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BLGF MEMORANDUM CIRCULAR NO. 12-003-2016
27 December 2016

TO : All BLGF Central and Regional Directors; All Provincial, City and Municipal Treasurers and Assessors; and Others Concerned

SUBJECT : Proper Treatment on the Taxability of Real Properties of Banks Under Liquidation and Receivership of the PDIC

This Memorandum Circular is issued to clarify and remind all concerned regarding the proper treatment on the taxability of real properties of banks under liquidation and receivership of the Philippine Depository Insurance Commission (PDIC), pursuant to Republic Act No. 10846 entitled "*An Act Enhancing the Resolution and Liquidation Framework for Banks, amending for the Purpose Republic Act No. 3591, as Amended, and Other Related Laws*" (copy enclosed), pertinent portions of which are quoted hereunder:

"Authorities of a Receiver and Effects of Placement of a Bank Under Liquidation

Sec. 13. (a) x x x

(e) The placement of a bank under liquidation shall have the following effects:

(1) x x x

(7) Liability for penalties and surcharges for late payment and nonpayment of taxes

From the time of closure, the closed bank shall not be liable for the payment of penalties and surcharges arising from the late payment or nonpayment of real property tax, capital gains tax, transfer tax and similar charges."

In view of the forgoing and upon the effectivity of the said law, all banks placed under liquidation by the PDIC shall not, from the time of closure, be liable for the payment of penalties and surcharges arising from the late payment or nonpayment of real property tax, capital gains tax, transfer tax and similar charges.

Accordingly, all BLGF Regional Directors are hereby instructed to widely and immediately disseminate this Circular to all concerned within their respective jurisdictions, including the attachments herein.

Be guided accordingly.


NIÑO RAYMOND B. ALVINA
OIC Executive Director