Bringing In Revenues
for Nation-Building

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
National Office Building
Quezon City

BAGONG PILIPINAS

AUG 05 2025

REVENUE REGULATIONS NO. 019-2025

SUBJECT : Implementing the Documentary Stamp Tax (DST) Rate Adjustments and Amendments to the Documents and Papers Not Subject to DST Under Republic Act No. 12214, Otherwise Known as the "Capital Markets Efficiency Promotion Act"

TO : All Internal Revenue Officials, Employees and Others Concerned

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SECTION 1. SCOPE. — Pursuant to Sections 244 and 245 of the National Internal Revenue Code of 1997, as amended (Tax Code), in relation to Sections 19, 20, 21, 23, and 25 of Republic Act (RA) No. 12214, otherwise known as the *"Capital Markets Efficiency Promotion Act"* (CMEPA), these Regulations are hereby promulgated to implement the rate adjustments for DST under Sections 174, 176, and 179 of the Tax Code and the amendments to the documents and papers not subject to DST under Section 199 of the same Code.

SECTION 2. COVERAGE. — These Regulations shall cover documents, loan agreements, instruments, papers, acceptances, assignments, sales and transfers of the obligation, right or property incident thereto in respect of the transactions made or accomplished on July 1, 2025 onwards.

SECTION 3. DEFINITION OF TERMS. — For purposes of these Regulations, the following terms shall be taken to mean as follows:

(a) **Mutual Fund Company** – an open-end and close-end company as defined under the Investment Company Act.

(b) **Unit Investment Trust Fund** – an open-ended pooled trust fund denominated in peso or any acceptable currency, which is established, operated, and administered by a trust entity and made available by participation.

(c) **Debt Instrument** – shall mean instruments representing borrowing and lending transactions, including but not limited to debentures, certificates of indebtedness, due bills, bonds, loan agreements, including those signed abroad wherein the object of contract is located or used in the Philippines, instruments and securities issued by the government or any of its instrumentalities, deposit substitutes, debt instruments, certificates or other evidences of deposits that are either drawing interest significantly higher than the regular savings deposit taking into consideration the size of the deposit and the risks involved or drawing interest and having a specific maturity date, promissory notes, whether negotiable or non-negotiable, except bank notes issued for circulation.

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SECTION 4. NEW RATE OF DST ON ORIGINAL ISSUE OF SHARES OF STOCK. — Section 174 of the Tax Code, as amended by Section 19 of the CMEPA, now reads as follows:

> *"**SEC. 174. Stamp Tax on Original Issue of Shares of Stock.** – On every original issue, whether on organization, reorganization or for any lawful purpose, of shares of stock by any association, company or corporation, there shall be collected a documentary stamp tax of **SEVENTY-FIVE PERCENT OF ONE PERCENT (75% OF 1%) of the par value of such shares of stock**: Provided, That in the case of the original issue of shares of stock without par value, the amount of the documentary stamp tax herein prescribed shall be based upon the actual consideration for the issuance of such shares of stock: Provided, further, That in the case of stock dividends, on the actual value represented by each share." (Emphasis supplied)*

SECTION 5. NEW RATE OF DST ON BONDS, DEBENTURES, AND CERTIFICATES OF STOCK INDEBTEDNESS ISSUED IN FOREIGN COUNTRIES. — Section 176 of the Tax Code, as amended by Section 20 of the CMEPA, now reads as follows:

> *"**SEC 176. Stamp Tax on Bonds, Debentures, and Certificates of Stock or Indebtedness Issued in Foreign Countries.** – A documentary stamp tax of **SEVENTY-FIVE PERCENT OF ONE PERCENT (75% OF 1%) of the value of the transaction** shall be collected from the person selling or transferring bonds, debentures, certificates of stock, or certificates of indebtedness issued in any foreign country." (Emphasis supplied)*

SECTION 6. NEW RATE OF DST ON ALL DEBT INSTRUMENTS. — Section 179 of the Tax Code, as amended by Section 21 of the CMEPA, now reads as follows:

> *"**SEC. 179. Stamp Tax on All Debt Instruments.** – On every original issue of debt instruments, there shall be collected a documentary stamp tax of **SEVENTY-FIVE PERCENT OF ONE PERCENT (75% OF 1%) of the issue price of any such debt instrument**: Provided, That for such debt instruments with terms of less than one (1) year, the documentary stamp tax to be collected shall be of a proportional amount in accordance with the ratio of its term in number of days to three hundred sixty-five (365) days: Provided, further, That only one documentary stamp tax shall be imposed on the loan agreement and promissory notes, **mortgage, security interest over personal property, and other contracts** issued to secure such loan." (Emphasis supplied)*

In cases where a loan agreement and a promissory note, mortgage, security interest over personal property and other contracts issued to secure such loan are simultaneously issued and executed, only one DST shall be imposed on either loan agreement or promissory note, mortgage, security interest over personal property and other contracts issued to secure such loan, whichever will yield a higher tax. Moreover, where only one instrument was prepared, made, signed or executed to cover a loan agreement/promissory note/pledge/mortgage, the DST prescribed in Section 195 of the Tax Code, on *Stamp Tax on Mortgages, Pledges and Deeds of Trust*, shall be paid and computed on the full amount of the loan or credit granted. In this regard, the instrument shall be treated as covering only one taxable transaction.

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SECTION 7. DOCUMENTS AND PAPERS NOT SUBJECT TO STAMP TAX. — Section 199 of the Tax Code, as amended by Section 23 of the CMEPA, now reads as follows:

> *"**SEC. 199. Documents and Papers Not Subject to Stamp Tax.** – The provisions of Section 173 to the contrary notwithstanding, the following instruments, documents, and papers shall be exempt from the documentary stamp tax:*
>
> *xxx*
>
> *(e) Sale, exchange, **redemption, or other disposition** of shares of stock listed and traded through a local **or foreign** stock exchange.*
>
> *xxx*
>
> ***(o) Original issuance, redemption, or other disposition of shares in a mutual fund company.***
>
> ***(p) Issuance of certificate or other evidence of participation in a mutual fund or unit investment trust fund.**" (Emphasis supplied)*

SECTION 8. SEPARABILITY CLAUSE. — If any of the provisions of these Regulations is subsequently declared invalid or unconstitutional, the validity of the remaining provisions hereof shall remain in full force and effect.

SECTION 9. REPEALING CLAUSE. — All other issuances and rules and regulations or parts thereof which are contrary to and inconsistent with the provisions of these Regulations are hereby repealed, amended or modified accordingly.

SECTION 10. EFFECTIVITY. — These Regulations shall take effect on July 1, 2025, following its publication in the Official Gazette or the Bureau of Internal Revenue's official website, whichever comes first.

RALPH G. RECTO
Secretary of Finance
JUL 29 2025

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Recommending Approval:

ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue

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