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

September 14, 2020

REVENUE REGULATIONS NO. 23-2020

SUBJECT: Implementing Section 6 of Republic Act No. 11494, otherwise known as the "Bayanihan to Recover as One Act" on the Repeal of Tax on the Initial Public Offering (IPO) of Shares of Stocks Provided Under Section 127 (B) of the National Internal Revenue Code (NIRC) of 1997, As Amended

To: All Internal Revenue Officers and Others Concerned

SECTION 1. Scope. – Pursuant to the provisions of Section 244 of the National Internal Revenue Code (NIRC), as amended, these Regulations are hereby promulgated to implement Section 6 of Republic Act (R.A.) No. 11494, otherwise known as the "Bayanihan to Recover as One Act".

SECTION 2. Repeal of Section 127(B) of the NIRC, As Amended. Tax on shares of stocks sold, bartered, exchanged or other disposition through Initial Public Offering (IPO) provided under Section 127 (B) of the NIRC of 1997, as amended, is repealed. Thus, every sale, barter, exchange or other disposition through IPO of shares of stock in closely held corporations shall no longer be subject to the tax imposed under Section 127(B) upon the effectivity of RA No. 11494.

SECTION 3. Repealing Clause. All revenue rules and regulations and other revenue issuances or parts thereof, which are inconsistent with these Regulations are hereby repealed or modified accordingly.

SECTION 4. Effectivity. – These Regulations shall take effect immediately.

The Office of the National Administrative Registrar (ONAR) of the U.P. Law Center shall be provided with three (3) certified copies of this Revenue Regulations.

CARLOS G. DOMINGUEZ
Secretary of Finance
SEP 28 2020

Recommending Approval:

CAESAR R. DULAY
Commissioner of Internal Revenue

BUREAU OF INTERNAL REVENUE
INTERNAL COMMUNICATIONS
036504
SEP 30 2020

BUREAU OF INTERNAL REVENUE
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3:00 P.M.
SEP 30 2020
RECORDS MGT. DIVISION