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

MAR 2 8 2019

REVENUE REGULATIONS NO. 3-2019

SUBJECT : Prescribing the Use of the Electronic Certificate Authorizing Registration System Relative to Transactions Involving Registration and Transfer of Real and Personal Properties Pursuant to Section 5(B) of the National Internal Revenue Code (NIRC) of 1997, as amended, and in Relation to Sections 58(E), 95 and 97 of the Same Code

TO : All Internal Revenue Officers and Others Concerned

BACKGROUND

The Bureau of Internal Revenue (BIR), in its effort to improve taxpayer satisfaction and compliance to increase revenues for the government, has developed the Electronic Certificate Authorizing Registration System otherwise known as the eCAR System. The system is equipped with barcode verification in order to eliminate errors using manual procedures by the three (3) government agencies, namely the BIR, the Land Registration Authority (LRA) and the Provincial, City and Municipal Assessor's Offices under the Local Government Units (LGUs) across the country. These offices are responsible for registering and transferring real property and improvements, including shares of stock involved therein, after all taxes and dues are collected.

These Regulations are hereby issued to mandate the LRA to use the eCAR System with barcode developed and owned by the BIR as agreed in a Memorandum of Agreement (MOA) circulated through Revenue Memorandum Circular (RMC) No. 28-2015. BIR is likewise obligated to upload its data to LRA using the Philippine Land Registration and Information System (PHILARIS) of the latter to ensure accurate and secured exchange of information subject to the provisions of Republic Act No. 10173, otherwise known as the Data Privacy Act of 2012, and Section 270 of the National Internal Revenue Code (NIRC) of 1997, as amended. Both systems of BIR and LRA are linked to make use of the LRA-BIR eCAR Verification System (LRA-BIR-CVS), which is now available nationwide.

The Provincial, City and Municipal Assessor's Offices of all LGUs, banks, and other Issuers of Stock Certificates, Bonds and other similar Paper Securities are mandated to accept only the eCAR printed and issued by the BIR from the said System before any transfer of ownership is changed to the new owner.

SECTION. 1. SCOPE AND LIMITATION. - Pursuant to the provisions of Section 5(B) in relation to Sections 58(E), 95 and 97 of the NIRC of 1997, as amended, these Regulations shall prescribe the use of the eCAR System with barcode, the procedures and documentations that shall be followed by all parties involved in the registration and transfer of real properties and improvements, including shares of stock involved therein. The eCAR System with barcode in the meantime is limited to the use of BIR and LRA until such time that all LGUs, banks and other entities processing the transfer of properties are ready with their systems to link with the BIR eCAR System in the future.

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SEC. 2. DEFINITION OF TERMS -

1. **CAR Number** - refers to the system-generated number that is specific to the Electronic Certificate Authorizing Registration (eCAR) issued and printed for the particular transaction being cleared by the BIR for transfer of ownership.

2. **eCAR System** - is a stand-alone system developed and owned by the BIR for the automated creation of eCAR which is the basis for transferring the real and personal properties from the transferor to the transferee after payment of the correct taxes and other dues that allows monitoring through audit trails and generated reports.

3. **Barcode** - is an optical and machine-readable representation of the eCAR data that includes details of transaction bearing the specified or specific code. It systematically represents the data with varying widths and spaces of parallel lines, and patterned bars and numerals.

4. **Barcode Reference Number** - is an assigned number to refer to a particular eCAR transaction written below the barcode to be used for encoding if scanning of the barcode fails.

5. **Transaction Number** - is a unique identifier of the eCAR generated from the system as a security secondary to the access of the user to view the entries in a particular transaction for verification.

6. **LRA-BIR CAR Verification System (LRA-BIR-CVS)** - is a system developed to manage the LRA-BIR eCAR database. It is being used by LRA to send eCAR-related data to the PHILARIS-RD Database (a system being used by the Register of Deeds of LRA) and receive specific Title-related data from the PHILARIS-RD Database for BIR's use.

SEC. 3. - THE SYSTEM - ELECTRONIC CERTIFICATE AUTHORIZING REGISTRATION SYSTEM (eCAR System) - This replaces the manually prepared CAR. The eCAR system generates the eCAR with barcode which shall be printed on an accountable security paper as shown in Annex A for Real Properties and Annex B for Personal Properties.

The eCAR shall have a system generated Barcode Reference Number (BRN) printed below the barcode which may be encoded in case the latter is unreadable by the scanner used at the Register of Deeds (RD). A system-generated information, such as eCAR number, date of eCAR issuance, amount paid, date of payment and signature of the authorized signatory of eCAR shall be indicated or stamped on the reverse side of each page of the original copies of the transfer document, e.g., Deed of Sale, Deed of Exchange, Deed of Assignment, Deed of Donation, Deed of Extrajudicial Settlement of Estate, etc.

SEC. 4. - ISSUANCE OF eCAR - There shall be issued one (1) eCAR per title in case of registered land and/or improvement(s) and one (1) eCAR for each tax declaration in case of unregistered land and/or improvement(s). A separate eCAR shall be issued for all personal properties.

SEC. 5. VALIDITY OF eCAR - The eCAR shall have a validity period of five (5) years reckoned from date of issuance for purposes of presenting the same to the RD. Otherwise, the eCAR shall

be deemed permanently expired and therefore of no force and effect. A new eCAR may thus be generated and issued upon request of the taxpayer for the reissuance of a new eCAR to replace the expired eCAR.

SEC. 6. REVALIDATION - All manually-issued CARs that are either due for revalidation or has not been presented to the RD within the validity period and manually issued CARs with partial transfer of properties as prescribed in existing BIR issuances are considered expired manual CARs already and, as such, shall no longer be valid for presentation to the RD. The said CARs shall be replaced with an eCAR by the concerned Revenue District Officer (RDO) or LT Division who issued the CAR upon presentation of the expired manual CAR.

SEC. 7. EXCHANGE OF INFORMATION - Pursuant to Section 3 of Republic Act No. 10963 otherwise known as Tax Reform for Acceleration and Inclusion (TRAIN) Law, which amends Section 5 (B) of the National Internal Revenue Code of 1997 (NIRC), the Commissioner of Internal Revenue (CIR) is authorized to obtain on a regular basis both financial and nonfinancial information from persons and offices.

Accordingly, the BIR shall obtain any information related to the payment of taxes on all transfer of property made with the LRA and RDs.

SEC. 8. REGISTRATION OF NEW OWNERSHIP OF REAL PROPERTIES

A. Register of Deeds

Pursuant to Section 5 of RR No. 24-2002 dated November 15, 2002 and Section 1 of Memorandum Order No. 233 dated December 11, 2006 issued by then President Gloria Macapagal-Arroyo as circularized in RMC No. 3-2007 dated January 15, 2007, no registration of any deed or instrument resulting in the transfer of ownership of real property shall be allowed by the RD unless the CIR or his duly authorized representative has issued the corresponding eCAR, that has been properly verified under the LRA-BIR eCAR Verification System. Accordingly, the RD shall inscribe on the newly issued TCT the following information:

1. eCAR Number;
2. Date of Issuance of eCAR;
3. RDO Number; and
4. Amount and Date of payment per tax type.

An eCAR duly issued by the BIR and retrieved by the RD from the LRA-BIR eCAR database, whether for taxable or tax-exempt transactions, shall be the basis for the RD to effect the transfer. Any eCARs not in the database are deemed spurious and not issued by the Bureau, hence, transfer of this property should not be effected.

For transactions involving estate or donor's tax on which the eCARs are issued by the Revenue District Office having jurisdiction over the place where the donor is domiciled at the time of donation or where the decedent is domiciled at the time of his death, the RDs who have jurisdiction over the property shall no longer require the eCAR to be authenticated or countersigned by the issuing district office. The provision herein shall also apply to non-resident decedents/donors whose eCARs are issued by Revenue District Office No. 39 - South Quezon City.

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B. Registration with Provincial, City or Municipal Assessors –

Pursuant to Section 113 of Presidential Decree No. 1529, no deed, conveyance, mortgage, lease or other voluntary instruments affecting unregistered land shall be valid except as between the parties thereto, unless such instrument shall have been registered in the book of Unregistered Property of the RD pursuant to Act No. 3344. Thus, no tax declaration shall be issued in the name of the new owner by the Provincial, City, Municipal Assessor's Office concerned unless proof is presented thereby that the said instrument had already been registered with the RD.

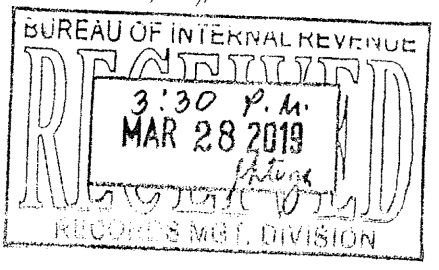
For both manual and automated processing of Tax Declaration, for titled and untitled real properties, pursuant to Office of the President's Administrative Order No. 186 dated July 31, 2007, it shall be the duty of Provincial, City or Municipal Assessors to indicate at the back/reverse side of the newly issued Tax Declaration the information contained in the eCAR:

1. eCAR Number;
2. Date of Issuance of eCAR;
3. Amount and Date of payment per tax type; and
4. Revenue District Office No.

The TIN of the transferee shall, however, be indicated on the face of the newly issued Tax Declaration.

Subsequent updates of the Tax Declaration without change in ownership shall require the carry-over of the information contained in the previous version of the Tax Declaration. Moreover, Provincial, City or Municipal Assessors shall be required to submit quarterly summary reports within 30 days after the end of the calendar quarter to the concerned Office of the Regional Director of the BIR, copy furnished the Assessment Performance Monitoring Division (APMD) of the BIR National Office, who shall cascade to the Revenue District Office having jurisdiction over the Province, City or Municipality of all transfers effected by its Office showing the following information:

1. Tax Declaration Number of New Tax Declaration Issued;
2. Tax Declaration Number of Tax Declaration Cancelled;
3. Transfer Certificate of Title (TCT) No. for titled properties
4. eCAR Number;
5. Date of Issuance of eCAR;
6. TIN of Transferor;
7. Name of Transferor;
8. TIN of the Transferee;
9. Name of the Transferee;
10. Area of the Real Property Transferred;
11. Location of the Real Property Transferred;
12. Classification of the Property Transferred indicating the specific area per classification in case of multiple classifications;
13. Type of Taxes Paid (Capital Gains Tax, Estate Tax, Donor's Tax, ...);
14. Amount and Date of Payment per Tax Type;
15. Official Receipt Number/Validation Number;
16. Official Receipt Date/Validation Date; and
17. Remarks.



SEC. 9. PENAL CLAUSE. - Any violation of these Regulations shall be subject to the corresponding penalties imposed under Section 269 and other pertinent provisions of the NIRC of 1997, as amended, and applicable regulations.

SEC. 10. REPEALING CLAUSE. - All rules and regulations and parts thereof inconsistent with the provisions of these Regulations, including Revenue Regulations No. 24-2002, are hereby amended, modified, or revoked accordingly.

SEC. 11. EFFECTIVITY CLAUSE. - These Regulations shall take effect fifteen (15) days immediately after publication thereof in a leading newspaper of general circulation.

CARLOS G. DOMINGUEZ
Secretary of Finance
MAR 25 2019

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Recommending Approval:

CAESAR R. DULAY
Commissioner of Internal Revenue

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