

[BIR REVENUE MEMORANDUM CIRCULAR NO. 49-92, October 13, 1992]

PUBLISHING THE MEMORANDUM OF AGREEMENT MADE AND ENTERED INTO BY AND AMONG DAR, BIR, LBP, LRA AND GFI CONCERNING THE GENERATION AND REGISTRATION OF CLOA OF GFI AGRILANDS WITH UNCONSOLIDATED TITLES TRANSFERRED TO DAR PURSUANT TO EXECUTIVE ORDER NO. 407/448.

For the information and guidance of all concerned, there is quoted hereunder the Memorandum of Agreement (MOA), made and entered into by and among the DAR, BIR, LBP, LRA and GFI.

"MEMORANDUM OF AGREEMENT

"KNOWN ALL MEN BY THESE PRESENTS:

"This MEMORANDUM OF AGREEMENT (MOA) made and entered into by and among:

"The **DEPARTMENT OF AGRARIAN REFORM (DAR)**, a government agency with principal office at Elliptical Road, Diliman, Quezon City, represented herein by the **Secretary** of Agrarian Reform **BENJAMIN T. LEONG**;

"The **BUREAU OF INTERNAL REVENUE (BIR)**, a government instrumentality with principal office at Agham Road, East Triangle, Diliman, Quezon City, represented herein by the **Commissioner** of Internal Revenue **JOSE U. ONG**;

"The **LAND BANK OF THE PHILIPPINES (LBP)**, a government financial institution with principal office at 319 Gil J. Puyat Avenue Extension, Makati, Metro Manila, represented herein by **President DEOGRACIAS N. VISTAN**;

"The **LAND REGISTRATION AUTHORITY (LRA)**, a government instrumentality with principal office at Banawe Street, corner Quezon Avenue, Quezon City, represented herein by **Administrator TEODORO G. BONIFACIO**; and

"The **GOVERNMENT FINANCIAL INSTITUTIONS (GFI)** as listed hereunder:

"The **PHILIPPINE NATIONAL BANK**, with principal office at PNB Building, Escolta, Manila, represented herein by

President EDGARDO V. ESPIRITU;

"The **DEVELOPMENT BANK OF THE PHILIPPINES**, with principal office at Gil J. Puyat Avenue Extension, Makati, Metro Manila, represented herein by its **Chairman ROBERTO F. DE OCAMPO**;

"The **AL AMANAH ISLAMIC BANK**, with principal office at 8751 Paseo de Roxas, Makati, Metro Manila, represented herein by its **Acting President, FAROUK A. CARPIZO**;

"The **REPUBLIC PLANTERS BANK**, with principal office Legaspi Towers 300, Roxas Boulevard corner Vito Cruz, Manila, represented herein by **President FLORIDO P. CASUELA**;

"The **GOVERNMENT SERVICE INSURANCE SYSTEM**, with principal office at Arroceros, Manila, represented herein by its **President and General Manager, DANTE G. SANTOS**; and

"The **SOCIAL SECURITY SYSTEM**, with principal office at East Avenue, Diliman, Quezon City, represented herein by

Administrator RENATO C. VALENCIA.

W I T N E S S E T H

"WHEREAS, under R.A. 6657 and other agrarian reform laws, agricultural lands shall be acquired by the government through the DAR for distribution to Agrarian Reform Beneficiaries (ARBs) under the Comprehensive Agrarian Reform Program (CARP);

"WHEREAS, to accelerate the implementation of the CARP, the President issued Executive Order No. 407, as amended by E.O. 448, directing all government instrumentalities and agencies, including GFIs, to immediately transfer their agricultural lands to DAR;

"WHEREAS, the Deeds of Transfer (D/T) executed pursuant to the CARP law and E.O. 407 is exempt from the payment of taxes and other fees incidental to registration. It does not, however, exempt taxes and other fees due on previous transactions, or instruments of foreclosure on properties whose titles are not yet consolidated in the name of the GFI concerned at the time said properties are transferred to DAR;

"WHEREAS, the registration of the D/T involving unconsolidated titles is unnecessarily delayed due to the inability of the GFIs to settle and pay capital gains taxes and other incidental fees for lack of available funds;

"WHEREAS, the GFIs have made presentations that the taxes and fees arising on previous transactions be charged as liens against the proceeds of the compensation of the transferred lands;

"NOW, THEREFORE, for and in consideration of the foregoing premises, the parties herein hereby stipulate, covenant and agree on the following terms and conditions, to wit:

"I - That the following taxes and fees imposed in connection with the consolidation of titles of lands covered under this Memorandum of Agreement shall be charged as liens on the proceeds of the land;

1. Capital Gains Taxes, except where the foreclosure sale on the property covered was conducted on or prior to September 3, 1986, in which case, the capital gains tax shall be for the account of the debtor-mortgagor;

2. Documentary Stamp Taxes

3. Realty Taxes

4. Registration Fees

5. Transfer Fees

"Provided, that Deed of Reconveyance executed by DAR in favor of the GFI concerned in cases where the property or portion thereof is later found not suitable to agriculture, the registration of said Deed of Reconveyance shall be free from all charges, and, therefore, not subject to clearances of the taxes and fees heretofore mentioned in this Paragraph I.

"II - The following shall be the respective responsibilities of the parties herein:

"A. The GFIs shall:

"1. Secure from the BIR District Revenue Officer concerned, a statement of accounts relative to documentary stamps and capital gains taxes arising from acquisition by the GFIs of lands through foreclosure proceedings or other modes of acquisition. If the previous owner of the real property is an individual, estate or trust, the BIR shall reckon its computation of the debtor-mortgagor's capital gains tax liability as of 30 days from the date of issuance of the certificate of sale or instrument of foreclosure. If the previous owner is a juridical person, the computation of the debtor-mortgagor's capital gains tax liability shall be reckoned from the 15th day of the fourth month next following the taxable year when the certificate of sale/instrument of foreclosure was executed. The documentary stamp tax shall be reckoned as of the execution of the certificate of sale/instrument of foreclosure.

"2. Secure from the City or Municipal Treasurer concerned, a statement of realty tax payment or tax delinquencies for all agricultural lands acquired by the GFIs and transferred to DAR;

"3. Execute and attach to the D/T affidavits of consolidation of ownership