

**[ REPUBLIC ACT NO. 9243, February 17, 2004 ]**

**AN ACT RATIONALIZING THE PROVISIONS ON THE  
DOCUMENTARY STAMP TAX OF THE NATIONAL INTERNAL  
REVENUE CODE OF 1997, AS AMENDED, AND FOR OTHER  
PURPOSES**

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

SEC. 1. Section 174 of the National Internal Revenue Code of 1997, as amended, is hereby deleted.

SEC. 2. Section 175 of the National Internal Revenue Code of 1997, as amended, is hereby renumbered as Section 174 and further amended as follows:

"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 of One peso (P1.00) 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."

SEC. 3. Section 176 of the National Internal Revenue Code of 1997, as amended, is hereby renumbered as Section 175 and further amended as follows:

"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 shares or certificates of stock in any association, company, or corporation, 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 Seventy-five-centavos (P0.75) 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 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 twenty-five percent (25%) of the documentary stamp tax paid upon the original issue of said stock."

SEC. 4. Section 177 to 179 of the National Internal Revenue Code of 1997, as amended, are hereby renumbered as Sections 176 to 178.

SEC. 5. Section 180 of the National Internal Revenue Code of 1997, as amended, is hereby renumbered as Section 179 and further amended to read as follows:

"SEC. 179. *Stamp Tax on All Debt Instruments.* - On every original issue of debt instruments, there shall be collected a documentary stamp tax on One peso (P1.00) on each Two hundred pesos (P200), 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 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.

For purposes of this section, the term debt instrument shall mean instruments representing borrowing and lending transactions including but not limited to debentures, certificates of indebtedness, due bills, bonds, loan agreements, including those signed abroad wherein the object of contract is located or used in the Philippines, instruments and securities issued by the government of any of its instrumentalities, deposit substitute debt instruments, certificates or other evidences of deposits that are either drawing interest significantly higher than the regular savings deposit taking into consideration the size of the deposit and the risks involved or drawing interest and having a specific maturity date, orders for payment of any sum of money otherwise than at sight or on demand, promissory notes, whether negotiable or non-negotiable, except bank notes issued for circulation."

SEC. 6. A new section numbered Section 180 of the National Internal Revenue Code of 1997, as amended, is hereby inserted to read as follows:

"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 Thirty centavos (P0.30) on each Two hundred pesos (P200), or fractional part thereof, of the face value of any such bill of exchange or draft."

SEC. 7. Section 183 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:

"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 documentary stamp tax of Fifty centavos (P0.50) on each Two hundred pesos (P200), or fractional part thereof, of the amount of premium collected."