

**[ BIR REVENUE MEMORANDUM CIRCULAR NO. 57-91, June 28, 1991 ]**

**ADDENDUM TO CLARIFICATORY GUIDELINES ON TIME OF  
PAYMENT OF DOCUMENTARY STAMP ON DEEDS OF SALE**

<DIV ALIGN="JUSTIFY">It has been observed that a great majority of our Revenue Regional and District Offices are still in a quandary as to the correct time of payment of the documentary stamp tax on deeds of sale as required under Section 173 in relation to Section 196 both of the Tax Code as amended. Initially, the BIR addressed the said problem with the issuance of Revenue Memorandum Circular No. 45-88 dated 07 September 1988. Considering that there are certain problems in its implementation, it is deemed best that in fairness to the taxpayers, further clarifications be made in this regard.

Payment of the documentary stamp tax is effected by the purchase, affixture and subsequent cancellation of documentary stamps (or notation of payment of documentary stamp tax with denomination of P10.00 or more) on the documents at the time such ACT IS DONE OR TRANSACTION HAD, meaning of the date of execution or signing of the document by the parties thereto, and not at the time of its notarization.

Any delay, therefore, in the purchase and affixture (or notation of DST payment, as the case may be) of the documentary stamps on the deeds of sale shall render the same subject to the statutory penalties of 25% surcharge, or plus 20% interest <I>per annum</I> prescribed by Sections 248 and 249 of the Tax Code as amended except, of course, in exceptional circumstances where the taxpayer can prove by clear and convincing evidence other than the Deed of Sale/Transfer that the delay in the payment of the documentary stamp tax was due to a reasonable and justifiable cause, such as when due to a non-working holiday or a strong typhoon and flooded streets, BIR offices are closed and so it was impossible to purchase the required documentary stamps. In that case, the Commissioner of Internal Revenue may exercise his power to abate an imposition or assessment of penalty pursuant to Section 204 of the Tax Code as amended.

All internal revenue officers and others concerned are enjoined to be guided accordingly and to give this Circular as wide a publicity as possible.

Adopted: 28 June 1991

(SGD.) JOSE U. ONG<BR><I>Commissioner</I> </DIV>

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