

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

November 15, 2002

**REVENUE REGULATIONS NO. 24-2002**

**SUBJECT :** Regulations Prescribing the Information to be Periodically Required or Obtained by The Commissioner Relative to the Registration/Recording of Transfers of Real Properties with the Register of Deeds/Assessors Pursuant to Section 5(B) of the National Internal Revenue Code of 1997 in Relation to Sections 58(E), 95, and 236(J) of the Same Code as well as Providing for the Manner of the Issuance of Certificate Authorizing Registration (CAR).

**TO : All Internal Revenue Officers and Others Concerned.**

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**SECTION 1. SCOPE.** – Pursuant to Section 244, in relation to Sections 5(B), 58(E), 95 and 236(J) of the National Internal Revenue Code of 1997 (Code), these Regulations are hereby promulgated to prescribe: (1) the information/summary schedules to be periodically submitted by the Land Registration Authority (LRA), the Register of Deeds and the Assessor's Office to the Bureau of Internal Revenue relative to the transfers of real properties administered by the Register of Deeds (RD); (2) the specific information that must be annotated, either by the Revenue District Office (RDO) or the Register of Deeds, to certain documents; and (3) the manner of issuance, recording and monitoring of the Certificate Authorizing Registration (CAR), in order to ensure that all internal revenue taxes due on transfers of real property have been paid and remitted to the Government.

**SEC. 2. THE MONTHLY SUMMARY SCHEDULES/INFORMATION TO BE SUBMITTED BY THE LAND REGISTRATION AUTHORITY (LRA) AND THE REGISTER OF DEEDS (RDs) TO THE BUREAU OF INTERNAL REVENUE (BIR).** – Pursuant to Section 5(B) of the Code, the Commissioner of Internal Revenue (Commissioner) is authorized “*to obtain on a regular basis from any person other than the person whose internal revenue tax liability is subject to audit or investigation, or from any office or officer of the national and local governments, government agencies and instrumentalities, including the Bangko Sentral ng Pilipinas, and government-owned or controlled corporations, any information such as, but not limited to, costs and volume of production, receipts or sales and gross income of taxpayers, and the names, addresses, and financial statements of corporations, mutual fund companies, insurance companies, regional operating headquarters of multinational companies, joint accounts, associations, joint ventures or consortia, and registered partnerships and their members*”.

The LRA, on the other hand, is the government agency which exercises administrative supervision and control over all RDs throughout the country. The RDs, for their part, are the entrusted custodians of land titles and records of real properties and are responsible for the implementation of laws on land titling including land transfers. Part of the laws to be observed is to ensure that no transfers of real property are effected unless the Commissioner or his authorized representative has certified that such transfers have been reported and the taxes due thereon, if any, have been paid.

Given the importance of the functions of LRA and RDs to the collection efforts of the BIR, it is necessary for the Commissioner to ascertain and ensure that all transfers of real property effected by the RDs are reported to the BIR and the taxes due thereon are paid. Thus, in order to validate that no transfer of real property has escaped taxation, the LRA shall provide the BIR National Office (Asset Valuation Division or its equivalent Office) with the following monthly schedules on or before the fifteenth day of the following month:

(1) Summary list of blank OCTs/TCTs/CCTs issued to all RDs, with mention of the sequential serial number;

(2) Summary schedules of all transfers for a particular month of titled real properties effected by each Register of Deeds containing the following information:

- (i) OCT/TCT/CCT Number of OCT/ TCTs/CCTs Newly Issued (spoiled/lost OCT/TCT/CCT must likewise be enumerated);
- (ii) OCT/TCT/CCT Number of old OCT/TCTs/CCTs Cancelled (title of previous owner and replaced by the TCTs/CCTs newly issued);
- (iii) CAR Number;
- (iv) Date of CAR Issuance;
- (v) Name of Transferor;
- (vi) TIN of Transferor;
- (vii) Name of Transferee;
- (viii) TIN of Transferee
- (ix) Area of Real Property Transferred;
- (x) Location of the Real Property;
- (xi) Classification of the Property;
- (xii) Selling Price of the Property;
- (xiii) Fair Market Value of the Property;
- (xiv) Type of Tax Paid;
- (xv) Amount of Tax Paid per Tax Type;
- (xvi) Official Receipt Number/Validation Number;
- (xvii) Date of Official Receipt/Validation Date;
- (xviii) Remarks

The said summary schedules shall present the OCT/ TCT/CCT issued sequentially which title numbers must all be accounted for in the said schedule. In cases where the summary schedules contain gaps in the sequential numbers of the TCT/CCT, reasons therefor must be indicated in such schedules. Likewise, in instances that title has been issued without a CAR, reasons therefor must be stated in the schedule under the "Remarks" column.

(3) Summary schedule of transferred untitled real properties which have been entered in the Primary Book of Entry and the Book of Registration, for transfers of real properties under Act 3344, containing the following information:

- (i) CAR Number;
- (ii) Date of Issuance of CAR;
- (iii) Tax Declaration Number of Real Property ;
- (iv) Name of Transferor;
- (v) TIN of the Transferor;
- (vi) Name of Transferee;
- (vii) TIN of Transferee;
- (viii) Location of the Real Property;
- (ix) Classification of the Property;
- (x) Area of the Real Property Transferred;
- (xi) Selling Price of the Property;
- (xii) Fair Market Value of the Property;
- (xiii) Type of Tax Paid;
- (xiv) Amount of Tax Paid per Tax Type;
- (xv) Official Receipt Number/Validation Number;
- (xvi) Date of Official Receipt/Date of Validation;
- (xvii) Remarks

Each Register of Deeds shall likewise provide the BIR Regional Office (Assessment Division) of the Revenue Region having jurisdiction over the Register of Deeds the monthly schedules mentioned in the preceding paragraphs which will be validated by the appropriate BIR Office with the schedules provided by LRA to the BIR, National Office. The BIR Regional Office, in turn, shall farm out to the concerned Revenue District Office copies of the reports/schedules submitted by the RDs.

**SEC. 3. DOCUMENTS TO BE SUBMITTED BY THE REVENUE DISTRICT OFFICER (RDO) TO THE LAND REGISTRATION AUTHORITY (LRA) AND REGISTER OF DEEDS (RDs).** – In order to ensure that CARs presented to the RDs by taxpayers are authentic as to form and substance, the RDOs shall:

(1) Furnish the LRA/RD, in advance the serial numbers of all blank CARs assigned to them;

(2) Furnish, on a monthly basis, the LRA/RD within their jurisdiction the "Summary List of CARs Issued" with mention of the following information: the

serial numbers, date issued, name of transferor, transferor's TIN, name of transferee, TIN of the transferee, Title Number (for titled land), Tax Declaration Number (for untitled land), location of the property, area of the property transferred, classification of the property transferred, selling price, fair market value, tax type, amount paid per tax type (amount of capital gains tax/expanded withholding tax, donor's/estate tax and documentary stamp tax paid, if any), Official Receipt (OR) Number/Validation Number and date of payment/date of OR/date of validation; and

(3) Furnish the LRA/RD with pertinent copies of revenue regulations, revenue memorandum orders, revenue memorandum circulars and other revenue issuances relative to transfers affecting real properties.

The RDO shall likewise submit to the receiving Register of Deeds and LRA the "List of Countersigned CARs", with reference to the processing RDO, containing the information required in the "List of CARs Issued".

**SEC.4. ISSUANCE OF CERTIFICATE AUTHORIZING REGISTRATION (CAR).** - One of the loopholes uncovered during the review of transfers of real properties effected by the Register of Deeds (RD) is that there were numerous transfers made on account of unlawful insertions of real properties in the CARs issued by the BIR or that there were transfers effected without the corresponding BIR issued CAR. To deter and detect such anomalous act, it shall be the duty of the assigned officers of the RDOs to indicate on the reverse side of all the copies of the document of sale or exchange or transfer (e.g., Deed of Sale, Deed of Exchange, Deed of Assignment, Deed of Donation, Deed of Extrajudicial Settlement of Estate, etc.) the details of information indicated in the CAR, to wit: CAR Number, Date of CAR, Title Number of the Property (for titled property), Tax Declaration Number of the Property (for untitled property), Classification of the Property, Location of the Property, Area of the Property, Selling Price, Fair Market Value, Type of Taxes Paid (i.e., whether capital gains tax or expanded withholding tax, documentary stamp tax, donor's tax, estate tax, exempt transaction, etc.), Amount of Taxes Paid, the Official Receipt Number/Validation Number and the Date of the Official Receipt/Date of Payment/Date of Validation. Thus, before the CAR is released to the taxpayer, all the copies of the document of sale/exchange or transfer shall first be presented to the assigned revenue officers who shall indicate at the back of said documents the information contained in the CAR as herein required.

The CAR shall be signed by the Revenue District Officer of the district having jurisdiction over the transferred property, in case of onerous transfer of property. For gratuitous transfer of properties, the CARs shall be signed by the Revenue District Officer of the district which processes the Tax Returns, either Estate Tax Return or Donor's Tax Return, but should be countersigned by the Revenue District Officer of the district that has jurisdiction over the location of the property transferred. Thus, for estate tax cases and donor's tax cases, one CAR per Register of Deeds shall be issued.

The CAR as issued by the Revenue District Officer shall have a validity period of one (1) year for purposes of presenting the same to the Register of Deeds. In case of failure to present the same to the Register of Deeds within the one-year validity period, the same may still be revalidated, but the total period of validity cannot exceed two years counted from the date of issuance of the CAR. Revalidation shall be done by stamping the phrase "Revalidated on \_\_\_\_\_, to expire on \_\_\_\_\_", after validating the authenticity and validity of the old CAR sought to be revalidated. Thus, given the periods set herein, the CAR, upon issuance, shall have to be presented to the Register of Deeds within a maximum period of not more than two (2) years; otherwise, the CAR shall be deemed permanently expired and therefore of no effect. New returns and proof of tax payments shall be needed to produce a new CAR.

In no instance shall the Register of Deeds honor a CAR with erasures or alterations.

**SEC. 5. REGISTRATION WITH THE REGISTER OF DEEDS.** – No registration of any document transferring real property shall be effected by the Register of Deeds unless the Commissioner or his duly authorized representative has certified that such transfer has been reported, and the final capital gains tax, creditable withholding tax, estate tax, donor's tax, or documentary stamp tax, if any, has been paid.

Once the Original/Transfer Certificate of Title (OCT/TCT), or Condominium Certificate of Title (CCT) has already been issued in the name of the transferee/s, it shall likewise be the duty of the RDs to indicate at the back of the OCT/TCT or CCT the information contained in the TCL/CAR such as the CAR Number, Date of Issuance of CAR, the TIN of the transferor, the name of the transferor, the type of taxes paid, the amount of payment per tax type, official receipt number/validation number and official receipt date/validation date. The TIN of the transferee shall, however, be indicated on the face of the OCT/TCT/CCT.

In cases of transfer of property to a corporation, pursuant to a merger, consolidation or reorganization, and where the law allows deferred recognition of income in accordance with Section 40(C)(2) in relation to Section 40(C)(6) of the Code, the Register of Deeds shall annotate on the reverse side of the OCT/TCT/CCT, the following information:

*"The acquisition of the property described in this title is by virtue of a tax deferred transaction pursuant to Section 40(C)(2) in relation to Section 40(C)(6) of the Tax Code of 1997 per Deed of Exchange/Assignment dated \_\_\_\_\_. The historical cost or adjusted basis or substituted basis, pursuant to Section 40(C)(5) of the same Code, is determined in the amount of \_\_\_\_\_. "*

In cases of tax-exempt sale or donation of property under Republic Act No. 7279, the annotation to be made by the Register of Deeds at the reverse side of the OCT/TCT/CCT shall be as follows:

*“The acquisition of the property described in this title is by virtue of a tax-exempt transaction pursuant to Section 20 of Republic Act No. 7279, and is subject to LIEN that the land/s sold/donated is/are to be used exclusively for socialized housing project.”*

If a registered owner of several distinct parcels of land or of just one parcel of land embraced and covered by a Certificate of Title desires to split said Certificate into several Certificates, said owner may file a written request for that purpose with the RD and the latter, upon surrender of the owner's duplicate shall cancel the same together with RD's original copy and issue, in lieu thereof, separate Certificates as desired. The separate Certificates shall carry-over the annotation indicated in the Old Certificate as cancelled.

If a registered owner of several distinct parcels of land covered by separate Certificates of Title desires to have, in lieu thereof, a single Certificate for the whole land, or several Certificates for the different parcels thereof, said owner may also file a written request with the RDs concerned, and the latter, upon the surrender of the owner's duplicate, shall cancel them together with the RD's original copy and issue, in lieu thereof, one or separate Certificates as desired. The newly issued Certificate shall carry-over the annotation indicated in the old Certificates.

Any violation of this Section by the Register of Deeds shall be subject to the penalties imposed under Section 269 and other pertinent provisions of the Tax Code and implementing regulations.

**SEC. 6. REGISTRATION OF UNTITLED REAL PROPERTY.** – Pursuant to Section 113 of P.D.1529, no deed, conveyance, mortgage, or lease or other voluntary instruments affecting land not registered under the Torrens System shall be valid except as between the parties thereto, unless such instrument shall have been entered in the Primary Entry Book and the Registration Book for properties covered by ACT 3344 of the Registry of Deeds for the province or the city where the land is situated. Thus, no registration of any document transferring such untitled real property shall be effected by the City or Municipal Assessor's Office unless proof is presented that the document of transfer has already passed through the Registry of Deeds.

It shall be the duty of City or Municipal Assessors to indicate at the back of the newly issued Tax Declaration the information contained in the TCL/CAR such as the CAR Number, date of Issuance of CAR, the TIN of the transferor, the name of the transferor, the type of taxes paid, the amount of payment per tax type, official receipt number/validation number and official receipt date/validation date. 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, City or Municipal Assessors shall be required to submit, before the fifteen day of the following month, the monthly summary reports to the Assessment Division of the BIR Regional Office having jurisdiction over the 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) CAR Number;
- (4) Date of Issuance of CAR;
- (5) TIN of Transferor;
- (6) Name of Transferor;
- (7) TIN of the Transferee;
- (8) Name of the Transferee;
- (9) Area of the Real Property Transferred;
- (10) Location of the Real Property Transferred;
- (11) Classification of the Property Transferred;
- (12) Type of Taxes Paid;
- (13) Amount Paid per Tax Type;
- (14) Official Receipt Number/Validation Number;
- (15) Official Receipt Date/Validation Date;
- (16) Remarks.

A copy of the above-mentioned monthly report shall likewise be submitted to the BIR National Office, Asset Valuation Division or its equivalent Office.

The BIR Regional Office shall farm out to the concerned Revenue District Office copies of the reports/schedules submitted by the Assessor's Office.

**SEC. 7. VISITORIAL POWER.** - The BIR shall, at regular interval, inspect and audit the records of the LRA/RD and City/Municipal Assessors to check on the compliance with the provisions of tax laws and implementing regulations

**SEC. 8. TRANSITORY PROVISION** – All CARs which are more than 2 years old shall be revalidated within 60 days from effectivity hereof and must be presented to the Register of Deeds within 30 days from date of revalidation. The revalidating RDO shall check the authenticity and validity of the CARs being sought for revalidation and shall follow the revalidation procedures herein prescribed.

**SEC. 9. REPEALING CLAUSE.** - All rules and regulations and parts thereof inconsistent with the provisions of these Regulations are hereby amended, modified, or revoked accordingly.

**SEC. 10. EFFECTIVITY CLAUSE.** - These Regulations shall take effect after fifteen (15) days following publication in the official gazette or in any newspaper of general circulation.

(Original Signed)  
**JOSE ISIDRO N. CAMACHO**  
Secretary of Finance

Recommended by:

(Original Signed)  
**GUILLERMO L. PARAYNO, JR.**  
Commissioner of Internal Revenue