

[BIR REVENUE REGULATIONS NO. 4-99, March 09, 1999]

**FURTHER AMENDING REVENUE MEMORANDUM ORDER NO. 29-86
DATED SEPTEMBER 3, 1986, AS AMENDED BY REVENUE
MEMORANDUM ORDER NO. 16-88 DATED APRIL 18, 1988, AS
FURTHER AMENDED BY REVENUE MEMORANDUM ORDER NO. 27-
89 DATED APRIL 18, 1989, AND AS LAST AMENDED BY REVENUE
MEMORANDUM ORDER NO. 6-92 DATED JANUARY 15, 1992
RELATIVE TO THE PAYMENT OF CAPITAL GAINS TAX AND
DOCUMENTARY STAMP TAX ON EXTRA-JUDICIAL FORECLOSURE
SALE OF CAPITAL ASSETS INITIATED BY BANKS, FINANCE AND
INSURANCE COMPANIES**

SECTION 1. Scope. — Pursuant to Section 244 of the Tax Code of 1997, in relation to Sections 24(D)(1) and 27(D)(5) of the same Code, these Regulations are hereby promulgated amending Revenue Memorandum Order No. 29-86, as last amended by Revenue Memorandum Order No. 6-92 and other relevant revenue regulations and issuances regarding the payment of capital gains tax and documentary stamp tax on extrajudicial foreclosure sale of capital assets initiated by banks, finance and insurance companies.

SECTION 2. Foreclosure of Mortgage Provision Under Presidential Decree No. 1529, Otherwise Known as "Property Registration Decree". — Section 63 of P.D. No. 1529, otherwise known as the "Property Registration Decree" provides as follows:

"SECTION 63. Foreclosure of Mortgage — (a) If the mortgage was foreclosed judicially, a certified copy of the final order of the court confirming the sale shall be registered with the Register of Deeds. If no right of redemption exists, the certificate of title of the mortgagor shall be cancelled, and a new certificate issued in the name of the purchaser.

"Where the right of redemption exists, the certificate of title of the mortgagor SHALL NOT BE CANCELLED, but the certificate of sale and the order confirming the sale shall be registered by a BRIEF MEMORANDUM thereof made by the Register of Deeds upon the certificate of title. In the event the property is redeemed, the certificate or deed of redemption shall be filed with the Register of Deeds, and a brief memorandum thereof shall be made by the Register of Deeds on the certificate of title of the mortgagor.

"If the property is not redeemed, the final deed of sale executed by the sheriff in favor of the purchaser at a foreclosure sale shall be registered with the Register of Deeds; whereupon the title of the mortgagor shall be cancelled, and a new certificate issued in the name of the purchaser.