



Bringing In Revenues  
for Nation-Building

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



JUN 19 2025

REVENUE MEMORANDUM CIRCULAR NO. 061-2025

**SUBJECT:** Circularizing Section 27 of Republic Act No. 12214, entitled “AN ACT AMENDING SECTIONS 22, 24, 25, 27, 28, 32, 34, 38, 39, 42, 51, 52, 56, 57, 127, 149, 174, 176, 179, 190, 199, AND 258 OF REPUBLIC ACT NO. 8424, OTHERWISE KNOWN AS THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND FOR OTHER PURPOSES”

**TO:** All Internal Revenue Officials, Employees and Others Concerned

For the information and guidance of all internal revenue officials, employees and others concerned, this is to circularize Section 27 of Republic Act No. 12214, otherwise known as the “Capital Markets Efficiency Promotion Act” (CMEPA), which provides for the repeal or modifications of the tax exemptions of certain transactions under various laws, to wit:

*“SEC. 27. Repealing Clause. - The following laws or provisions of laws are hereby repealed or modified accordingly:*

- (a) *Section 9, insofar as the tax exemption on the issuance of bonds and securities is concerned, of Presidential Decree No. 1648, otherwise known as “Reorganizing the National Development Company and Establishing a Revised Charter Therefor”;*<sup>1</sup>
- (b) *Sections 6, 7, and 8, insofar as the tax exemptions on interest income, capital gains and documentary stamp tax, and on the issuance of bonds are concerned, of Executive Order No. 603, otherwise known as “Creating a Light Rail Transit Authority, Vesting the Same with Authority to Construct and Operate the Light Rail Transit (LRT) Project and Providing Funds Therefor”;*<sup>2</sup>
- (c) *Section 14, insofar as tax exemptions on interest income, capital gains, and documentary stamp tax are concerned, of Republic Act No. 7354, otherwise known as “An Act Creating the Philippine Postal Corporation, Defining its Powers, Functions and Responsibilities, Providing for Regulation of the Industry and for Other Purposes Connected Therewith”;*<sup>3</sup>

<sup>1</sup> Issuance of bonds and securities shall be subject to Documentary Stamp Tax.

<sup>2</sup> Interest income shall be subject to Income Tax; Capital Gains shall be subject to Capital Gains Tax and issuance of bonds shall be subject to Documentary Stamp Tax.

<sup>3</sup> Interest income shall be subject to Income Tax and Capital Gains shall be subject to Capital Gains Tax.

- (d) Section 12, insofar as the tax exemptions on interest income, capital gains, and documentary stamp tax, and on the issuance of bonds are concerned, of Republic Act No. 4850, otherwise known as "An Act Creating the Laguna Lake Development Authority, Prescribing its Powers, Functions and Duties, Providing Funds Therefor, and for Other Purposes";<sup>4</sup>
- (e) Number 8, insofar as tax exemptions on interest income, capital gains, and documentary stamp tax are concerned, of Presidential Decree No. 37, otherwise known as "Creating the Nayong Pilipino Foundation";<sup>5</sup>
- (f) Section 12, insofar as tax exemptions on interest income, capital gains, and documentary stamp tax are concerned, of Presidential Decree No. 205, otherwise known as "Creating and Establishing the Development Academy of the Philippines, Defining its Powers, Functions, and Responsibilities, and for Other Purposes";<sup>6</sup>
- (g) Article 204, insofar as tax exemption of the state insurance fund on capital gains is concerned, of Presidential Decree No. 442, otherwise known as the "Labor Code of the Philippines", as amended;<sup>7</sup>
- (h) Sections 10 and 11, insofar as the tax exemptions on interest income, capital gains, and documentary stamp tax of subsidiaries of Philippine Aerospace Development Corporation and on the issuance of bonds are concerned, of Presidential Decree No. 696, otherwise known as "Revising Presidential Decree No. 286, dated September 5, 1973, as Amended, Otherwise Known as "The Charter of The Philippine Aerospace Development Corporation and for Other Purposes";<sup>8</sup>
- (i) Section 2(g), insofar as the tax exemptions on interest income and on the issuance of bonds are concerned, of Republic Act No. 85, as amended by Republic Act No. 2081, otherwise known as "An Act Creating the Rehabilitation Finance Corporation";<sup>9</sup>
- (j) Sections 76, 77, and 98, insofar as tax exemptions on interest income, dividends, capital gains, and the documentary stamp tax on bonds are concerned, of Republic Act No. 3844, as amended by Republic Act No. 6389, otherwise known as the "Agricultural Land Reform Code";<sup>10</sup>
- (k) Section 24, insofar as the tax exemptions on interest income and on the issuance of bonds are concerned, of Republic Act No. 3591, as amended by Republic Act No. 9576 and Republic Act No. 10846, otherwise known as

<sup>4</sup> Interest income shall be subject to Income Tax; Capital Gains shall be subject to Capital Gains Tax and issuance of bonds shall be subject to Documentary Stamp Tax.

<sup>5</sup> Interest income shall be subject to Income Tax and Capital Gains shall be subject to Capital Gains Tax.

<sup>6</sup> Interest income shall be subject to Income Tax and Capital Gains shall be subject to Capital Gains Tax.

<sup>7</sup> Capital Gains shall be subject to Capital Gains Tax.

<sup>8</sup> Interest income shall be subject to Income Tax and Capital Gains shall be subject to Capital Gains Tax.

<sup>9</sup> Interest income shall be subject to Income Tax and issuance of bonds shall be subject to Documentary Stamp Tax.

<sup>10</sup> Interest income and Dividends shall be subject to Income Tax and capital gains shall be subject to Capital Gains Tax.



*"An Act Increasing the Maximum Deposit Insurance Coverage, and in Connection Therewith, to Strengthen the Regulatory and Administrative Authority, and Financial Capability of the Philippine Deposit Insurance Corporation (PDIC), Amending for this Purpose Republic Act Numbered Three Thousand Five Hundred Ninety-One, as Amended, Otherwise Known as The PDIC Charter, and for Other Purposes";<sup>11</sup>*

- (l) *Section 12, insofar as tax exemptions on interest income, capital gains, and documentary stamp tax, and on the issuance of bonds are concerned, of Executive Order No. 1037, otherwise known as "Creating the Philippine Retirement Park System, Providing Funds Therefor and for Other Purposes";<sup>12</sup>*
- (m) *xxx (vetoed by the President);*
- (n) *Section 8(a), insofar as tax exemptions on interest income, capital gains, and documentary stamp tax of bonds are concerned, as provided under Section 1 of Republic Act No. 6395, otherwise known as "An Act Revising the Charter of the National Power Corporation";<sup>13</sup>*
- (o) *Sections 9 and 15, insofar as the tax exemptions on interest income, capital gains, documentary stamp tax, and on the issuance of bonds are concerned, of Presidential Decree No. 334, as amended by Presidential Decree No. 572, otherwise known as "Creating the Philippine National Oil Company, Defining its Powers and Functions, Providing Funds Therefore, and for Other Purposes";<sup>14</sup>*
- (p) *Section 16, insofar as tax exemption on capital gains is concerned, of Presidential Decree No. 1467, otherwise known as "Creating the Philippine Crop Insurance Corporation, Prescribing its Powers and Activities, Providing for its Capitalization and for the Required Government Premium Subsidy, and for Other Purposes";<sup>15</sup>*
- (q) *Section 56, insofar as tax exemption on capital gains is concerned, of Republic Act No. 10801, otherwise known as "An Act Governing the Operations and Administration of the Overseas Workers Welfare Administration";<sup>16</sup>*
- (r) *Section 28, insofar as tax exemption on documentary stamp tax is concerned, of Republic Act No. 9267, otherwise known as the "Securitization Act of 2004";*

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<sup>11</sup> Interest income shall be subject to Income Tax and issuance of bonds shall be subject to Documentary Stamp Tax.

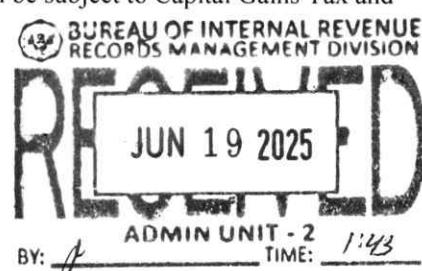
<sup>12</sup> Interest income shall be subject to Income Tax; capital gains shall be subject to Capital Gains Tax and issuance of bonds shall be subject to Documentary Stamp Tax.

<sup>13</sup> Interest income shall be subject to Income Tax and capital gains shall be subject to Capital Gains Tax.

<sup>14</sup> Interest income shall be subject to Income Tax; capital gains shall be subject to Capital Gains Tax and issuance of bonds shall be subject to Documentary Stamp Tax.

<sup>15</sup> Capital gains shall be subject to Capital Gains Tax.

<sup>16</sup> Capital gains shall be subject to Capital Gains Tax.



- (s) Section 6 of Republic Act No. 6426, otherwise known as the “Foreign Currency Deposit Act of the Philippines, as amended”;<sup>17</sup>
- (t) Section 16(b), insofar as tax exemptions on interest income, dividends, and capital gains are concerned, of Republic Act No. 9497, otherwise known as “An Act Creating the Civil Aviation Authority of the Philippines, Authorizing the Appropriation of Funds Therefor, and for Other Purposes”;<sup>18</sup>
- (u) Section 21, insofar as tax exemptions on interest income, dividends, and capital gains are concerned, of Republic Act No. 7356, otherwise known as “An Act Creating the National Commission for Culture and the Arts, Establishing a National Endowment Fund for Culture and the Arts, and for Other Purposes”;<sup>19</sup>
- (v) Section 23(a), insofar as tax exemptions on interest income, dividends, and capital gains are concerned, of Republic Act No. 10086, otherwise known as “An Act Strengthening Peoples' Nationalism through Philippine History by Changing the Nomenclature of the National Historical Institute into the National Historical Commission of the Philippines, Strengthening its Powers and Functions, and for Other Purposes”;<sup>20</sup>
- (w) Section 11, insofar as tax exemptions on interest income, dividends, and capital gains are concerned, of Presidential Decree No. 1201, series of 1977, otherwise known as “Creating the Philippine Institute for Development Studies”;<sup>21</sup>
- (x) Section 11, insofar as tax exemptions on interest income, dividends, and capital gains are concerned, of Republic Act No. 2640, as amended by Batas Pambansa Bilang 35, otherwise known as “An Act to Create a Public Corporation to be Known as the Veterans Federation of the Philippines, Defining its Powers, and for Other Purposes”;<sup>22</sup>
- (y) Section 12, insofar as tax exemptions on interest income, dividends, and capital gains are concerned, of Republic Act No. 4156, as amended by Republic Act No. 6366, otherwise known as “An Act Creating the Philippine

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<sup>17</sup> Interest income on foreign currency deposits of residents shall be subject to Income Tax.

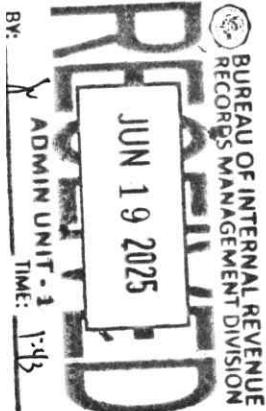
<sup>18</sup> Interest income and dividends shall be subject to Income Tax and capital gains shall be subject to Capital Gains Tax.

<sup>19</sup> Interest income and dividends shall be subject to Income Tax and capital gains shall be subject to Capital Gains Tax.

<sup>20</sup> Interest income and dividends shall be subject to Income Tax and capital gains shall be subject to Capital Gains Tax.

<sup>21</sup> Interest income and dividends shall be subject to Income Tax and capital gains shall be subject to Capital Gains Tax.

<sup>22</sup> Interest income and dividends shall be subject to Income Tax and capital gains shall be subject to Capital Gains Tax.



*National Railways, Prescribing its Powers, Functions and Duties, and Providing for the Necessary Funds for its Operation”,<sup>23</sup> and*

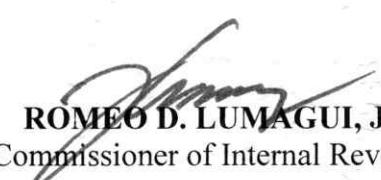
*(z) Section 15, insofar as tax exemptions on capital gains and documentary stamp are concerned, of Republic Act No. 9182, as amended by Republic Act No. 9343, otherwise known as “An Act Granting Tax Exemptions and Fee Privileges to Special Purpose Vehicles Which Acquire or Invest in Non-Performing Assets, Setting the Regulatory Framework Therefor, and for Other Purposes”.<sup>24</sup>*

*All laws, decrees, executive orders, implementing rules and regulations, issuances, or any part thereof inconsistent with the provisions of this Act are deemed repealed, amended, or modified accordingly.”*

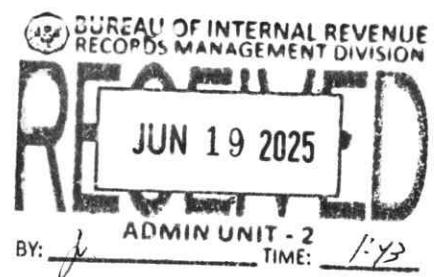
Thus, beginning July 1, 2025, which is the effectivity date of the CMEPA, the tax exemptions provided under the above enumerated provisions are no longer available and the corresponding transactions related thereto are already subject to applicable taxes. This is without prejudice to the transitory provision under Section 28 of the CMEPA.

All internal revenue officials and employees are hereby enjoined to give this Circular as wide a publicity as possible.



  
ROMEO D. LUMAGUI, JR.  
Commissioner of Internal Revenue

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<sup>23</sup> Interest income and dividends shall be subject to Income Tax and capital gains shall be subject to Capital Gains Tax.

<sup>24</sup> Capital gains shall be subject to Capital Gains Tax.