

[BIR REVENUE MEMORANDUM CIRCULAR NO. 25-2011, March 02, 2011]

CIRCULARIZING REVOCATION OF BIR RULING DA (DT-065)715-2009 DATED NOVEMBER 27, 2009

For the information and guidance of all internal revenue officials, employees and others concerned, quoted hereunder is the full text of the memorandum letter to the Assistant Commissioner, Large Taxpayers Service declaring BIR Ruling DA(DT-065)715-2009 dated November 27,2009 as null and void ab initio:

"MEMORANDUM

TO : ZENAIDAG. GARCIA
Assistant Commissioner, Large Taxpayers Service

SUBJECT : Revocation of BIR Ruling DA(DT-065)715-2009 in relation to Certificate Authorizing Registration (CAR) application of Metro Pacific Corporation (MPC) on its sale of Bonifacio Land Corp. (BLC) shares

DATE : March 2,2011

This refers to memorandum dated January 7,2011 recommending the revocation of BIR Ruling DA (DT-065)715-2009 for lack of factual and legal basis.

Section 100 of the National Internal Revenue Code (NIRC) of 1997, as amended, provides that:

"SEC. 100. Transfer for Less Than Adequate and Full Consideration. — Where property, other than real property referred to in Section 24(D), is transferred for less than an adequate and full consideration in money or money's worth, then the amount by which the fair market value of the property exceeded the value of the consideration shall, for the purpose of the tax imposed by this Chapter, be deemed a gift, and shall be included in computing the amount of gifts made during the calendar year."

Furthermore, Revenue Regulations No. 6-2008 provides that:

SECTION 7. Sale, Barter or Exchange of Shares of Stock Not Traded Through a Local Stock Exchange Pursuant to Sees. 24 (C), 25 (A)(3) 25