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

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December 19, 2017

REVENUE REGULATIONS NO. 4-2018

SUBJECT: Rules and Regulations Implementing the Documentary Stamp Tax Rate Adjustment Under Republic Act No. 10963, Otherwise Known as the "Tax Reform For Acceleration and Inclusion (TRAIN) Law"

TO : All Revenue Officials, Employees and Others Concerned

SECTION 1. SCOPE. – Pursuant to the provisions in Section 4 and Section 244 of Republic Act No. 8424 and Section 84 of Republic Act No. 10963, these regulations are hereby promulgated to implement the rate adjustment of documentary stamp taxes provided in Sections 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, and 70 in Republic Act No. 10963 otherwise known as the "Tax Reform for Accelerations and Inclusion (TRAIN) Law".

SEC. 2. NEW RATE OF DST ON ORIGINAL ISSUE OF SHARES OF STOCKS. –

> "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 two pesos (P2.00) on each Two hundred pesos (P200), or fractional part thereof, 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."

The rate of DST on the original issue of shares has been increased from One peso (P1.00) to Two pesos (P2.00) on each Two hundred pesos (P200), or fractional part thereof, of the par value of such shares of stock.

SEC. 3. NEW RATE OF DST ON STAMP TAX ON SALES, AGREEMENTS TO SELL, MEMORANDA OF SALES, DELIVERIES OR TRANSFER OF SHARES OR CERTIFICATES OF STOCK. –

> "SEC. 175. *Stamp Tax on Sales, Agreements to Sell, Memoranda of Sales, Deliveries or Transfer of Shares or Certificates of Stock.* – On all sales, or agreements to sell, or memoranda of sales, or deliveries or transfer of such securities by assignment in blank, or by delivery, or by any paper or agreement, or memorandum or other evidences of transfer or sale whether entitling the holder in any manner to the benefit of such stock, or to secure the future payment of money, or for the future transfer of

any stock, there shall be collected a documentary stamp tax of One peso and Fifty centavos (P1.50) on each Two hundred pesos (P200), or fractional part thereof, of the par value of such stock: Provided, That only one tax shall be collected on each sale or transfer of stock from one person to another, regardless of whether or not a certificate of stock or obligation is issued, indorsed, or delivered in pursuance of such sale or transfer: and Provided, further, That in the case of stock without par value the amount of the documentary stamp tax herein prescribed shall be equivalent to Fifty percent of the documentary stamp tax paid upon the original issue of said stock."

The rate of DST on sales, agreements to sell, memoranda of sales, deliveries or transfer of shares or certificates of stock has been increased from Seventy-five centavos (P0.75) to One peso and fifty centavos (P1.50) on each Two hundred pesos (P200), or fractional part thereof, of the par value of such stock. In case of stocks without par value, the DST shall be equivalent to Fifty percent (50%) of the DST paid upon the original issue of said stock.

SEC. 4. NEW RATE OF DST ON CERTIFICATES OF PROFITS OR INTEREST IN PROPERTY OR ACCUMULATIONS. –

"SEC. 177. *Stamp Tax on Certificates of Profits or Interest in Property or Accumulations.* – On all certificates of profits, or any certificate or memorandum showing interest in the property or accumulations of any association, company or corporation, and on all transfers of such certificates or memoranda, there shall be collected a documentary stamp tax of One peso (P1.00) on each Two hundred pesos, or fractional part thereof, of the face value of such certificates or memorandum."

The rate of DST on the Certificates of Profits or Interest in Property or Accumulations has been increased from Fifty centavos (P0.50) to One pesos (P1.00) on each Two hundred pesos, or fractional part thereof, of the face value of such certificates or memorandum.

SEC. 5. NEW RATE OF DST ON BANK CHECKS, DRAFTS, CERTIFICATES OF DEPOSIT NOT BEARING INTEREST, AND OTHER INSTRUMENTS. –

"SEC. 178. *Stamp Tax on Bank Checks, Drafts, Certificates of Deposit not Bearing Interest, and Other Instruments.* – On each bank check, draft, or certificate of deposit not drawing interest, or order for the payment of any sum of money drawn upon or issued by any bank, trust company, or any person or persons, companies or corporations, at sight or on demand, there shall be collected a documentary stamp tax of Three pesos (P3.00)."

The rate of DST on bank checks, drafts, certificates of deposit not bearing interest, and other instruments has been increased from One peso and Fifty centavos (P1.50) to Three pesos (P3.00).

SEC. 6. NEW RATE OF DST ON ALL DEBT INSTRUMENTS. –

"SEC. 179. *Stamp Tax on All Debt Instruments.* – On every original issue of debt instruments, there shall be collected a documentary stamp tax of One peso and Fifty centavos (P1.50) on each Two hundred pesos (P200.00), or fractional part thereof, of the issue price of any such debt instruments: Provided, that for such debt instruments with terms of less than one (1) year, the documentary stamp tax to be collected shall

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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 either loan agreement, or promissory notes issued to secure such loan.

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The rate of DST on all debt instruments is increased from One peso (P1.00) to One peso and Fifty centavos (P1.50) on each Two hundred pesos (P200.00), or fractional part thereof, of the issue price of any such debt instruments.

SEC. 7. NEW RATE ON ALL BILLS OF EXCHANGE OR DRAFTS. –

"SEC. 180. *Stamp Tax on All Bills of Exchange or Drafts.* – On all bills of exchange (between points within the Philippines) or drafts, there shall be collected a documentary stamp tax of Sixty centavos (P0.60) on each Two hundred pesos (P200.00) or fractional part thereof, of the face value of any such bill of exchange or draft."

The rate of DST on all bills of exchange or drafts has been increased from Thirty centavos (P0.30) to Sixty centavos (P0.60) on each Two hundred pesos (P200.00) or fractional part thereof, of the face value of any such bill of exchange or draft.

SEC. 8. NEW RATE OF DST UPON ACCEPTANCE OF BILLS OF EXCHANGE AND OTHERS. –

"SEC. 181. *Stamp Tax Upon Acceptance of Bills of Exchange and Others.* – Upon any acceptance or payment of any bill of exchange or order for the payment of money purporting to be drawn in a foreign country but payable in the Philippines, there shall be collected a documentary stamp tax of Sixty centavos (P0.60) on each Two hundred pesos (P200) or fractional part thereof, of the face value of any such bill of exchange, or order, or the Philippine equivalent of such value, if expressed in foreign currency."

The rate of DST on acceptance of bills of exchange and others all bills of exchange or drafts has been increased from Thirty centavos (P0.30) to Sixty centavos (P0.60) on each Two hundred pesos (P200.00) or fractional part thereof, of the face value of any such bill of exchange or draft, or the Philippine equivalent of such value, if expressed in foreign currency.

SEC. 9. NEW RATE OF DST ON FOREIGN BILLS OF EXCHANGE AND LETTERS OF CREDIT. –

"SEC. 182. *Stamp Tax on Foreign Bills of Exchange and Letters of Credit.* – On all foreign bills of exchange and letter of credit (including orders, by telegraph or otherwise, for the payment of money issued by express or steamship companies or by any person or persons) drawn in but payable out of the Philippines in a set of three (3) or more according to the custom of merchants and bankers, there shall be collected a documentary stamp tax of Sixty centavos (P0.60) on each Two hundred pesos (P200), or fractional part thereof, of the face value of any such bill of exchange

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or letter of credit, or the Philippine equivalent of such face value, if expressed in foreign currency."

The rate of DST on all bills of exchange or drafts has been increased from Thirty centavos (P0.30) to Sixty centavos (P0.60) on each Two hundred pesos (P200), or fractional part thereof, of the face value of any such bill of exchange or letter of credit, or the Philippine equivalent of such face value, if expressed in foreign currency.

SEC. 10. NEW RATE OF DST ON LIFE INSURANCE POLICIES. –

"SEC. 183. *Stamp Tax on Life Insurance Policies.* – On all policies of insurance or other instruments by whatever name the same may be called, whereby any insurance shall be made or renewed upon any life or lives, there shall be collected a one-time documentary stamp tax at the following rates:

If the amount of insurance does not exceed P100,000	Exempt
If the amount of insurance exceeds P100,000 but does not exceed P300,000	P20.00
If the amount of insurance exceeds P300,000 but does not exceed P500,000	P50.00
If the amount of insurance exceeds P500,000 but does not exceed P750,000	P100.00
If the amount of insurance exceeds P750,000 but does not exceed P1,000,000	P150.00
If the amount of insurance exceeds P1,000,000	P200.00"

The rates of DST on life insurance policies have been doubled.

SEC. 11. NEW RATE OF DST ON POLICIES OF ANNUITIES AND PRE-NEED PLANS. –

"SEC. 186. *Stamp Tax on Policies of Annuities and Pre-Need Plans.* – On all policies of annuities, or other instruments by whatever name the same may be called, whereby an annuity may be made, transferred or redeemed, there shall be collected a documentary stamp tax of One peso (P1.00) on each Two hundred pesos (P200), or fractional part thereof, of the premium or installment payment on contract price collected. On pre-need plans, the documentary stamp tax shall be Forty centavos (P0.40) on each Two hundred pesos (P200), or fractional part thereof, of the premium or contribution collected."

The rate of DST on annuities has been increased from Fifty centavos (P0.50) to One peso (P1.00) on each Two hundred pesos (P200), or fractional part thereof, of the premium or installment payment on contract price collected. Pre-need plans are now taxed at Forty centavos (P0.40) from the previous rate of Twenty centavos (P0.20).

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SEC. 12. NEW RATE OF DST ON CERTIFICATES. –

"SEC. 188. *Stamp Tax on Certificates.* – On each certificate of damage or otherwise, and on every other certificate or document issued by any customs officer, marine surveyor, or other person acting as such, and on each certificate issued by a notary public, and on each certificate of any description required by law or by rules or regulations of a public office, or which is issued for the purpose of giving information, or establishing proof of a fact, and not otherwise specified herein, there shall be collected a documentary stamp tax of Thirty pesos (P30.00)."

The rate of DST on certificates has been increased from Fifteen pesos (P15.00) to Thirty pesos (P30.00).

SEC. 13. NEW RATE OF DST ON WAREHOUSE RECEIPTS. –

"SEC. 189. *Stamp Tax on Warehouse Receipts.* – On each warehouse receipt for property held in storage in a public or private warehouse or yard for any person other than the proprietor of such warehouse or yard, there shall be collected a documentary stamp tax of Thirty pesos (P30.00): *Provided, That* no tax shall be collected on each warehouse receipt issued to any one person in any one calendar month covering property the value of which does not exceed Two hundred pesos (P200)."

The rate of DST on warehouse receipts has been increased from Fifteen pesos (P15.00) to Thirty pesos (P30.00).

SEC. 14. NEW RATE OF DST ON JAI-ALAI, HORSE RACE, TICKETS, LOTTO, OR OTHER AUTHORIZED NUMBERS GAMES. –

"SEC. 190. *Stamp Tax on Jai-alai, Horse Race, Tickets, Lotto, or Other Authorized Numbers Games.* – On each jai-alai, horse race ticket, lotto, or other authorized numbers games, there shall be collected a documentary stamp tax of Twenty centavos (P0.20): *Provided, That* if the cost of the ticket exceed One peso (P1.00), an additional tax of Twenty centavos (P0.20) on every One peso (P1.00), or fractional part thereof, shall be collected."

The rate of DST on jai-alai, horse race, tickets, lotto, or other authorized number game has been increased from Ten centavos (P0.10) to Twenty centavos (P0.20); and if the cost of ticket exceeds One peso (P1.00), the additional tax has been increased from Ten centavos (P0.10) to Twenty centavos (P0.20) on every One peso (P1.00), or fractional part thereof.

SEC. 15. NEW RATE OF DST ON BILLS OF LADING OR RECEIPTS –

"SEC. 191. *Stamp Tax on Bills of Lading or Receipts.* – On each set of bills of lading or receipts (except charter party) for any goods, merchandise, or effects shipped from one port or place in the Philippines (except on ferries across rivers), or to any foreign port, there shall be collected a documentary stamp tax of Two pesos (P2.00), if the value of such goods exceeds One hundred pesos (P100) and does not exceed One thousand pesos (P1,000); Twenty pesos (P20.00), if the value exceeds One thousand pesos (P1.000): *Provided, however,* That freight tickets covering goods, merchandise

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or effects carried as accompanied baggage of passengers on land and water carriers primarily engaged in the transportation of passengers are hereby exempt."

The rate of DST on each bill of lading or receipt has been increased from One peso (P1.00) to Two pesos (P2.00), if the value of goods exceeds One hundred pesos (P100) and does not exceed One thousand pesos (P1,000); and the rate of DST has been increased from Ten pesos (P10.00) to Twenty pesos (P20.00), if the value of goods exceeds One thousand pesos (P1,000).

SEC. 16. NEW RATE OF DST ON PROXIES. –

"SEC. 192. *Stamp Tax on Proxies.* – On each proxy for voting at any election of officers of any company or association. Or for any other purpose, except proxies issued affecting the affairs of associations or corporations organized for religious, charitable, or literary purposes, there shall be collected a documentary stamp tax of Thirty pesos (P30.00)."

The rate of DST on each proxy has been increased from Fifteen pesos (P15.00) to Thirty pesos (P30.00).

SEC. 17. NEW RATE OF DST ON POWERS OF ATTORNEY. –

"SEC. 193. *Stamp Tax on Powers of Attorney.* – On each power of attorney to perform any act whatsoever, except acts connected with the collection of claims due from or accruing to the Government of the Republic of the Philippines, or the government of any province, city or municipality, there shall be collected a documentary stamp tax of Ten pesos (P10.00)."

The rate of DST on each power of attorney has been increased from Five pesos (P5.00) to Ten pesos (P10.00).

SEC. 18. NEW RATE OF DST ON LEASES AND OTHER HIRING AGREEMENTS. –

"SEC. 194. *Stamp Tax on Leases and Other Hiring Agreements.* – On each lease, agreement, memorandum, or contract for hire, use or rent of any lands or tenements, or portions thereof, there shall be collected a documentary stamp tax of Six pesos (P6.00) for the first Two thousand pesos (P2,000), or fractional part thereof, and an additional Two pesos (P2.00) for every One thousand pesos (P1,000) or fractional part thereof, in excess of the first Two thousand pesos (P2,000) for each year of the term of said contract or agreement."

The rate of DST on leases and other hiring agreements has been increased from Three pesos (P3.00) to Six pesos (P6.00) for the first Two thousand pesos (P2,000), or fractional part thereof; and the additional tax was increased from One peso (P1.00) to Two pesos (P2.00) for every One thousand pesos (P1,000) or fractional part thereof, in excess of the first Two thousand pesos (P2,000).

SEC. 19. NEW RATE OF DST ON MORTGAGES, PLEDGES, AND DEEDS OF TRUST –

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"SECTION 195. *Stamp Tax on Mortgages, Pledges, and Deeds of Trust.* - On every mortgage or pledge of lands, estate, or property, real or personal, heritable or movable, whatsoever, where the same shall be made as a security for the payment of any definite and certain sum of money lent at the time or previously due and owing or forborne to be paid, being payable, and on any conveyance of land, estate, or property whatsoever, in trust or to be sold, or otherwise converted into money which shall be and intended only as security, either by express stipulation or otherwise, there shall collected a documentary stamp tax at the following rates:

(a) When the amount secured does not exceed Five thousand pesos (P5,000), Forty pesos (P40.00).

(b) On each Five thousand pesos (P5,000), or fractional part thereof in excess of Five thousand pesos (P5,000), an additional tax of Twenty pesos P20.00.

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The rate of DST on every mortgage, pledge, or deed of trust has been increased from Twenty pesos (P20.00) to Forty pesos (P40.00), when amount secured does not exceed Five thousand pesos (P5,000); and the additional tax has been increased from Ten pesos (P10.00) to Twenty pesos (P20.00), on each Five thousand pesos (P5,000), or fractional part thereof in excess of Five thousand pesos (P5,000).

SEC. 20. NEW RATE OF DST ON DEEDS OF SALE, AND CONVEYANCES AND DONATION OF REAL PROPERTY. –

"SEC. 196. *Stamp tax on Deeds of Sale, Conveyances and Donations of Real Property.* - On all conveyances, donations, deeds, instruments, or writings, other than grants, patents or original certificates of adjudication issued by the government, whereby any land, tenement, or other realty sold shall be granted, assigned, transferred, donated or otherwise conveyed to the purchaser, or purchasers, or to any other person or persons designated by such purchaser or purchasers, or donee, there shall be collected a documentary stamp tax, at the rates herein below prescribed, based on the consideration contracted to be paid for such realty or on its fair market value determined in accordance with Section 6(E) of this Code, whichever is higher: Provided, That when one of the contracting parties is the Government the tax herein imposed shall be based on the actual consideration.

(a) When the consideration, or value received or contracted to be paid for such realty, after making proper allowance of any encumbrance, does not exceed One thousand pesos (P1,000), Fifteen pesos (P15.00).

(b) For each additional One thousand pesos (P1,000) or fractional part thereof in excess of One thousand pesos (P1,000) of such consideration or value, Fifteen pesos (P15.00)).

Transfers exempt from donor's tax under Section 101 (a) and (b) of this Code shall be exempt from the tax imposed under this section.

When it appears that the amount of the documentary stamp tax payable hereunder has been reduced by an incorrect statement of the consideration in any conveyance, deed, instrument or writing subject to such tax the Commissioner, provincial or city Treasurer, or other revenue officer shall, from the assessment rolls or other reliable

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source of information, assess the property of its true market value and collect the proper tax thereon."

Donations of real property shall now be subject to DST under the amended Section 196. However, the following donations or gifts exempt from donor's tax under Section 101 (A) and (B) shall be exempt from DST:

(A) *In the Case of Gifts Made by a Resident*

(1) Gifts made to or for the use of the National Government or any entity created by any of its agencies which is not conducted for profit, or to any political subdivision of the said Government; and

(2) Gifts in favor of an educational and/or charitable, religious, cultural or social welfare corporation, institution, accredited nongovernment organization, trust or philanthropic organization or research institution or organization: Provided, however, That not more than thirty percent (30%) of said gifts shall be used by such donee for administration purposes. For the purpose of this exemption, a 'non-profit educational and/or charitable corporation, institution, accredited nongovernment organization, trust or philanthropic organization and/or research institution or organization' is a school, college or university and/or charitable corporation, accredited nongovernment organization, trust or philanthropic organization and/or research institution or organization, incorporated as a non-stock entity, paying no dividends, governed by trustees who receive no compensation, and devoting all its income, whether students' fees or gifts, donation, subsidies or other forms of philanthropy, to the accomplishment and promotion of the purposes enumerated in its Articles of Incorporation.

(B) *In the Case of Gifts Made by a Nonresident not a Citizen of the Philippines*

(1) Gifts made to or for the use of the National Government or any entity created by any of its agencies which is not conducted for profit, or to any political subdivision of the said Government.

(2) Gifts in favor of an educational and/or charitable, religious, cultural or social welfare corporation, institution, foundation, trust or philanthropic organization or research institution or organization: *Provided, however,* That not more than thirty percent (30%) of said gifts shall be used by such donee for administration purposes.

SEC. 21. NEW RATE OF DST ON CHARTER PARTIES AND SIMILAR INSTRUMENTS. –

"SEC. 197. *Stamp Tax on Charter Parties and Similar Instruments.* – On every charter party, contract or agreement for the charter of any ship, vessel or streamer, or any letter or memorandum or other writing between the captain, master or owner, or other person acting as agent of any ship, vessel or steamer, and any other person or persons for or relating to the charter of any such ship, vessel or streamer, and on any renewal or transfer of such charter, contract, agreement, letter or memorandum, there shall be collected a documentary stamp tax at the following rates:

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(a) If the registered gross tonnage of the ship, vessel or steamer does not exceed one thousand (1,000) tons, and the duration of the charter or contract does not exceed six (6) months, One thousand pesos (P1,000); and for each month or fraction of a month in excess of six (6) months, an additional tax of One hundred pesos (P100.00) shall be paid.

(b) If the registered gross tonnage exceeds one thousand (1,000) tons and does not exceed ten thousand (10,000) tons, and the duration of the charter or contract does not exceed six (6) months, Two thousand pesos (P2,000); and for each month or fraction of a month in excess of six (6) months, an additional tax of Two hundred pesos (P200.00) shall be paid.

(c) If the registered gross tonnage exceeds ten thousand (10,000) tons and the duration of the charter or contract does not exceed six (6) months, Three thousand pesos (P3,000); and for each month or fraction of a month in excess of six (6) months, an additional tax of Three hundred pesos (P300.00) shall be paid."

The rates of DST on charter parties and similar instruments have been doubled.

SEC. 22. REPEALING CLAUSE. – All existing rules and regulations or parts thereof, which are inconsistent with the provisions of these regulations, are hereby repealed, amended or modified accordingly.

SEC. 23. SEPARABILITY CLAUSE. – If any clause, sentence, provision or section of these Rules shall be held invalid or unconstitutional, the remaining parts thereof shall not be affected thereby.

SEC. 24. EFFECTIVITY. – These regulations shall take effect after fifteen (15) days following publication in the Official Gazette or a newspaper of general circulation, whichever comes first.

CARLOS G. DOMINGUEZ
Secretary of Finance
JAN 11 2018

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Recommending Approval:

CAESAR R. DULAY
Commissioner of Internal Revenue

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