

Republic of the Philippines
Department of Finance
Bureau of Internal Revenue
Quezon City

November 25, 2002

REVENUE REGULATIONS NO. 22-2002

SUBJECT : Rules Implementing the Resale of Real Estate Taken for Taxes Under Section 216 of the National Internal Revenue Code of 1997

TO : All Internal Revenue Officers and Others Concerned

SECTION 1. Scope. - These regulations are issued to lay down the basic rules in the sale or disposition of real estate obtained by the Government of the Philippines in payment or satisfaction of taxes, penalties or costs arising under the National Internal Revenue Code of 1997 (Code) or in compromise or adjustment of any claim therefor, with the objective of maximizing the realization thereof.

SEC. 2. Policies. - In order to achieve the above objective, the following policies shall be observed:

- a. All acquired/forfeited real properties transferred in the name of the Republic of the Philippines, having passed the one-year redemption period shall be converted into cash from the date of acquisition or forfeiture;
- b. The sale of acquired/forfeited real properties shall be by sealed bids in a public auction to be witnessed by a representative of the Commission on Audit (COA);
- c. The Notice of Sale of the acquired real properties shall be published once a week for two (2) consecutive weeks in a newspaper of general circulation in the Philippines which must be completed at least twenty (20) days prior to the date of such public auction;
- d. Unless the Commissioner of Internal Revenue provides otherwise, the Minimum Bid Price/Floor Price shall be the latest fair market value as determined by the Commissioner of Internal Revenue or the fair market value (FMV) shown in the latest tax declaration issued by the provincial, city or municipal assessor, whichever is higher, pursuant to Section 6(E) of the Code;
- e. Anyone could bid except foreign nationals, corporate or otherwise, and those disqualified under existing laws, rules and regulations, including employees of the Bureau of Internal Revenue;

- f. Bidders shall be required to post a bond in cash or manager's check in an amount representing ten percent (10%) of the minimum bid price at least one (1) day before the scheduled public auction;
- g. Unless the Commissioner allows extension of time to pay, in meritorious cases, the winning bidder shall pay the full amount of his bid in cash or manager's check within two (2) days after receipt of notice of award;
- h. All taxes and expenses relative to the issuance of title shall be borne by the winning bidder;
- i. The winning bidder shall be responsible at his own expense for the ejectment of squatters and/or occupants, if any, of the auctioned property;
- j. Negotiated or private sale shall be resorted to as a consequence of failed public bidding for two (2) consecutive times;
- k. Negotiated or private sale shall, in all cases, be approved by the Secretary of Finance;
- l. Public auction sale shall be approved by the Commissioner of Internal Revenue or his authorized representative;
- m. The Government reserves the right to reject or cancel any or all bids.

SEC. 3. Procedures. – The Commissioner of Internal Revenue shall issue the pertinent revenue issuances detailing the procedural guidelines and personnel to implement the aforementioned policies.

SEC. 4. Transitory Provision. – The Notice of Award on any public auction/s covering above-referred acquired assets conducted earlier shall be issued only upon the effectivity of these regulations

SEC. 5. Repealing Clause. – The provisions of internal revenue issuances inconsistent herewith are hereby repealed, modified or amended accordingly.

SEC. 6. Effectivity. – The provisions of these regulations shall take effect immediately after publication in a newspaper of general circulation in the Philippines.

(Original Signed)
JOSE ISIDRO N. CAMACHO
Secretary of Finance

Recommending Approval:

(Original Signed)
GUILLERMO L. PARAYNO, JR.
Commissioner of Internal Revenue