REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

Sec. 173 & 184, NIRC; P.D. 4	000-00	543-2017 11-22-2017

Person to Contact: Chief, Law & Legislative Division
Tel Nos. 926-55-36/927-09-63

National Food Authority
Quezon Provincial Office
Brgy. Isabang, Lucena City

Attention: **<u>Engr. Alwin M. Uy</u>**
Provincial Manager

Gentlemen:

This refers to your letter dated May 30, 2017 requesting on behalf of the **National Food Authority (NFA) – Quezon Provincial Office**, for confirmation that the NFA – Quezon Provincial Office is exempt from the payment of documentary stamp tax (DST) on insurance policies.

In reply, please be informed that Section 173 of the Tax Code, as amended, provides that there shall be levied, collected and paid upon documents, instruments and papers evidencing the act done or transaction had or the agreement or contract has been perfected, DST on all policies of insurance upon property. Also, Section 184 of the same Code holds that DST shall be based on the amount of premium charged. DST shall be due upon the issuance of the insurance policy and the premium charged on the estimated insurance coverage, as it is reflected on the face of the policy, and which shall be the amount on which the DST due shall be based.

Executive Order No. 93 withdrew the tax privileges of the National Grains Authority (now the NFA) stated under Presidential Decree (P.D.) No. 4, as amended by P.D. Nos. 699 and 1485. However, Section 199 of the Tax Code, as amended, and as implemented by Revenue Regulations (RR) No. 13-04 dated December 23, 2004 provides that certificates placed upon documents, instruments and papers for the national government, made at the instance and for the sole use of some other branch of the national government, are exempted from documentary stamp tax, *viz*:

> *"**Sec. 199. Documents and Papers not Subject to Stamp Tax** — The provisions of Section 173 notwithstanding, the following instruments, documents, and papers shall be exempt from the documentary stamp tax:*
>
> *a) Policies of insurance or annuities . . .*
>
> *b) Certificates of oath administered to any government official in his official capacity or of acknowledgement by any government official in*

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> *the performance of his official duties; written appearance in any court by any government official, in his official capacity; certificates of the administration of oaths to any person as to the authenticity of any paper required to be filed in court by any person or party thereto, whether the proceedings be civil or criminal; papers and documents filed in courts by or for the national, provincial, city, or municipal governments; affidavits of poor persons for the purpose of proving poverty; statements and other compulsory information required of persons or corporations by the rules and regulations of the national, provincial, city, or municipal governments exclusively for statistical purposes and which are wholly for the use of the bureau or office in which they are filed, and not at the instance or for the use or benefit of the person filing them; certified copies and other certificates placed upon documents, instruments, and papers for the national, provincial, city, or municipal governments, made at the instance and for the sole use of some other branch of the national, provincial, city, or municipal governments; . . . "*

In view of the foregoing, the certificates of insurance policy that will be issued by GSIS to the NFA – Quezon Provincial Office, being certificates for a government-owned and – controlled corporation under the Office of the President, made at its instance and for its sole use, and for the account of the Bureau of Treasury are exempt from the documentary stamp tax (DST).

This ruling is being issued on the basis of the foregoing facts as represented. However, if upon investigation, it will be disclosed that the facts are different, then this ruling shall be considered null and void.

Very truly yours,

CAESAR R. DULAY
Commissioner of Internal Revenue

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