uniform policies, guidelines and procedures in the management of acquired/forfeited assets whose ownerships have been transferred to the government by summary remedies;

2. Enhance revenue collections through the sale and/or disposal of acquired/forfeited assets;

3. Ensure systematic management and timely disposal of acquired/forfeited assets in accordance with the provisions of the law and the existing rules and regulations in order to avoid further deterioration of their values; and

4. Define the duties, accountabilities and responsibilities of all concerned offices and officials/employees on the acquisition/forfeiture, management, preservation/upkeep, as well as on the sale and disposition of acquired/forfeited assets.

II. DEFINITION OF TERMS:

For purposes of this Order and in order to provide clarity and better understanding of the policies and procedures in the implementation thereof, the words and phrases herein provided are defined as follows:

1. **Personal Property** - consists of those movable properties (chattels/personalty) which may include personal tangible assets (e.g. machineries, furniture and fixture, equipment, etc.) or intangible assets (e.g. shares of stocks, deposits in banks, bonds, securities, etc.).

2. **Real Property**–refers to any land and the improvements introduced to it that are made by human efforts (buildings, acquisition of various property rights, machineries that are permanently attached to the land, and the like).

3. **Acquired/Forfeited Assets** – refer to personal properties subject of an auction sale under Section 209 of the Tax Code, as amended, that were purchased by the government pursuant to Section 212 of the Tax Code, as amended, as well as the real properties subject of an auction sale under Section 213 of the Tax Code, as amended, that were declared forfeited in favor of the government pursuant to Section 215 of the Tax Code, in partial or full satisfaction of the delinquent taxpayer's tax liabilities where, in case of real properties, the one (1)-year redemption period has already lapsed.

4. **Authorized Government Depository Banks (AGDB)** - refers to a bank where government entities are allowed by law to deposit their funds and maintain depository accounts, or by way of exception, a bank authorized by the Department of Finance (DOF) and the Monetary Board (MB) of the Bangko Sentral ng Pilipinas (BSP) to be a government depository bank.

5. **National Government (NG) Books of Accounts** - refers to one of the two (2) sets of accounting books required to be maintained by the BIR, as an agency of the national government, for purposes of recording all income and/or tax collections that could not be disbursed by the agency in its operations but are required to be remitted directly to the Bureau of the Treasury (BTr).

6. **Notice of Sale for Acquired/Forfeited Assets (NOSAFA)** - refers to the public notification for the auction sale of acquired/forfeited assets which contains, among others, the list of the assets to be sold including their respective classifications and the minimum bid/floor prices.

7. **Public Auction Sale** - refers to a mode of sale being made in behalf of the government in which personal or real properties are being sold to multiple buyers thru competitive bidding where the potential buyers are given equal chance to compete on the basis of their bid prices/offers which should be equal to or more than the set minimum bid/floor price. The properties covered by the sale can either be properties already owned by the government as a consequence of forfeiture, or properties that are still owned by the delinquent taxpayers which are to be sold under the authority of a court of law or a government agency with similar authority.

8. **Negotiated or Private Sale** - refers to the sale of acquired/forfeited assets through negotiations with a potential buyer who is willing to pay the price of whichever is higher between the fair market value (FMV) as determined by the Commissioner based on the prevailing Department Order bearing the published Schedules of Zonal Values of Real Properties or the FMV as shown in the latest tax declaration issued by the provincial, city or municipal assessor. It is a mode of sale where the process of submission, evaluation, and consideration of offers is being undertaken until the best offer is made and accepted. Negotiated sale of real property is made after the conduct of two (2) failed public auctions, subject to prior approval of the Secretary of Finance pursuant to Section 216 of the Tax Code (NIRC) of 1997, as amended.

9. **Consolidation of Title** - refers to the transfer of ownership of a property from the name of the taxpayer from whom the property was acquired/forfeited to the name of the Republic of the Philippines as the new owner of the same.

10. **Redemption Period** - it is the one (1)-year grace period given to the taxpayer-owner of a certain real property subject of an auction sale proceeding within which to redeem the property from the date of sale or the date when the property was declared forfeited by the government.

11. **Consolidated Inventory of Seized and Forfeited Assets** - refers to the consolidated list of all acquired real and personal assets of the Bureau where the one (1)-year redemption period, in case of real property, has already lapsed, including those real properties where the titles are not yet consolidated in the name of the government.

12. **Natural fruits of acquired/forfeited properties** - refers to the income generated from acquired/forfeited assets that are considered spontaneous products of the soil without human labor intervention (e.g. common grass, herbs, etc.), as well as the young and other products of animals (chicks, chicken eggs, etc).

13. **Industrial fruits of acquired/forfeited properties** - refers to those that are produced by lands of any kind through cultivation or labor (e.g. palay, sugar cane, corn, cultivated vegetables and fruit bearing trees, etc.).

14. **Civil fruits of acquired/forfeited properties** - refers to the income earned from rents or leases of real and personal properties, amount of perpetual or life annuities, interests earned on bonds/securities, dividends from shares of stocks or other similar income.

III. POLICIES:

1. Management and Administration of Acquired/Forfeited Assets

1.1. There shall be a proper identification of all acquired assets, wherever situated, by all concerned Revenue Offices. A Monthly Report of Assets (Real Properties) Acquired/Forfeited (Annex "1") and the Monthly Report of Assets (Personal, including Intangible Properties) Acquired/Forfeited (Annex "2") shall be submitted by the respective Revenue Regional Office (RRO), Revenue District Office (RDO), and other offices in custody of these acquired assets on or before the 15th day of the following month, for supervision and monitoring purposes and for the preparation of the Consolidated Inventory of Seized and Forfeited Assets (CISFA) by the Accounts Receivable Monitoring Division (ARMD), formerly Collection Enforcement Division (CED).

The Large Taxpayer Collection Enforcement Division (LTCED) and Large Taxpayer Divisions (LTDs), thru the Large Taxpayer Service (LTS), shall likewise submit a Baseline Inventory of Acquired/Forfeited Assets to the Assistant Commissioner-Collection Service (ACIR-CS), Attention: The Chief, ARMD, for inclusion in the CISFA.

1.2. All acquired/forfeited real assets shall be recorded in the National Government (NG) Books of Accounts of the Regional Finance Division on the date these assets

were consolidated and titled in the name of the Republic of the Philippines, after the lapse of the one (1)-year redemption period based on the fair market values of these properties or the amount of taxes due inclusive of all applicable penalties incident to delinquencies, whichever is lower, at the time of seizure/forfeiture.

The acquired/forfeited real properties not yet titled in the name of the government shall be disclosed as a footnote to the quarterly Financial Statements being prepared by all concerned Regional Finance Divisions.

Seized/forfeited personal and intangible properties shall be recorded in the NG Books of Accounts based on the fair market values of these properties or the amounts of taxes due, inclusive of all applicable penalties incident to delinquencies, whichever is lower, at the time of seizure/forfeiture, in accordance with the prescribed accounting entries under Revenue Memorandum Order (RMO) No. 83-2010.

The concerned Regional Finance Divisions shall be responsible in the recording of all acquired/forfeited personal tangible properties that are stored in places under their physical jurisdiction. For personal intangible assets acquired by any concerned office under the LTS, however, the recording thereof in the NG Books of Accounts shall be done by the Revenue Accounting Division (RAD).

For purposes of enhancing the control and management of all acquired/forfeited assets, the following documents shall form part of each and every forfeited/acquired asset's docket. These documents will be the initial basis for the proper recording thereof in the NG Books of Accounts:

a. For Real Properties

a.1. Memorandum Assignment of Accounts Receivable (AR)/Delinquent Account (DA) docket to the Case Officer for enforcement action
a.2. Preliminary Collection Letter
a.3. Final Notice Before Seizure
a.4. Warrant of Distraint and/or Levy
a.5. Notice of Tax Lien
a.6. Notice of Levy
a.7. Original Certificate of Title (OCT)/ Transfer Certificate of Title (TCT)/ Condominium Certificate of Title (CCT) of the property
a.8. Latest Tax Declaration
a.9. Tax Clearance Certificate
a.10. Location Map
a.11. Latest Appraisal Value (if there is reason to believe that the property has appreciated/depreciated/ deteriorated tremendously)
a.12. Notice of Sale
a.13. Declaration of Forfeiture of Real Property

a.14. Minutes/Report on the Results of the Auction Sale
a.15. Page Copy of the Newspaper Where the Property Was Published for Auction Sale (Publication)
a.16. Description of Properties/Pictures of Improvements based on Ocular Inspection Conducted
a.17. Copy of Final Assessment Notice (FAN), if applicable
a.18. Copy of the Final Decision on Disputed Assessment (FDDA), if applicable
a.19. Periodic Ocular Inspection Report/Pictures of the Property
a.20. Letter of Appointment of Administrator
a.21. Memorandum Posting Document
a.22. Report on the Accounting of Fruits of Forfeited Assets

b. For Personal Properties

b.1. Memorandum Assignment of Accounts Receivable (AR)/ Delinquent Account (DA) docket to the case officer for enforcement action
b.2. Preliminary Collection Letter
b.3. Final Notice Before Seizure
b.4. Warrant of Distraint and/or Levy
b.5. Notice of Actual Seizure of Personal Property
b.6. List of Distraint Properties Duly Acknowledged by the Taxpayer
b.7. Notice of Sale
b.8. Minutes/Report on the Results of the Auction Sale
b.9. Copy of Final Assessment Notice (FAN), if applicable
b.10. Copy of Final Decision on Disputed Assessment (FDDA), if applicable
b.11. Periodic Ocular Inspection Report/Pictures of the Property
b.12. Letter of Appointment of Administrator
b.13. Memorandum Posting Document
b.14. Report on the Accounting of Fruits of Forfeited Assets

Accordingly, the ARMD, LTCED/LTDs, RAD, RDOs and the concerned Regional Offices shall review, analyze, and reconcile the recorded amounts of acquired/forfeited assets in the Inventory Report and make the necessary adjustment and/or correcting entry in the NG Books of Accounts, whenever appropriate, in accordance with the accounting policies on acquired properties prescribed by the Commission on Audit under the Government Accountancy and Financial Management Information Sector (COA-GAFMIS).

1.3. The Chief of the Regional Administrative Division shall be the sole custodian of all the dockets and original documents pertaining to all acquired/forfeited/sold/disposed assets under the jurisdiction of the concerned Regional Offices. However, with respect to the dockets and documents pertaining to personal intangible properties acquired/forfeited by any concerned LTS offices,

the Records Division in the National Office shall be responsible for the custody and safekeeping thereof.

1.4. The RDO having jurisdiction over the place where the acquired real property is physically located, including all acquired assets forfeited by the LTS, except personal intangible properties, shall be the administrator/custodian thereof. He shall act with dispatch to transfer and/or consolidate the titles of all real properties that were declared forfeited in the name of the Republic of the Philippines under his physical jurisdiction, after the lapse of the one (1)-year statute of limitations for redemption.

1.5. All acquired real properties transferred in the name of the Republic of the Philippines, having passed the one-year redemption period, shall be converted into cash by way of public and/or private sale, as the case may be, in accordance with the existing tax laws, rules and regulations, within three (3) years from the date of acquisition/forfeiture and/or seizure thereof, unless there are justifiable and valid reasons for the non-disposition of these properties within the aforesaid period.

1.6. All acquired personal properties shall be sold and/or disposed of immediately from the date of forfeiture for whatever reasonable amount that can be realized therefrom. The acquired personal properties which cannot be sold at public or private sale shall be stored in a suitable storage place in order to preserve the said properties. Furthermore and in the event that these assets could not be sold or disposed of, the same may be used/utilized by any concerned BIR office in the course of the discharge of its official functions, only after prior consultation with and approval by the COA.

1.7. Until such time that the acquired properties are sold or disposed, the regular income and/or fruits of these assets, if any (e.g. rentals of land/buildings, income from all types of transportation vehicles, harvests from farmlands, dividends from shares of stocks, etc.), shall be duly accounted for by the designated administrator/custodian, deposited to the account of the BTr, and recorded as part of the tax collections, in accordance with the existing policies, rules and regulations.

1.8. A Monthly Report on Income Derived from Acquired/Forfeited Assets (Annex "3") shall be prepared by the property administrator/custodian in quadruplicate copies and the same shall be submitted by all concerned Offices, not later than the 10th day of each month, to be distributed to the Regional Finance Division (original), for recording purposes in the NG Book of Accounts, the Regional Collection Division (duplicate), ARMD (triplicate) for monitoring purposes, and for RDO file (fourth copy). In case of existence of other income on the properties (i.e. stock dividends, interests, farm and livestocks' produce, etc.), the concerned RDO shall submit a semi-annual report to the Regional Finance Division for recording purposes in the Bureau's NG book of accounts.

Any natural, industrial or civil fruits collected or received arising from acquired/forfeited assets shall be recognized as tax collections by the concerned RDO having physical jurisdiction over these acquired assets at the time of remittance thereof to the BTr thru any AGDB.

1.9. The administrator/custodian of acquired personal properties shall periodically conduct ocular inspections of the said assets to determine the current physical condition and value thereof(e.g. the assets have physically deteriorated, have become obsolete due to advancement of technology, have lost their market values, etc.). The results of these physical inspections shall be used as bases in the preparation of the appropriate recommendation to the COA, in coordination with the ARMD in order to forestall further deterioration of the physical condition and the market value thereof, as well as incurrence of losses in the handling of these assets.

1.10. All acquired real properties classified as agricultural and occupied by farmers, and/or even without tillers shall be communicated immediately with the Department of Agrarian Reform (DAR) and the Land Bank of the Philippines (LBP) pursuant to the provisions of Executive Order (EO) No. 407 dated June 14, 1990 and Republic Act (RA) 6657, or the Comprehensive Agrarian Reform Law (CARL), as amended, to determine whether or not the acquired assets are, in reality, suitable for agriculture. All acquired agricultural real properties that will be declared as suitable for agriculture by the DAR and LBP shall be transferred immediately to the DAR subject to existing laws, rules and regulations on just compensation to the BIR.

1.11. All restrictions imposed by law, rules and agreements on the disposition of agricultural lands, pasture lands, fish ponds, and other classifications of real properties shall be observed and respected.

2. Sale and Disposal of Acquired Assets

2.1. Landholdings that were confirmed by DAR and the LBP as suitable for agriculture shall be transferred immediately to the former. In order to effect the transfer, a Deed of Transfer shall be executed between the Commissioner of Internal Revenue (CIR) and the Secretary of the DAR, and/or the Regional Director of the BIR and the Regional Director of the DAR, where the property is located, in accordance with existing policies. For this purpose, the BIR shall surrender to DAR all pertinent ownership documents covering the transferred asset such as:

a. Owner's duplicate copy of the certificates of title;

b. Tax declaration of the property; and

c. Other necessary documents to effect the transfer of ownership to DAR.

The LBP shall pay the BIR the appropriate or reasonable value of the land as just compensation thereof, within thirty (30) days from the registration of the Deed of Transfer by the Register of Deeds in favor of the DAR. The payment by the LBP shall be made in the following manner:

a. At least ten percent (10%) in cash; and

b. The balance in LBP bonds, payable in ten (10) years, bearing market rates of interest that are aligned with 91-day treasury bill rates, net of the

applicable final withholding tax. One-tenth (1/10) of the face value of the bonds will mature every year from the date of issuance until the end of the tenth (10^{th}) year.

Direct payment in cash may, however, be mutually agreed upon between the farmer-beneficiaries and the BIR, subject to the approval of the DAR and the LBP.

2.2. The Notice of Sale for Acquired/Forfeited Assets (NOSAFA) (Annex "4"), other than agricultural lands described above, shall be published once a week for two (2) consecutive weeks in a newspaper of general circulation in the Philippines. The publication of the said Notice of Sale must be completed at least twenty (20) days prior to the date of the scheduled public auction.

For sale of acquired personal assets, the Commissioner or his duly authorized representative shall cause the notification of the auction sale of the acquired assets thru posting thereof in not less than two (2) public places in the municipality or city where the acquired personal assets are physically stored/located. Such Notice of Sale shall be posted at least twenty (20) days prior to the scheduled date of auction.

In case of sale of acquired/forfeited shares of stocks that are listed in the Philippine Stock Exchange, the same shall be made thru a duly accredited stock broker or thru negotiated sale, whichever will generate the higher yield or net proceeds, or the option that is most advantageous to the government. For unlisted shares of stocks, the sale or disposition thereof may be effected thru negotiated sale with interested parties, provided that the best interest of the government is amply protected.

2.3. Negotiated or private sale of acquired/forfeited real assets shall be resorted to after two (2) failed public biddings, subject to the approval of the Secretary of Finance, pursuant to the provisions of Section 216 of the Tax Code, as amended. Relative thereto, the administrative remedy of foreclosure sale of levied real properties in payment of taxes where there is no bidder shall not be considered as failed public bidding for purposes of negotiated sale.

In the case of personal properties, however, the foregoing requirements of two (2) failed public biddings and approval of the Secretary of Finance can be dispensed with for purposes of entering into a negotiated or private sale of acquired/forfeited assets.

2.4. Unsold acquired/forfeited assets by the BIR may be transferred to interested government agencies, following the guidelines set forth in COA Circular No. 89-296 dated January 27, 1989 entitled "Audit Guidelines on the Divestment or Disposal of Property and Other Assets of National Government Agencies and Instrumentalities, Local Government Units and Government-Owned or Controlled Corporations and their Subsidiaries". The provisions of the Accounting Policies on Garnished Properties issued by the COA Government Accountancy and Financial Management Information Sector (COA-GAFMIS) can also be used as basis in the sale or disposition of the said assets/properties in favor of other government agencies.

3. The Minimum Bid/Floor Price

3.1. The Minimum Bid/Floor Price for real properties pursuant to the provisions of Section 6(E) of the National Internal Revenue Code of 1997, as amended, shall be the highest among the following:

a. The latest FMV as determined by the Commissioner based on the prevailing Department Order bearing on the published Schedules of Zonal Values of Real Properties;

b. The FMV shown in the latest tax declaration issued by the provincial, city or municipal assessor;

c. The purchase price offered/proposed by the former owner or any interested party by way of negotiated sale of the acquired real property; and

d. The corresponding or proportionate amount of deficiency internal revenue taxes, including the delinquency penalties that was given up by the government as a result of the forfeiture proceedings, including the costs of forfeiture and maintenance of the subject property.

However, the Commissioner or his duly authorized representative, thru the Technical Committee on Real Property Valuation (TCRPV) and under existing rules and regulations, may authorize the reduction of the minimum/ floor price, after taking into consideration the current status/condition of property (i.e. the property is located in area that is always flooded, the property is occupied by resistant informal settlers/squatters, etc).

3.2. In cases of acquired personal properties, the Minimum Bid/Floor Price shall be the FMV thereof, as determined by the Commissioner or his duly authorized representative, based on the official price canvass secured from at least three (3) disinterested parties such as dealers of second-hand goods, machineries, equipment, scrap items, and other personal properties. However, the Commissioner or his duly authorized representative, thru the recommendation of the concerned RDO and under existing rules and regulations, may authorize the reduction of the minimum/floor price of acquired personal properties, after taking into consideration the actual physical conditions of the assets to be sold/disposed.

3.3. With respect to acquired/forfeited shares of stocks, the Minimum Bid/Floor Price thereof shall be the following:

a. For stocks listed in the Philippine Stock Exchange, the prevailing price per share of the stocks traded in the stock market; and

b. For unlisted shares of stocks, the book value thereof based on the latest audited financial statements of the issuing company that are compliant with the fair value accounting under the Philippine Financial Reporting Standards (PFRS) prescribed by the Securities and Exchange Commission (SEC).

3.4. For all other acquired/forfeited assets, the Minimum Bid/Floor Price thereof shall be determined by considering the inherent peculiarities of the assets and adopting the most realistic/practicable valuation method therefor, provided that the same were made to the best interest of the government.

4. Conduct of Public Auction Sale

4.1. A Bids and Awards Committee-Acquired Assets (BAC-AA) shall be created in each and every Regional Office to administer and supervise the disposal of all acquired assets thru public auction.

4.2. Public auction sale of parcels of land shall be done parcel by parcel or title by title on an "AS IS WHERE IS BASIS". For personal properties, the auction sale thereof may be done by lot or on a per item basis, whichever is deemed most beneficial to the government and practicable by the BAC-AA, in consultation with the COA.

4.3. For purposes of pre-qualification, all bidders shall be required to post a bid bond, either in cash or manager's check, to the Finance Division of the RROs within three (3) days before the scheduled date of public auction, unless the BAC-AA allows otherwise, in meritorious circumstances. The amount of bond shall be equivalent to ten percent (10%) of floor price/minimum bid price. It shall form part of the payment of the winning bidder. The bid bonds of the losing bidders, however, shall be returned to them immediately after the auction sale, in accordance with the existing guidelines and policies on refunds of posted bid bonds.

4.4. In order to have a valid bidding process, there should be at least three (3) participating bidders for each and every property or parcel of lot being auctioned.

4.5. The sale of acquired assets in a public auction shall be done through sealed bids to be witnessed by a representative of the COA.

4.6. Any person, natural or juridical, may participate in the bidding, provided that, in cases of real properties, foreign nationals (corporate or otherwise) and those disqualified under existing laws, rules and regulations, including employees of the BIR, shall not be allowed to participate thereto.

4.7. Only bids equal to or higher than the set floor price/minimum bid price shall be accepted by the BAC-AA.

4.8. The registered bidder who submits the highest bid shall be declared as the winning bidder, and shall be awarded the auctioned property. In case of tie-bids, a new sealed bidding shall be immediately conducted until such time that the same is broken.

4.9. The winning bidder shall pay the full amount of its/his/her bid either in cash or manager's check to the Commissioner of Internal Revenue or the Bureau of

Internal Revenue, through the Regional Administrative Division of the Regional Offices, or thru the Electronic Filing and Payment System (EFPS) within two (2) days after his receipt of the Notice of Award (Annex "5") issued by the BAC-AA.

Failure or refusal of the winning bidder to pay the full amount of the bid within the prescribed period shall render the award void and the *bidder's cash bond shall be* forfeited in favor of the government, unless the Commissioner allows an extension of time to the bidder within which to fully pay the bid price.

In case of default by the winning bidder, the second and the third highest bidders, after being duly notified, may increase their respective bids to the amount equal to or higher than that of the highest bid; and whoever among them tenders the highest bid shall be awarded the auctioned property, in lieu of the defaulting bidder. The defaulting highest bidder shall be disqualified to further bid on the rest of the auctioned properties.

5. Award of the Public Auction Sale

5.1. All awards made by BAC-AA shall be subject to prior clearance/confirmation by the Commissioner, as reflected in the Report of Acquired/Forfeited Assets Sold through Public Auction for Confirmation/Approval (Annex "6").

5.2. Any of the following instances shall constitute sufficient ground for the cancellation of the awards and/or contracts:

a. Fraudulent acquisition of the property;

b. Violation of the terms and conditions of the award;

c. Violation of the terms and conditions in the Certificate of Sale;

d. Violation of existing laws, rules, regulations, and ordinances;

e. Failure to pay the full amount of the bid; and

f. Other instances analogous to the above-mentioned grounds.

5.3. Acquired/forfeited real assets repossessed through cancellation of award or sale shall be re-disposed of in accordance with the same policies and procedures prescribed in this Order.

5.4. All the applicable taxes and expenses relative to the transfer of ownership and issuance of the necessary certificate of title and/or tax declaration shall be borne by the winning bidder.

5.5. The winning bidder shall be responsible, at his own expense, for the ejection of squatters and/or occupants, if any, on the auctioned real property, and in the hauling/transporting of the auctioned personal properties from the auction site or the area where the same are stored to the intended place of destination.

IV. GUIDELINES AND PROCEDURES:

A. MANAGEMENT AND ADMINISTRATION OF ACQUIRED ASSETS:

1. The Revenue District Office shall

1.1. Forward all the pertinent documents/papers bearing on the acquired properties (real and personal) to the Regional Administrative Division for safekeeping, copy furnished the Regional Collection Division, on or before the 15th day of the following month, and after the lapse of the one (1)-year redemption period, in case of real properties.

1.2. Identify the actual locations, values and conditions of all acquired assets (real and personal) by using the Analysis of Seized and Forfeited Properties Form (Annex "7") and the Evaluation of Seizure and Forfeiture of Acquired Property Form (Annex "8").

The Analysis of Seized and Forfeited Property Report shall be accomplished on a "per property" basis and must be updated at least once per semester in order to determine the current values and conditions of the acquired/forfeited assets.

On the other hand, the Evaluation of Seizure and Forfeiture of Acquired Properties must be accomplished immediately after the forfeiture of the assets in order to determine whether all the legal and administrative requirements attendant to the seizure/forfeiture and transfer of ownership of the acquired assets have been satisfied or complied with. The information contained in this form must be periodically updated until the "Yes" answers are indicated on the questions reflected in the form.

File these reports in the case docket to serve as guides when the properties are sold at public auction and for any other future actions.

1.3. Prepare an Affidavit of Consolidation of Title of Absolutely Forfeited Real Properties in Favor of the Republic of the Philippines (Annex "9") on all acquired real properties that have passed the period of redemption; and register the same to the concerned Office of the Register of Deeds/Office of the City or Municipal Assessors in order to immediately effect the transfer of title/tax declaration in the name of the government.

1.4. Undertake the registration and/or consolidation of untitled real properties, where the only evidence of ownership is the latest tax declaration, under the following steps or procedures:

1.4.1. Prepare a formal request, for approval by the Regional Director, in employing the services of a duly licensed geodetic engineer from the Land Management Bureau (LMB) or the Land Registration Authority (LRA);

1.4.2. Submit to the Land Registration Authority (LRA) and the Register of Deeds the following requirements for titling in the name of the government of the acquired but still untitled real properties:

a. Certificate of Sale/Certificate of Declaration of Absolute Forfeiture/Affidavit of Consolidation of Title of Absolutely Forfeited Real Properties in Favor of the Republic of the Philippines;

b. Letter request for titling of the real property;

c. Certified true copy of the latest Tax Declaration of the property;

d. Real property tax clearance;

e. Proof of payment of transfer tax;

f. DAR Clearance, if the property is an agricultural land;

g. Sepia or polyethylene film of the plan duly approved by LRA or the Land Management Bureau;

h. Blue print copies of the location plan and vicinity map;

i. Original technical description of the untitled land/lot duly approved by a duly licensed geodetic engineer; and

j. Approved cadastral survey, in case the subject real property is an untitled land.

1.4.3. Prepare a request addressed to the Chief, Regional Finance Division, for the funding of all expenses to be incurred in the registration and titling of acquired/forfeited real properties;

1.4.4. Follow-up the issuance of the Original Certificate of Title (OCT)/Condominium Certificate of Title (CCT) with the concerned Register of Deeds; and

1.4.5. Secure from the Register of Deeds the owner's copy of the property already titled in the name of the government.

1.5. Undertake the registration and/or consolidation of registered and/or titled real properties in the name of the government, under the following steps or procedures:

1.5.1. Verify the existence of encumbrance on the property:

a. If there is an encumbrance, refer to the Legal Division for appropriate action, or

b. If there is no encumbrance, proceed to the below-listed procedures in securing the title in the name of the Republic of the Philippines from the Register of Deeds;

1.5.2. Prepare an Affidavit of Consolidation of Title of Absolutely Forfeited Real Properties in Favor of the Republic of the Philippines for the signature of the Regional Director;

1.5.3. Submit to the Register of Deeds the following documents for the consolidation of titles of acquired real properties:

a. Affidavit of Consolidation of Title of Absolutely Forfeited Real Properties in Favor of the Republic of the Philippines;

b. Copy of prior annotation of the Notice of Levy and/or Certificate of Declaration of Absolute Forfeiture;

c. Certified true copy of the latest Tax Declaration of the property;

d. Real property tax clearance;

e. Proof of payment of transfer tax; and

f. DAR Clearance, if the property is an agricultural land;

1.5.4 Prepare a request addressed to the Chief, Regional Finance Division, for funding of all expenses to be incurred in the registration and titling of acquired/forfeited real properties in the name of the government;

1.5.5 Follow-up the issuance of the TCT/OCT/CCT with the concerned Register of Deeds; and

1.5.6 Secure a copy of the new certificate of title in the name of the government;

1.6. Undertake the transfer of ownership of the real property appearing in the Real Property Tax Declaration in the name of the government by performing the following procedures:

1.6.1. Submit to the Assessor's Office the following requirements to change the name of the registered owner appearing in the latest tax declaration in the name of the government:

a. Certificate of Sale/Certificate of Declaration of Absolute Forfeiture/Affidavit of Consolidation of Title of Absolutely Forfeited Real Properties in Favor of the Republic of the Philippines;

b. Letter request for the registration of the property in the name of the government;

c. Certified true copy of the latest Tax Declaration of the property in the name of the previous owner for cancellation;

d. Real property tax clearance; and

e. Proof of payment of transfer tax;

1.6.2 Prepare a request addressed to the Chief, Regional Finance Division, for funding of all expenses to be incurred in securing a new Tax Declaration on acquired/forfeited real properties that were transferred in the name of the government;

1.6.3 Follow-up the issuance of the new Tax Declaration with the concerned local Assessor's Office; and

1.6.4 Secure the owner's copy of the new Tax Declaration in the name of the government.

1.7 Undertake the following procedures with respect to the transfer of registration of personal property in the name of the government:

1.7.1. Identify the acquired personal properties that are registrable with the concerned registry office;

1.7.2. Verify the existence of encumbrance on the property, if applicable:

a. If there is an encumbrance, refer to the Legal Division for appropriate action, or

b. If there is no encumbrance, proceed to the below-listed procedures in securing from the concerned registry office the certificate of ownership of the property in the name of the Republic of the Philippines;

1.7.3. Submit to the concerned registry office the following documents to effect the transfer of ownership and/or registration of the personal property in the name of the government:

a. Copy of Declaration of Forfeiture of Personal Property;

b. Formal letter addressed to the Head of registry office and/ or agency (i.e. LTO, CAAP, MARINA, IPO, etc) requesting the transfer of ownership or registration of acquired personal property in the name of the government; and

c. Secure the owner's copy of the new certificate of registration in the name of the Republic of the Philippines.

1.8. Forward a certified copy of the new title, tax declaration, certificate of registration and other pertinent documents on acquired/forfeited assets to the Regional Finance Division, thru the Regional Collection Division, for recording in the NG Books, and the original copies thereof to the Regional Administrative Division for safekeeping. Maintain photocopies of the said documents for file and future reference.

1.9. Update the information on the Inventory of Acquired/Forfeited Assets with respect to the titling with the Register of Deeds of previously untitled real properties/consolidation of the title, as well as, the transfer of registration of personal properties, if applicable, in the name of the government.

1.10. Prepare and transmit to the Regional Collection Division the inventory of all acquired/forfeited real assets classified as agricultural lands for endorsement to the DAR and the LBP, for necessary determination whether or not the acquired/forfeited real properties are suitable for agriculture, pursuant to the provisions of EO No. 407.

1.11. Appoint a Revenue Collection Officer (RCO) to act as custodian of the acquired/forfeited assets to perform and discharge the following functions and responsibilities:

1.11.1. Administer and manage the property;

1.11.2. Maintain and preserve all the acquired/forfeited properties in a manner that would enhance their values;

1.11.3. Gather the civil fruits and/ or income of acquired properties, pending its absolute sale or disposal, in accordance with the existing policies and procedures:

1.11.3.1. Cause the issuance of the requisite official receipts on the civil fruits and/or income received, and the immediate deposit thereof to the Authorized Government Depository Bank (AGDB) for the account of the Bureau of Treasury (BTr) or the Treasurer of the Philippines (TOP) pursuant to existing policies and procedures;

1.11.3.2. Dispose immediately at reasonable prices all perishable items received as real fruits of the acquired/forfeited assets;

1.11.3.3. Prepare a Memorandum Posting Document (Annex "10") containing the following information:

a. Name of the person from whom the income was received;

b. Nature of income (e.g. rentals, dividends, interests, proceeds from sale of farm harvests, livestock produce, etc.);

c. Period covered by the payment, if applicable;

d. Amount/Value of income received;

e. Date of receipt of income;

f. Official receipt number issued;

g. Brief description of the acquired/forfeited asset *(e.g. "Real Property-Building located at (address); Personal Property-ABC Co. shares of stocks, etc.)*;

h. Name of the taxpayer from whom the property was seized;

i. Date of remittance of income to AGDB; and

j. Name of AGDB.

The Memorandum Posting Document shall be prepared and filed with the docket of each and every acquired/forfeited asset. The entries on this document must always be updated to reflect all the transactions made regarding receipts of natural, civil and industrial fruits from acquired/forfeited assets.

1.11.3.4. Prepare and submit a Monthly Report on Income Derived from Acquired/Forfeited Assets to the Regional Director, thru the Chief, Regional Collection Division, on or before the 10th day of the following month.

1.12. Act as representative of the government, pursuant to a duly issued delegation authority by the Commissioner, in the stockholders'/Board of Directors' meeting, whichever is appropriate, of the corporation where the government has acquired substantial shares of stocks, in order to protect the interest of the government.

1.13. Recommend to the Regional Director the allocation of the necessary funds to defray the costs of maintenance, preservation/upkeep of all acquired/forfeited assets.

1.14. Prepare and submit to the RD, thru the Regional Collection Division, a Monthly Evaluation Report on the Status of Fully Depreciated and/or Obsolete Acquired/Forfeited Personal Properties (Annex "11") which have deteriorated, became obsolete and/or have been fully depreciated under its management, and the recommendations on the appropriate actions to undertake on these assets on or before the 15thday of the following month.

1.15. Prepare and submit to the concerned RD, thru the Regional Collection Division, the Monthly Report of Assets (Real Properties) Acquired/Forfeited and Monthly Report of Assets (Personal, including Intangible Properties) Acquired/Forfeited copy furnished the ACIR- CS, thru the ARMD, on or before the 15th day of the following month.

1.16. Prepare and submit to the concerned RD, thru the Regional Collection Division, the Annual Inventory Report of Assets (Real Properties) Acquired/Forfeited (Annex "12") and Annual Inventory Report of Assets (Personal, Including Intangible Properties) Acquired/Forfeited (Annex "13"), on or before the 15th day of the following year.

1.17. Prepare and submit to the concerned RD, thru the Regional Collection Division an inventory report of all newly acquired/forfeited assets classified as agricultural lands.

2. The Regional Collection Division shall

2.1. Maintain an updated inventory and records of acquired/forfeited properties within the revenue region.

2.2. Receive the following reports from the RDOs:

a. Monthly Inventory Report of Assets (Real Properties) Acquired/Forfeited;

b. Monthly Inventory Report of Assets (Personal, including Intangible Properties)/Acquired/Forfeited;

c. Monthly and Annual Evaluation Reports on the Status of all Acquired/Forfeited Personal Assets which have deteriorated, became obsolete and/or have been fully depreciated and the recommendations on the appropriate actions to undertake on these assets;

d. Monthly and Annual Reports of Income Derived from Acquired Assets; and

e. Annual Inventory Report of Assets (Real Properties) Acquired/Forfeited and Annual Inventory Report of Assets (Personal, including Intangible Properties) Acquired/Forfeited.

2.3. Monitor, evaluate, consolidate the reports received from the RDOs and submit to the ACIR, CS, thru the ARMD, the first two (2) reports on or before the 20th day of the following month, the next two (2) reports on or before the 15th day of the following month, and the last three (3) reports on or before the 20th day of January every year:

a. Consolidated Monthly Inventory Report of Assets (Real Properties) Acquired/Forfeited (Annex "14");

b. Consolidated Monthly Inventory Report of Assets (Personal, Including Intangible Properties) Acquired/Forfeited (Annex "15");

c. Consolidated Monthly Evaluation Report on Fully Depreciated and/or Obsolete Acquired/Forfeited Personal Assets (Annex "16") which have deteriorated, became obsolete and/or have been fully depreciated; and

d. Consolidated Monthly Report of Income Derived from Acquired/Forfeited Assets (Annex "17");

e. Consolidated Annual Evaluation Report on Fully Depreciated and/or Obsolete Acquired/Forfeited Personal Assets (Annex "18") which have deteriorated, became obsolete and/or have been fully depreciated and the recommendations on the appropriate actions to undertake on these assets;

f. Consolidated Annual Report of Income Derived from Acquired Assets (Annex "19"); and

g. Consolidated Annual Inventory Report of Assets (Real Properties) Acquired/Forfeited (Annex "20") and Consolidated Annual Inventory Report of Assets (Personal, including Intangible Properties) Acquired/Forfeited (Annex "21").

In cases of defects, errors or inconsistencies in the received reports, the same shall be immediately communicated to the concerned RDOs for necessary revisions/corrections.

2.4. Submit to the Regional Finance Division the Consolidated Monthly and Annual Reports of Income Derived from Acquired/Forfeited Assets not later than the 15th day of the following month and the 15th day of the following year, respectively.

2.5. Receive from the concerned RDOs the inventory report of all newly acquired/forfeited assets classified as agricultural lands:

2.5.1. Review and evaluate the accuracy and propriety of the report; and

2.5.2. Communicate to the DAR and the LBP, thru the Regional Director, the inventory of all acquired/forfeited assets classified as agricultural pursuant to the provisions of EO No. 407 and RA 6657, as amended;

2.6. Coordinate closely with DAR and LBP for the speedy determination of the suitability of acquired/forfeited real properties for agricultural purposes, the fair valuation of these properties, the ultimate sale or disposition thereof to the farmer-beneficiaries, and the immediate payment by LBP to the BIR of the just compensation for the properties sold/disposed.

2.7. Conduct covert and overt operations, on periodic and surprise spot-checking bases, the sites where the acquired real and personal assets are located and/or stored for purposes of verifying the accuracy of the reported income from civil and real fruits of acquired/forfeited assets by the designated administrator/custodian thereof, and uncovering incidences of unreported receipts by any person of such fruits of acquired/forfeited assets, as well as the discovery of unauthorized use of these assets for unofficial purposes.

2.8. Prepare and submit to the Regional Director the appropriate reports and recommendations on the results of the above operations conducted, for purposes of improving the management of acquired/forfeited assets and the imposition of administrative sanctions against any erring revenue personnel, if warranted.

3. Regional Finance Division shall

3.1. Receive from the Regional Collection Division the Monthly Consolidated Report on Assets Acquired/Forfeited and the Monthly Consolidated Report on Acquired/Forfeited Assets Sold/Disposed by the RDOs for recording in the NG Books together with the certified copies of the following documents, among others:

a. For Real Properties:

a.1. Location Plan and Vicinity Map;

a.2. Owner's copy of OCT/TCT/CCT and TD;

a.3. Ocular inspection report on the description of property and the improvements thereon; and

a.4. Certification of the prevailing zonal value of the property at the time of forfeiture.

b. For Personal Properties:

b.1. Ocular inspection report on the description of distraint properties duly acknowledged by the taxpayer or his duly authorized representative; and

b.2. Registration Certificates of motor vehicles by land, air or sea duly issued by the appropriate government registry office.

c. For Intangible Properties:

c.1. Certificate of Registration issued by the concerned government registry office, if applicable;

c.2. Copy of Stock Certificates; and

c.3. Copy of Bond/Debenture Certificates.

d. For Sold/Disposed Properties:

d.1. Copy of Deed of Sale/Transfer evidencing the sale/disposition of acquired/forfeited properties;

d.2. Copy of proof of payment of capital gains tax and documentary stamp tax, if applicable;

d.3. Copy of Official Receipt evidencing acceptance of payments from the sale/disposition of acquired/forfeited assets; and

d.4. Copy of the deposit slip with AGDB evidencing remittance of the proceeds from sale or disposal of the acquired/forfeited assets to the BTr.

3.2. Validate the accuracy and completeness of the information/data on the Monthly Consolidated Report on Assets Acquired/Forfeited and the Monthly Consolidated Report on Acquired/Forfeited Assets Sold/Disposed.

3.3. Record all the acquired/forfeited (real and personal) assets, together with the income derived/received from civil and real fruits of these acquired assets, in the Bureau's NG Books of Accounts.

The acquired/forfeited real assets already titled in the name of the Republic of the Philippines, after the lapse of the one (1)-year redemption period under Section 215 of the Tax Code of 1997, as amended, shall be recorded on the date these assets were consolidated. However, acquired/forfeited (real and personal) assets, including the intangible properties, that were acquired but the titles of which were not yet transferred in the name of the government shall be disclosed in the Notes to the Financial Statements;

3.4. Maintain and update the Subsidiary Ledger of each account pertaining to acquired/forfeited assets recorded in the NG Books of Accounts.

3.5. Coordinate with the concerned RDO for any discrepancy noted on the report pertaining to acquired/forfeited assets or existence of any un-transmitted and/or uncertified supporting documents.

3.6. Receive the approved request for funding to defray the necessary expenses for the registration/titling of the property in the name of the government, as well as the maintenance, preservation/upkeep, etc. of all acquired/forfeited assets;

3.7. Allocate and release to the concerned RDOs the funds intended for the payment of all expenses incurred in the registration and titling of acquired real properties and other expenses for the maintenance, preservation /upkeep, etc. of the acquired/forfeited assets.

3.8. Prepare the recommendation for the write-off of unserviceable, deteriorated/obsolete/fully depreciated acquired/forfeited properties reflected in the CISFA, indicating all the reasons/basis therefor, in accordance with the existing and applicable COA rules and policies for such write-off.

3.9. Effect the write-off of the recorded acquired/forfeited assets in the NG Books of Accounts upon receipt of the approval or authority for such write-off from the COA.

4. The Regional Administrative Division shall

4.1. Act as the repository of all dockets, records, official documents bearing on all acquired/forfeited assets as well as the ownership documents (TCTs, OCTs, CCTs), tax declarations (TDs), certificates of motor vehicle registrations, etc.) on the acquired/forfeited, whether or not the corresponding titles or registration certificates in support of the ownership thereof have been transferred in the name of the Republic of the Philippines.

4.2. Receive from the RDO the Monthly Report of Assets (Real Properties) Acquired/Forfeited and the Monthly Report of Assets (Personal, including Intangible Assets) Seized and Forfeited together with the original copies of all pertinent documents.

4.3. Receive from the LTS the consolidated monthly reports together with the original copies of all pertinent documents on assets acquired/forfeited by the LTDs/LTCED that are located within the jurisdiction of the revenue region.

4.4. Maintain and safe-keep the records and pertinent documents bearing on all acquired/forfeited assets under the physical jurisdiction of the revenue region.

5. The Regional Legal Division shall

5.1. Receive from the RDO the request for appropriate legal action on acquired/ forfeited assets (real and personal) with existing encumbrance that impedes the transfer and/or consolidation of the ownership thereof in the name of the government.

5.2. Act on all the legal issues which hinder the immediate transfer and/or consolidation of ownership of the acquired/forfeited properties by the appropriate registry office in the name of the government.

5.3. Notify the concerned RDO on the final disposition of the case relative to the resolution of legal issues on registration and/or transfer of ownership of acquired/forfeited assets.

6. The Regional Director shall

6.1 Prepare a request addressed to the COA, thru the Commissioner, for the approval of the write-off of the unserviceable, deteriorated/obsolete/fully depreciated acquired/forfeited properties reflected in the CISFA.

6.2. Approve the funding to defray the necessary expenses for the maintenance, preservation and upkeep of all acquired/forfeited assets.

6.3. Approve the request of the RDO for the employment of the services of an accredited broker/appraiser and/or a duly licensed geodetic engineer from the Bureau of Lands (BOL) or the Land Registration Authority (LRA), if found practicable, for purposes of determining the FMV of the acquired/forfeited property.

6.4. Receive the report from the RDO on the results of each and every stockholders'/ board of directors' meeting attended, whenever practicable, in case the Bureau owns substantial shares of stocks arising from forfeiture.

6.5. Sign and approve the Deed of Transfer (Annex "22") in favor of the DAR where the property is suitable for agriculture pursuant to the provisions of EO No. 407;

7. The Large Taxpayer Collection Enforcement Division (LTCED) and Large Taxpayer Division shall

7.1. Conduct a regular inventory of all case dockets and documents pertaining to all acquired/forfeited assets.

7.2. Turn-over the following records/documents, thru the ACIR, LTS, to the concerned Regional Offices having physical jurisdiction over the acquired/forfeited assets pursuant to the provisions of RMO No.83-2010:

a. To the RDO, except in cases of intangible properties such as shares of stocks, bonds, etc., for disposition/sale:

a.1. Certified copy of the Final Assessment Notice (FAN)/Final Decision on Disputed Assessment (FDDA) concerning the tax liability of delinquent taxpayer, in case the delinquent account emanated from audit/investigation;

a.2. Certified copy of the Collection Letter, in case the delinquent account arose from unpaid tax liability due to dishonored check or unpaid self-assessed tax;

a.3. Certified copy of the Certification of Forfeiture of the acquired/forfeited assets; and

a.4. Certified inventory of acquired/forfeited properties.

b. To the Regional Administrative Division, for safekeeping:

b.1. Original owner's copy of title, certificate of registration, Tax Declaration of the property; and

b.2. Original/certified copies of the pertinent documents relating to the acquired/forfeited assets as enumerated in Sections IV(A) Items 1.4.2,1.5.3, and 1.7.3 of this Order.

c. To the Regional Finance Division, thru the Regional Collection Division, for recording purposes in the NG Books of Accounts:

c.1. Certified copy of the Final Assessment Notice (FAN)/Final Decision on Disputed Assessment (FDDA) concerning the tax liability of delinquent taxpayer, in case the delinquent account emanated from audit/investigation;

c.2. Certified copy of the Collection Letter, in case the delinquent account arose from unpaid tax liability due to dishonored check or unpaid self-assessed tax;

c.3. Certified copy of the Certification of Forfeiture of the acquired/forfeited assets; and

c.4. Certified inventory of acquired/forfeited properties.

c.5. Certified owner's copy of title, certificate of registration, Tax Declaration of the property; and

c.6. Certified copies of the pertinent documents relating to the acquired/forfeited assets as enumerated in Sections IV(A) Items 1.4.2,1.5.3, and 1.7.3 of this Order.

7.3. Prepare and submit to the ACIR-LTS, the Monthly and Annual Consolidated Report on Intangible Assets Acquired/Forfeited together with the certified photocopies of all the following supporting documents, among others, on or before

the 15th day of the following month and on or before January 15 of the following year, respectively.

8. The Large Taxpayer Service shall

8.1. Receive from the LTCED and LTDs the Monthly and Annual Consolidated Report on Intangible Assets Acquired/Forfeited together with the original copies of all the supporting documents;

8.2. Consolidate the Monthly and Annual Report on Acquired/Forfeited Assets received from LTCED and LTDs;

8.3. Forward the Consolidated Monthly and Annual Reports on a Acquired/Forfeited Properties and turn-over all the original and certified copies of supporting documents to the concerned regional offices having jurisdiction over the physical locations of the acquired/forfeited real, personal and intangible properties, for safekeeping, recording, management and eventual disposition thereof; and

8.4. Submit copies of the consolidated reports to the ARMD for monitoring purposes and for the preparation of the Bureau's Monthly and Annual Consolidated Inventory of Seized and Forfeited Assets (CISFA), for submission to the DCIR-OG, ACIR-CS, and COA-RA, every 20th day of the following month and every 20th day of the following year, respectively.

9. **The Accounts Receivable Monitoring Division shall**

9.1. Monitor the management, and safekeeping of acquired/forfeited assets by the concerned LTS Offices, RDOs and Regional Offices.

8.2. Require the proper identification of all acquired properties, wherever situated, by all concerned Revenue Offices.

8.3. Conduct ocular inspections of all acquired assets, in coordination with the concerned RDOs/RROs, to obtain first-hand observation of the current status and conditions of these assets.

8.4. Receive the following reports from the LTS offices, RDOs, and Regional Collection Divisions for analysis and monitoring purposes:

a. Consolidated Monthly Inventory Report of Assets (Real Properties) Acquired/Forfeited;

b. Consolidated Monthly Inventory Report of Assets (Personal, including Intangible Properties) Acquired/Forfeited;

c. Consolidated Monthly Evaluation Report on the Status of all Acquired/Forfeited Personal Assets which have deteriorated, became obsolete and/or have been fully depreciated;

d. Consolidated Monthly Report of Income Derived from Acquired Assets;

e. Consolidated Annual Evaluation Report on the Status of all Acquired/Forfeited Personal Assets which have deteriorated, became obsolete and/or have been fully depreciated, and the recommendations on the appropriate actions to undertake on these assets;

f. Consolidated Annual Report of Income Derived from Acquired Assets;

g. Consolidated Annual Inventory Report of Assets (Real Properties) Acquired/Forfeited and the Consolidated Annual Inventory Report of Assets (Personal, including Intangible Properties) Acquired/Forfeited; and

h. Report on the write-off of acquired/forfeited property, if any, from the inventory of acquired/forfeited assets duly approved by the Commissioner and with the prior concurrence by the COA.

8.5. Analyze, evaluate and monitor the accuracy of the information reflected in the above reports and coordinate with the concerned LTS Offices, Regional Collection Divisions and RDOs, any discrepancies noted in the reports received for necessary corrections and/or amendments.

8.6. Prepare and submit to the Commissioner, DCIR-Operations, ACIR-CS, Chief-RAD, and the COA Resident Auditor the Annual Consolidated Inventory of Seized and Forfeited Assets (CISFA) (Annex "23") on or before January 31 of the following year.

8.7. Review and analyze the Evaluation Reports on the Status of all Acquired/Forfeited Personal Assets, and the recommendations made by the concerned LTS Offices, Regional Offices, and RDOs on the appropriate actions to undertake on these assets.

8.8. Monitor the efficiency of the concerned LTS Office and the RDOs in the consolidation of the titles and/or transfer of ownership of acquired/forfeited assets in the name of the government.

8.9. Consolidate and submit to the Commissioner, thru the DCIR-OG and ACIR-CS, the recommendations on the appropriate actions to undertake on these assets, for appropriate review and approval.

9. The Revenue Accounting Division shall

9.1. Receive from the ARMD the Annual CISFA.

9.2. Receive from the ACIR-LTS the following documents, among others, pertaining to acquired/forfeited personal intangible assets:

a. Certificate of Registration issued by the concerned government registry office, if applicable;

b. Copy of Stock Certificates; and

c. Copy of Bond/Debenture Certificates;

9.3. Record the acquired/forfeited assets by LTS in the NG Books of Accounts.

9.4. Receive the Regional Monthly Trial Balance (MTB) from the Regional Finance Divisions relative to the recorded acquired/forfeited assets, together with all the supporting documents and schedules.

9.5. Consolidate the MTBs of the Regional Offices with the National Office Trial Balance (NOTB) for submission to the COA and the Department of Budget and Management (DBM), together with the supporting schedules/statements on or before the 10th day of the following month.

9.6. Reconcile the information reflected on the Annual CISFA received from ARMD with the information reflected MTB submitted by the Regional Finance Division.

9.7. Coordinate with the ARMD and the concerned Regional Finance Divisions any discrepancies noted on the reports received for necessary corrections, adjustments and/or amendments thereon.

10. The ACIR-Collection Service/Deputy Commissioners-Operations Group shall

10.1 Review, evaluate, and forward to the Commissioner, for final review and approval, the recommendations on the appropriate courses of action to be undertaken by the concerned implementing offices responsible for the acquisition, maintenance, sale/disposition, and recording of forfeited assets.

B. SALE AND DISPOSITION OF ACQUIRED ASSETS

1. The Revenue District Officer shall

1.1. Direct and supervise the conduct of ocular inspections of acquired/forfeited assets which are to be disposed of immediately in order to obtain first-hand observations/information on their respective status, conditions, marketability, their ability to attract prospective or potential buyers, or even susceptibility to erosion of market value due to changes in geographical conditions, advancement of technology, etc.

1.2. Prepare a report on the results of ocular inspections conducted on acquired/forfeited assets which are to be sold/disposed, detailing the current status/conditions thereof, using the Analysis of Seized and Forfeited Properties Form and the Evaluation of Seizure and Forfeiture of Acquired Property Form.

1.3. Prepare lists of all acquired/forfeited properties to be sold based on the CISFA and submit the same to the BAC-AA, through the Regional Director.

1.4. Receive quotations from at least three (3) publishers and recommend the lowest price for the publication and advertisement of the scheduled auction sale, in accordance with existing procurement rules and regulations.

1.5. Prepare a memorandum to the Regional Director, through the Regional Finance Division, requesting for the authority to advertise the sale and for funding purposes to cover the estimated expenses to be incurred in the conduct of auction sale.

1.6. Prepare a Notice of Sale of Acquired/Forfeited Assets (NOSAFA) for the signature of the Regional Director. The NOSAFA shall be accomplished in quadruplicate, and must contain the following information:

a. The floor price or minimum amount of bid;

b. The venue, date and time of public auction;

c. The location and description of property to be sold;

d. The terms and manner of payment,, whether in cash or manager's check; and

e. A statement that "TIIE GOVERNMENT RESERVES THE RIGIIT TO REJECT OR CANCEL ANY OR ALL BIDS".

1.7. Forward the dockets of all the acquired/forfeited assets identified for auction sale together with the NOSAFA to the Regional Director, thru the Chief, Collection Division, for approval.

1.8. Prepare a request for funding for the expenses in the publication/advertisement of the NOSAFA and the conduct of public auction sale of acquired/forfeited assets, for the approval of the Regional Director.

1.9. Cause the publication of the approved NOSAFA in a newspaper of general circulation at least twenty (20) days prior to the actual date of public auction and install a Billboard Notice in the location of the acquired/forfeited asset subject of the sale, stating;

"THIS GOVERNMENT PROPERTY IS FOR SALE.
Interested parties may call the BIR Office at Telephone No.____."

1.10. Post the copies of the NOSAFA at the entrance of the Provincial, City, and Municipal Buildings, Barangay Halls, Revenue District Office, and other public conspicuous places where the property is located.

1.11. Invite a COA representative to attend and witness the conduct of the auction sale.

1.12. Prepare the following auction sale documents/papers:

a. Guidelines for Public Auction;
b. Application to BID Form;
c. Abstract of Canvass Form; and

d. Other papers/documents that are deemed necessary in the auction sale.

1.13. Provide administrative support to the Regional BAC-AA.

1.14. Recommend to the Regional Director the acceptance of offer for negotiated/private sale of acquired real properties that were not sold at two (2) public auctions under the following procedures:

1.14.1. Require the buyer to make a written offer addressed to the Commissioner of Internal Revenue indicating the amount offer and mode of payment;

1.14.2. Evaluate if the offer is to the best interest of the government;

1.14.3. Prepare a memorandum recommending the acceptance of the offer for negotiated sale;

1.14.4. Secure the approval by the Secretary of Finance, thru the Regional Director and the Commissioner, of the acceptance of the offer to buy the property:

1.14.4.1.If the offer is acceptable to the Commissioner and approved by the Secretary of Finance:

a. Request the Legal Division to prepare the Deed of Sale;

b. Request the buyer to sign the Deed of Sale; and

c. Forward the Deed of Sale, together with the docket of the case to the Regional Director for signature.

1.14.4.2. If the offer is disapproved by the Secretary of Finance:

a. Prepare a letter to the interested buyer informing him/her of the disapproval of the offer; and

b. Request the buyer to increase the offer, if he/she/ is still interested to buy the property.

1.15. Recommend to the Regional Director the acceptance of offer for negotiated/private sale of acquired/forfeited personal properties:

:

1.15.1 Secure prior approval of the Regional Director of the offer to buy the acquired personal properties:

1.15.1.1. If the offer is acceptable to the Regional Director:

a. Request the Legal Division to prepare the Deed of Sale;

b. Request the buyer to sign the Deed of Sale; and

c. Forward the Deed of Sale, together with the docket of the case to the Regional Director for signature.

1.15.1.2. If the offer is disapproved by the Regional Director:

a. Prepare a letter to the interested buyer informing him/her of the disapproval of the offer; and

b. Request the buyer to increase the offer, if he/she/ is still interested to buy the property.

1.16. Prepare a memorandum for the Regional Director, thru the Regional Collection Division, for the authority to submit to DAR the lists of acquired/forfeited real properties classified as suitable for agriculture.

1.17. Submit to DAR the lists of landholdings classified as agricultural lands, pursuant to EO No. 407 and RA 6657, amended. For this purpose, the sale and/or disposal of acquired agricultural real properties to DAR shall be undertaken under the following steps and/or procedures:

1.17.1. Receive the confirmation letter from the DAR on the properties classified as suitable for agriculture, after inspection by the DAR and the LBP;

1.17.2. Receive the proper and just valuation of the property from LBP and/or DAR;

1.17.3. Coordinate with the Regional Legal Division for the preparation of the Deed of Sale/Transfer of the acquired land suitable for agriculture, for the signature of the Commissioner and the Secretary of DAR;

1.17.4. Receive the copy of the duly notarized Deed of Sale/Transfer signed by the Commissioner and the Secretary of DAR;

1.17.5. Transmit to the DAR all pertinent ownership documents such as;

a. Owner's duplicate copy of the certificates of title;
b. Tax declaration of the property; and
c. Other documents necessary to effect the transfer of ownership to DAR.

1.17.6. Prepare and submit to the Regional Director a memorandum report within two (2) days after the transfer of the acquired/forfeited asset to DAR, detailing all the relevant information pertinent to the property that was sold/transferred to DAR;

1.17.7. Follow-up the payment of the just compensation by LBP to the BIR for the agricultural property sold/transferred within thirty (30) days after the transfer of the registration of ownership documents has been made by the Register of Deeds in favor of the DAR;

1.17.8. Submit/Transmit to the Regional Finance Division a report, including the certified photocopies of all pertinent supporting documents, on the agricultural lands sold to DAR for necessary recording in the NG Books of Accounts;

1.17.9. Turn-over to the Regional Administrative Division the original copy of the LBP bond certificate received for safekeeping; and

1.17.10. Prepare and submit immediately to the Regional Collection Division a report on the receipt of the LBP cash payments and the LBP bond certificates and the physical turn-over of the certificates to the Regional Administrative Division, for monitoring purposes.

1.18. Prepare and submit to the Regional Collection Division on or before the fifteenth (15th) day of the following month, the following reports:

a. Monthly Report on Acquired/Forfeited Assets Sold/Disposed (Annex "24") under its custody, either thru public auction or negotiated sale, together with the certified photocopies of pertinent documents relative to the sale/disposition; and

b. Monthly Report of Unsold/Undisposed Acquired/Forfeited Assets (Annex "25").

1.19. Transmit to the Regional Administrative Division, thru the Regional Collection Division, a copy of the Monthly Report on Acquired/Forfeited Assets Sold/Disposed, together with the original copies of the pertinent documents for safekeeping.

2. The Regional Collection Division shall

2.1. Maintain an updated inventory and records of all acquired/forfeited properties within the region.

2.2 Receive memorandum from the concerned RDOs the lists of acquired/forfeited real properties to be forwarded to the DAR classified as suitable for agriculture, if any, for approval by the Regional Director.

2.3. Receive from the RDOs, the following reports:

a. Monthly Report on Acquired/Forfeited Assets Sold/Disposed together with the certified photocopies of all the pertinent documents relative to the said sale/disposition; and

b. Monthly Report of Unsold Acquired/Forfeited Assets.

2.4. Monitor, evaluate, consolidate the reports received from the RDOs and submit to the ACIR, CS, thru the ARMD, the following reports on or before the 20th day of the following month:

a. Consolidated Monthly Report on Acquired/Forfeited Assets Sold/Disposed (Annex "32") together with the certified photocopies of all the pertinent documents relative to the said sale/disposition; and

b. Consolidated Monthly Report of Unsold/Undisposed Acquired/Forfeited Assets (Annex "33").

2.5. Submit to the Regional Finance Division a copy of the Consolidated Monthly Report of Acquired/Forfeited Assets Sold/Disposed not later than the 15th day of the following month.

2.6. Prepare the request for authority to publish/advertise the NOSAFA within its jurisdiction and for the allocation of necessary funds therefor.

2.7. Cause the publication of NOSAFA nationwide in leading newspapers of general circulation, and coordinate the posting of the NOSAFA in the BIR website through the Tax Information and Education Division (TIED) and the Internal Communications Division (ICD), National Office, respectively.

2.8. Coordinate with the COA, realty appraisers and brokers, tri-media and other external agencies/entities before the actual conduct of the public auction to ensure that all bids and awards processes undertaken are in accordance with the existing rules and regulations, and that the active participation of all stakeholders in the bidding process is maximized.

2.9. Verify with the records of the Regional Finance Division if the full payment of the bid price has been made by the winning bidder.

3. The Regional Legal Division shall

3.1. Validate and confirm that the valuation made by LBP and/ or DAR on the property is proper and just, otherwise, take appropriate legal actions to ensure that the valuation is proper, just and in accordance with laws, rules and regulations and existing jurisprudence.

3.2. After it was determined that the valuation of the property is proper and just, prepare the corresponding Deed of Sale/Transfer covering the sale of acquired/forfeited lands suitable for agriculture, for the signature of the Commissioner and the Secretary of DAR.

3.3. Transmit to the Commissioner, thru the Regional Director, the Deed of Sale/Transfer of acquired/forfeited asset to be sold/transferred to DAR, for final review, approval and signature.

4. The Regional Administrative Division shall

4.1. Receive cash and/or Manager's Check and issue the corresponding Official Receipt (Accountable Form No. 51) for pre-qualification bonds deposited by prospective bidders.

4.2. Receive from the winning bidder the full amount of the bid either in cash or manager's check and issue the corresponding official receipt therefor.

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4.3. Remit to the Bureau of Treasury (BTr), through Authorized Government Depository Banks (AGDB), the deposit and payment made by the winning bidder, including the forfeited deposits of defaulting bidder/s.

4.4. Keep/Maintain records on the conduct of the sale, copies of the awarded titles and other related documents pertinent to the sale.

4.5. Prepare and submit to the concerned RDO not later than five (5) days from the date of auction sale a report, copy furnished the Regional Collection Division, the copies of all pertinent documents evidencing the collections of the proceeds from auction sales of acquired assets and remittance thereof to the BTr, thru the AGDB. For this purpose, the proceeds from sale of acquired/forfeited assets shall form part of the collections of the RDO having physical jurisdiction over the location of the assets/properties sold. The remittance of the bid bonds received and the full payment of the bid price by the winning bidder shall be deposited with the AGDB not later than the following working day.

4.6. Receive from RDO the Monthly Report of Acquired Assets Sold/Disposed during the month together with the original copies of the pertinent supporting documents.

4.7. Maintain and safe-keep all the original records and pertinent documents on acquired/forfeited assets sold/disposed.

5. The Regional Finance Division shall

5.1. Receive the request for allocation of necessary funds for the expenses to be incurred in the publication/ advertisement of the NOSAFA and in the conduct of public auction sale of acquired/forfeited assets.

5.2. Return the bid bonds of the losing bidders immediately after the Notice of Award has been released to the winning bidder, in accordance with the existing rules and policies prescribed under the Modified Disbursement System.

5.3. Receive from the Regional Collection Division the Consolidated Report on Acquired/Forfeited Assets Sold/Disposed, together with the certified copies of the supporting documents, for recording and monitoring purposes.

5.4. Prepare the "Journal Entry Voucher" (JEV) to record the proceeds from the sale/disposal of acquired/forfeited assets in the NG books of accounts using the entries prescribed by the Commission on Audit (COA).

5.5. Record in the NO NG Books the forfeited assets sold/disposed based on the Monthly Consolidated Report on Assets Acquired/Forfeited and the Monthly Consolidated Report on Forfeited Assets Sold/Disposed submitted by the RDOs, in accordance with the accounting policies prescribed by COA GAFMIS.

5.6. Update the Subsidiary Ledgers (SLs) being maintained in the NG Books for each and every acquired/forfeited asset account that was sold/disposed.

5.7. Prepare and submit to RAD the Monthly Trial Balance (MTB) and supporting schedules for all transactions recorded in the NG Books on or before the 7th day of the following month.

6. The Regional Director shall

6.1. Constitute the members of the inspection group to conduct actual inspection of acquired/forfeited real assets for sale/disposal in the Revenue District Office, if the need arises.

6.2. Approve the allocation of necessary funds for the publication of the NOSAFA. The fund shall be provided by Regional Finance Division and shall be made available at least thirty (30) days prior to the actual date of public auction sale pursuant to Section 216 of the Tax Code of 1997, as amended.

6.3. Constitute the BAC-AA to undertake the auction sale of acquired/forfeited assets. The BAC-AA shall be composed of the following;

Chairman	-	Assistant Regional Director
Members	-	Chief, Legal Division
		Chief, Collection Division
		Chief, Administrative Division
		Chief, Finance Division
		RDO (administrator of the property).

6.4. Sign the Notice of Award to be issued to the winning bidder.

6.5. Consolidate the reports on the public auction conducted by BAC –AA and submit the same to ACIR-CS, Attention: The Chief, ARMD within ten (10) working days from the date of auction sale.

6.6. Prepare and submit to the approving authority the necessary documents to effect the transfer of properties to the winning bidders.

6.7. Appropriate the necessary funds for the consolidation of title of the acquired/forfeited asset which shall be made immediately available to the RDO in order to effect the transfer of title to the property in the name of the government.

6.8. Review and sign the Deed of Absolute Sale (Annex "26") in favor of the winning bidder after the sale has been confirmed by CIR.

6.9. Review and sign the Cancellation of Awards, if necessary, as a consequence of any of the grounds/circumstances stated in Section III.5.5.2 of this Order.

6.10. Forward to the Commissioner, for final review, approval and signature, the Deed of Sale/Transfer of acquired/forfeited asset to be transferred/sold to DAR.

6.11. Prepare a recommendations on applications/offers of negotiated or private sale of acquired/forfeited asset after two (2) failed consecutive biddings and submit the same to the Commissioner, thru the DCIR-OG and ACIR-CS, Attention: Chief-ARMD, for necessary review and approval.

6.12. Monitor the compliance of all the concerned Regional Offices in the timely and accurate submission to the ACIR-CS/ARMD of all the prescribed management reports on the sale of all acquired/forfeited properties.

7. The Bids and Awards Committee-Acquired Assets shall

7.1. Receive from the RDO, through the Regional Director, the list of acquired/forfeited properties to be sold at public auction.

7.2 Coordinate with realty appraisers and brokers, tri-media, and other external agencies/entities before the actual conduct of public auction in order to ensure that the bids and awards processes are undertaken in accordance with the existing rules and regulations, and that the participation of the stakeholders in the bidding process is maximized.

7.3. Determine the floor prices of the properties for auction sale.

7.4. Register in the Bid Registry (Annex "27") all prospective bidders upon submission of duly signed Bidders Acknowledgement and Undertakings and upon presentation of the Acknowledgement Receipt issued by the Regional Finance Division representing the 10% pre-qualification bid bond posted, the bidders' Community Tax Certificate (CTC) and their respective Tax Identification Numbers (TINs).

7.5. Provide the prospective bidders with the Guidelines on the Public Auction Sale and the Application for Bid (Annex "28").

7.6. Receive from the prospective bidders the Applications for Bid in sealed envelopes.

7.7. Initiate an open public bidding in the presence of a COA representative, as witness, on a parcel by parcel or title by title on an "As Is Where Is Basis" with the following steps and/or guidelines:

7.7.1. Read the Notice of Sale and the Guidelines for Auction Sale aloud for everyone to present to hear;

7.7.2. Announce the minimum BID prescribed by the government;

7.7.3. Call the roll of the qualified bidders;

7.7.4. Record the names and address of bidders present, as well as the names and address of the witnesses to the bidding process;

7.7.5. Distribute the Guidelines for Auction Sale; and

7.7.6 Gather all the bid forms and indicate their quoted prices in the Abstract of Canvass.

7.8. Open all the sealed envelopes containing the Applications for Bid in the presence of all bidders.

7.9. Evaluate all Applications for Bid. Only bids that are equal to or higher than the set floor price/minimum bid price shall be considered.

7.10. Deliberate and resolve "tie-bids" and/or "cancelled bids".

7.11. Post the quoted prices/bids in the Abstract of Canvass.

7.12. Announce the winning bidder of the auctioned property. In case of tie-bids, a new sealed bidding shall immediately be conducted until the tie-bid is broken.

7.13. Forward to the Commissioner, thru the ACIR-CS/Chief-ARMD, all the pertinent documents relative to the sale together with the Report of Acquired/Forfeited Assets Sold Through Public Auction for Confirmation and Approval, within five (5) working days from the date of the public auction sale, for evaluation and approval.

7.14. Issue a Notice of Award (Annex "29") to the winning bidder signed by the Chairman, BAC-AA, upon receipt of the Confirmation of Acquired/Forfeited Assets Sold through Public Auction Sale for Issuance of Notice of Award and Deed of Absolute Sale (Annex "30") duly signed by the Commissioner.

7.15. Prepare a Deed of Absolute Sale, for the signature of the Regional Director, upon confirmation by the Regional Administrative Division of the full payment of the bid price by the winning bidder.

7.16. Cancel the award, in case of failure or refusal of the winning bidder to pay the full amount of bid within the prescribed period, and forfeit the bid bond in favor of the government, unless the BAC-AA allows an extension of time for the bidder within which to fully pay the bid price.

7.17. Notify the defaulting bidder of the cancellation of bids and/or forfeiture of posted bid bond with concomitant notification to the second and third highest bidder that they may increase their bids to the amount equivalent or higher than that of the defaulting bidder.

7.18. Prepare and submit to the Regional Director the Report/Minutes on the Conduct of Public Auction of Acquired/Forfeited Assets (Annex "31") within two (2) working days from the date of sale.

8. The Large Taxpayer Collection Enforcement Division (LTCED) and Large Taxpayer Division shall

8.1. Initiate actions for the sale/disposition of acquired/forfeited personal intangible assets:

8.1.1. Identify all the acquired properties that may be sold to interested parties based on the updated CISFA;

8.1.2. Publish in the BIR Website the list of acquired assets that are already eligible for sale/disposition for purposes of inviting any interested person to buy the said property;

8.1.3. Make a formal communication to potential buyers of the property (e.g. officers/existing stockholders of the issuing corporations for forfeited shares of stocks, stock brokers for stocks listed in the stock market, etc.);

8.1.4. Study the practicability of pre-terminating bonds, debentures, and similar instruments for the immediate conversion of these types of acquired assets into cash; and

8.1.5. Consider other available options that may be undertaken for the speedy disposition of the acquired/forfeited assets.

8.2. Receive formal offers to buy the acquired/forfeited assets from interested parties.

8.3. Evaluate the offers made and prepare the appropriate recommendation on the matter to the Commissioner, through the ACIR-LTS.

8.4. Receive the decision of the Commissioner on the proposal to sell/dispose the acquired/forfeited properties:

8.4.1. If the offer is acceptable to the CIR:

a. Prepare the Deed of Sale;

b. Request the buyer to sign the Deed of Sale; and

d. Forward the Deed of Sale, together with the docket of the case to the Commissioner, for signature.

8.4.2. If the offer is disapproved by the CIR:

a. Prepare a letter to the interested buyer informing him/her of the disapproval of the offer; and

b. Request the buyer to increase the offer, if he/she is still interested to buy the property.

8.5. Notify the identified buyer of the Commissioner's approval of his/her offer to buy the acquired/forfeited assets. Advise him/her to pay to the General Services Division (GSD), National Office, in cash or manager's check, the full amount of the negotiated price for the property being purchased from the BIR.

8.6. Receive from the buyer a certified copies of the Payment Order issued by RAD and the Official Receipt issued by GSD evidencing full payment of the proceeds from sale of acquired/forfeited assets.

8.7. Verify authenticity of the Official Receipt issued by GSD, and release to the buyer the copy of the duly signed Deed of Sale and other pertinent documents.

8.8. Prepare and submit to the ACIR-LTS on or before the fifteenth (15^{th}) day of the following month, the following reports:

a. Monthly Report on Acquired/Forfeited Intangible Assets Sold/Disposed under its custody thru private or negotiated sale, together with the certified photocopies of pertinent documents relative to the sale/disposition; and

b. Monthly Report of Unsold/Undisposed Acquired/Forfeited Intangible Assets.

8.9. Prepare and submit to the RAD, thru the ACIR-LTS, a report on the sale/disposition of the acquired/forfeited personal intangible assets, together with the certified copies of all the supporting documents, for recording purposes at the NG Books of Accounts.

8.10. Transmit to the Records Division, thru the Administrative Service, the docket of the case bearing on the sale/disposition of the acquired/forfeited assets, together with the original copies of the pertinent documents for safekeeping and future reference.

9. The Large Taxpayer Service shall

9.1. Review the recommendations made by the concerned LTS Office on the proposed sale/disposition of the acquired assets.

9.2. Endorse to the Commissioner the recommendation to sell/dispose the property for his final review and approval.

10. The General Services Division shall

10.1. Receive from the RAD the Payment Order for the issuance of Official Receipt for the proceeds on sale/disposition of acquired/forfeited assets by the LTS.

10.2. Receive the payment for the property sold/disposed by the LTS from the concerned buyer and issue the corresponding Official Receipt therefor.

10.3. Remit to the BTr the collection from the sale of acquired/forfeited assets.

10.4. Prepare and submit to the RAD the certified report on collection and remittance of the proceeds from sale of acquired/forfeited assets, for recording purposes.

11. The Internal Communications Division (ICD)/Taxpayer Information and Education Division (TIED) shall

11.1. Coordinate the tri-media exposure on the sale of acquired/forfeited real assets.

11.2. Post the NOSAFA and/or the invitation to buy BIR-acquired/forfeited assets not through public auction in the BIR website.

12. The Accounts Receivable Monitoring Division shall

12.1. Monitor the immediate disposal by the RDOs of all acquired/forfeited assets.

12.2. Coordinate with the concerned RDs/RDOs the conduct of the ocular inspection of acquired assets which are to be disposed of in order to obtain a first-hand observations on the current status, conditions, and/or marketability of the acquired/forfeited properties.

12.3. Receive from the BAC-AAs the Report of Acquired/Forfeited Assets Sold Through Public Auction for Confirmation and Approval.

12.4. Review and evaluate the BAC-AA's Report of Acquired/Forfeited Assets Sold Through Public Auction for Confirmation and Approval to determine propriety of the Confirmation of Sale to be issued by the Commissioner;

12.5. Prepare and submit to the Commissioner, thru the ACIR-CS and the DCIRs-OG and LIG, the Confirmation of Acquired/Forfeited Assets Sold Through Public Auction Sale for Issuance of Notice of Award and Deed of Absolute Sale.

12.6. Forward to the concerned Regional BAC-AA the approved Confirmation of Acquired/Forfeited Assets Sold Through Public Auction Sale for Issuance of Notice of Award and Deed of Absolute Sale.

12.7. Receive from the Regional Collection Divisions, the following reports:

a. Consolidated Report on Acquired/Forfeited Assets Sold/Disposed together with the certified photocopies of all the pertinent documents relative to the sale/disposition; and

b. Consolidated Report of Unsold Acquired/Forfeited Assets.

12.8. Evaluate the documents submitted relative to the sale/disposition of acquired/forfeited assets and cancel the same in the CISFA.

12.9. Prepare a Consolidated Report on Acquired/Forfeited Assets Sold/Disposed and submit the same to the RAD on or before the 25thday of the following month.

12.10. Prepare the recommendation to the Department of Finance (DOF) relative to the negotiated sale of acquired/forfeited assets for the signature of the Commissioner, thru the ACIR-CS and DCIR-OG.

13. The Revenue Accounting Division shall

13.1. Receive the request from the LTS for the issuance of Payment Order authorizing the GSD to issue Official Receipt to the buyer of the acquired/forfeited asset sold by LTS.

13.2. Receive from the General Services Division, National Office, the report on the receipt of proceeds from the sale/disposition of acquired/forfeited assets by the LTS, as well as the certified copy of the proof of remittance of the said proceeds to the BTr through an AGDB.

13.3. Receive from the ACIR-LTS the report on the sale/disposition of acquired/forfeited personal intangible assets, together with all the pertinent supporting documents.

13.4. Prepare the corresponding JEVs to record the proceeds from the sale/disposition of acquired/forfeited assets by the LTS and the closure of the Acquired Asset account in the NG Books of Accounts.

14. The ACIR-Collection Service, Deputy Commissioners-Operations Group and Legal Group shall

14.1. Review and evaluate the recommendations and other documents confirming and approving the sale of acquired/forfeited assets.

14.2. Forward to the Commissioner the recommendation relevant to the confirmation and approval of the sale of acquired/forfeited assets or the request for DOF authority for private or negotiated sale of acquired/forfeited assets, as the case may be, for final review and approval.

15. The Commissioner of Internal Revenue shall

15.1. Approve/disapprove the recommended action relative to the deteriorated, unserviceable, obsolete and/or fully depreciated acquired/forfeited assets.

15.2. Approve/confirm the sale of acquired/forfeited assets through public auction undertaken by the Regional BAC-AAs, as well as the sale of acquired/forfeited assets by the LTS.

15.3. Recommend for the approval by the Secretary of Finance the offer for private or negotiated sale of acquired/forfeited real properties.

C. TRANSFER OF UNSOLD OR UNDISPOSED ACQUIRED ASSETS TO OTHER GOVERNMENT AGENCIES (FOR REAL/PERSONAL PROPERTIES OTHER THAN STOCKS, BONDS AND DEBENTURES)

1. The Accounts Receivable Monitoring Division shall

1.1. Prepare an annual list of all acquired/forfeited assets (whether income earning or not) which were offered for auction sale or negotiated sale but were not sold after two consecutive offerings for listings in the BIR website, other government postings, and other applicable media of dissemination.

1.2. Identify acquired/forfeited assets with existing contracts, whether with the private and public persons/entities, and those undergoing administrative and/or judicial litigations.

1.3. Segregate all acquired/forfeited assets that can be immediately transferred/disposed to other government agencies and that can be used by the said agencies in the discharge of their respective mandates.

1.4. Require the RDOs and the Regional Collection Divisions having administrative control/supervision over the acquired/forfeited assets to prepare/update the information profile of the properties to include, among others, their respective physical, financial and economic/business characteristics such as:

a. Existence of improvements on the properties;

b. Occupancy by informal settlers on the properties;

c. For real property, the current assessor's valuation;

d. For personal property, the current appraisal value;

d.1. Equipment and motor vehicles – get the original cost of acquisition including the date, the accumulated depreciation and the net book value at the time of the appraisal; and

d.2. Personal properties like jewelries, paintings and works of arts, among others - get the same data including appraised values thereof at the time of appraisal.

1.5. Set the floor transfer/selling prices of the acquired/forfeited assets based on the latest valuations thereof.

1.6. Prepare a Master List of acquired/forfeited assets and their respective floor prices, with accompanying latest profiles of these assets such as the photographs of the assets showing their current status/conditions, etc.

1.7. Submit to the Commissioner, thru the ACIR, CS and the DCIR, Operations Group (OG), the Master List of Acquired/Forfeited Assets for disposition to other government agencies, together with the appropriate recommendations therefor.

1.8. Revise/Update the Master List of Acquired/Forfeited Assets for Transfer/Disposition, together with their respective floor prices, if needed and as often as necessary, in coordination with the concerned RDOs and Regional Collection Divisions.

1.9. Post the Master List of Acquired/Forfeited Assets for Transfer/Disposition at the BIR website and other government posting media like the Government Procurement Policy Board (GPPB), Philippine Government Electronic Procurements Systems (PGEPS), Official Gazette, etc.

1.10. Disseminate the Master List of Properties for Transfer/Disposition to various NGAs, LGUs and GOCCs through the DBM, Office of the Government Corporate Counsel (OGCC), League of Cities and Municipalities, and other associations/organizations that may have potential use for these properties.

1.11. Receive and respond immediately to all queries and expressions of interest made by any interested agency.

1.12. Undertake simplified bidding procedures as spelled out under the Procurement Act (RA No. 9184), if appropriate and practicable, and if there are more than one agencies interested to acquire/purchase the property.

1.13. Request the interested agency(ies) to formalize its/their intent to acquire the property in writing addressed to the Commissioner, through the ACIR-CS.

1.14. Evaluate the offer by any government agency and verify existence of the following requirements, in coordination with the Regional Director:

a. If interested purchaser is an NGA - the approved budgetary allocation and approval of the Office of the President;

b. If interested purchaser is a GOCC- Board approval of its plan and adequacy of funding; and

c. If interested purchaser is an LGU – Council approval of its plan and adequacy of funding.

1.15. Prepare a recommendation to sell/transfer the acquired/forfeited assets and submit the same to the Commissioner, thru the ACIR-CS, and the DCIR-OG, for final approval and acceptance of the offer, if the agency's offer or proposal is advantageous to the government.

1.16. Coordinate with the Legal Service for the preparation of the Deed of Transfer/Sale to Other Government Agencies (Annex "34") for the signature of the Commissioner, upon receipt of the approval of the proposal from the Secretary of Finance or other appropriate approving authority of the government agency such as the Office of the President, the Board of Directors, or the Provincial/Municipal/City Council, whichever is applicable.

1.17. Coordinate with the purchaser (NGA/GOCC/LGU) on the payment arrangements, in accordance with COA Circular No. 89-296 and COA-GAFMIS, and in coordination with the concerned RDOs and Regional Directors.

2. The RDO/Regional Collection Division/Regional Director shall

2.1. Prepare/update the information profile of the acquired/forfeited assets by gathering materials on the physical, topographical, financial and economic/business characteristics to include photographs, improvements, current assessor's valuation, appraisals, etc.

2.2. Submit the updated information profile of the subject acquired/forfeited assets for disposition to other government agencies.

2.3. Coordinate with the ARMD in the evaluation of the GOCC/NGA/LGU offers and in the finalization of the payment arrangements with the purchaser.

3. The ACIR-CS and DCIR-OG shall

3.1. Receive and review the Master List of acquired/forfeited assets that may be sold to other government agencies.

3.2. Submit the Master List to the Commissioner for approval, if the Master List of Acquired/Forfeited Assets is in order.

3.3. Receive and review the recommendation to accept GOCC/NGA/LGU offers to buy acquired/forfeited assets prior to the transmission of the same to the Commissioner for final acceptance and approval.

4. The Commissioner of Internal Revenue shall

4.1. Evaluate and approve the Master List of Acquired/Forfeited Assets that may be sold to other government agencies.

4.2. Evaluate and approve/disapprove the recommendation for the acceptance of offers of other government agencies to buy BIR-acquired/forfeited assets.

4.3. Secure the approval of the Secretary of Finance, whenever necessary under existing rules and regulations, for the authority to sell acquired/forfeited assets to other government agencies.

4.4. Sign the Deed of Transfer/Sale to Other Government Agencies covering the sale of acquired/forfeited assets (real/personal properties other than stocks, bonds and debentures).

D. TRANSFER OF UNSOLD OR UNDISPOSED ACQUIRED PERSONAL ASSETS TO OTHER GOVERNMENT AGENCIES (FOR STOCKS, BONDS AND DEBENTURES)

1. The Accounts Receivable Monitoring Division shall

1.1. Secure all pertinent information on the basic profile of stocks, bonds, debentures such as their respective nature, values, interest rates, terms including maturities and issuing company, etc.

1.2. Receive and respond immediately to all queries and expressions of interest made by any interested GOCC or GFI.

1.3. Prepare a recommendation to sell the acquired/forfeited assets and submit the same to the Commissioner, thru the ACIR-CS and the DCIR-OG, if the offer is found advantageous to the government and compliant with the provisions of existing rules and regulations on the sale or disposition of BIR properties.

1.4. Coordinate with the Legal Service for the preparation of the Deed of Transfer/Sale to Other Government Agencies for the signature of the Commissioner, upon receipt of the approval of the proposal from the Secretary of Finance.

1.5. Coordinate with the purchaser on the payment arrangements, in accordance with COA Circular No. 89-296 and COA-GAFMIS, and in coordination with the concerned RDOs/Regional Directors.

1.6. Coordinate with the RDO and/or concerned LTS Office on matter relating to public or private/negotiated sale of shares of stocks, bonds, and other securities, as well the pre-termination of the bonds and other securities, in the absence of any offer to buy from any interested party.

2. The RDO/Regional Collection Division/Regional Director shall

2.1. Coordinate with the ARMD in the evaluation of the GOCC/GFI offers and in the finalization of the payment arrangements with the purchaser.

2.2. Effect the sale, retirement, or pre-termination of all shares, bonds, and other securities by way of public or private/negotiated sale.

2.3. Remit the proceeds from the sale, retirement or pre-termination of all acquired securities to the BTr;

3. The ACIR-CS and DCIR-OG shall

3.1. Receive and review the recommendation of the ARMD relative to the proposal of the GOCC/GFI to purchase the assets/properties acquired by the BIR, prior to transmission of the same to the Commissioner for final acceptance and approval.

4. The Commissioner of Internal Revenue shall

4.1. Evaluate and approve/disapprove the recommendation for the acceptance of offers from other government agencies to buy acquired/forfeited shares of stocks, debentures and other securities of the Bureau.

4.2. Sign the Deed of Transfer/Sale to Other Government Agencies covering the sale of acquired/forfeited shares of stocks, bonds, debentures, and other securities.

IV. REPEALING CLAUSE

All Memorandum Orders, and Circulars and other pertinent issuances inconsistent herewith are hereby amended or modified accordingly.

V. EFFECTIVITY

This Order shall take effect immediately.

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

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