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

Sec. 24(D)(1) NIRC
BIR Ruling No. 204-2013
#274-2016
6-22-2016

AGUSTINA D. LEMYAEN
No. 90 Purok 8, Upper Pinget
Baguio City

Madam:

This refers to your letter dated November 18, 2014 wherein you requested for exemption from payment of Capital Gains Tax and Documentary Stamp Tax on the registration of a Voluntary Partition between you (Ms. Lemyaen) and the other co-owners of a parcel of land.

It is represented that Ms. Lemyaen together with other individuals agreed to buy a land registered in the names of Arturo Calubad and Antonio Keh which is covered by Transfer Certificate of Title (TCT) No. their respective individual shares are as follows:

NAMES	AREA(in sq. m.)
TERESA S. LUIS	200
RAMON S. LUIS	400
JOVITA P. SANTIAGO	200
RANIEL S. LUIS	200
ESTEBAN W. SAPDOY	400
AGUSTINA D. LEMYAEN	1912
ROWIN ZARAEL LEMYAEN	200
ALEJO D. BESTOG	400
DANILO C. MANGIGIL, JR.	200
JANICE M. CATANGLAN	200
MERIAM P. LANGCAO	400
BOYLE M. LANGCAO	200
GERALYN A. DONGLA	200
AIDA P. PATI	600
FRANKIE D. SUVILLA	200
DOMINGA W. BARBA	200
DOMINGA P. BAKIDAN	200

04216

#274-2016
6-22-2016

PERRY A. LIWANEN	200
LILY A. TALAWEC	200
NORMA L. GUIMTE	200
DICK P. ELISEO	200
ELISOL P. LAO-AY	354
TECLA L. PADSOYAN	200
NORVELITA A. LOGRONIO	200
REGINA B. FEDERICO	200
CECILIA E. DANGLOSI	200
ROMMEL A. SAPDOY	200
ANTONIO A. PALICAS	400
FRANCISCO B. BARBA JR.	200
JOYCE P. AGUILAN	200
MARY TERESA A. LAUS	200
ALFREDO MANGIGIL	200
ARNEL B. PABLO	200
ARLYN P. BESTOG	135

It is further represented that for their convenience in transacting with the vendors, the aforementioned individuals (trustors) agreed to appoint two of them in the persons of Agustina D. Lemyaen and Alejo D. Bestog (trustees) to be named as vendees in deed of sale so as to avoid inconvenience and expenses for the others to be travelling to Manila just to sign the deed of sale and other pertinent documents.

On February 7, 2014, a Deed of Absolute Sale covering the same TCT was executed with Ms. Lemyaen and Mr. Bestog as vendees. As a consequence, a new title, TCT was issued to the vendees. The agreement between the trustors and the trustee was registered with the Registry of Deeds after the new Transfer Certificate of Title was issued in the name of Ms. Lemyaen and Mr. Bistog. On November 16, 2014, a contract of voluntary partition was executed by the co-owners.

In reply thereto, please be informed as follows:

The transfer of title over the aforesaid property by Ms. Lemyaen and Mr. Bestog (trustee), in favor of the other co-owners (trustors), the beneficial owners thereof, to be effected through a Deed of Voluntary Partition is not subject to capital gains tax imposed under Section 24 (D) (1) of the National Internal Revenue Code of 1997, as amended, (NIRC) considering that the transfer is not for monetary consideration but merely acknowledges and confirms the title and ownership over the above-mentioned properties of the trustors.

Finally, the Deed of Voluntary Partition executed by and between the trustees Ms. Lemyaen and Mr. Bestog, and the other co-owners, whereby the former will convey to the latter the above-mentioned property without monetary consideration is likewise not

042168

subject to the documentary stamp tax imposed under Section 196 of the NIRC. However, the notarial acknowledgment is subject to the documentary stamp tax of P15.00 under Section 188, supra.

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,

KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

042168
JUN 17 2016

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