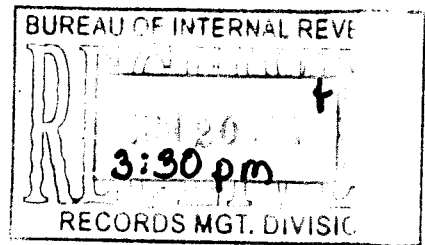




REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City



JUN 20 2022

REVENUE REGULATIONS No. 5 - 2022

SUBJECT: **Implementing the Estate Tax Exemption Under Republic Act No. 11597, Otherwise Known as "An Act Providing for the Revised Charter of the Philippine Veterans Bank, Repealing for the Purpose Republic Act No. 3518, as Amended, Otherwise Known as 'An Act Creating the Philippine Veterans Bank, and For Other Purposes'"**

TO : All Internal Revenue Officers/Employees and Others Concerned

SECTION 1. Scope. — Pursuant to Sections 244 and 245 of the National Internal Revenue Code (NIRC) of 1997, as amended, these Regulations are hereby promulgated to implement Section 5(b) of Republic Act No. 11597 which mandates the estate tax exemption on the transfer by a veteran of his/her share/s, common or preferred, with the Philippine Veterans Bank (Veterans Bank).

SECTION 2. Coverage. — These Regulations shall cover all transfers of the share/s stock, common or preferred, owned by a veteran with the Philippine Veterans Bank (Veterans Bank) to his/her widow, orphan or compulsory heir, as determined by existing laws, by way of succession or donation *mortis causa*.

SECTION 3. Estate Tax Exemption. — All transfers, by way of succession or donation *mortis causa*, made by a veteran of his/her shares of stock, common or preferred, with the Veterans Bank shall not be subject to estate tax, provided that the same was made in favor of the veteran's widow, orphan or compulsory heir as determined by existing laws.

For purposes of availing the estate tax exemption, the term "*veteran or veterans*" shall include primarily any person or persons who served in the regularly constituted air, land, or naval services or arms, or in such non-regularly organized military units in the Philippines during World War II, and whose services with such units are duly recognized by the Republic of the Philippines or by the government of the United States of America, and those veterans referred to under Republic Act (RA) No. 6948, as amended by RA No. 7696 and RA No. 9396. The term also includes the widow, orphan or a compulsory heir of a deceased veteran, as determined by existing laws.

An electronic Certificate Authorizing Registration (eCAR)/ Tax Clearance Certificate (TCC) must be secured with the Revenue District Office (RDO) where the estate of the decedent is registered before any transfer of share/s is registered in the books of the Veteran's Bank.

SECTION 4. Repealing Clause. — Any revenue issuances inconsistent herewith are hereby amended, modified or revoked accordingly.

SECTION 5. Effectivity Clause. — These Regulations shall take effect fifteen (15) days after publication in the Official Gazette or in a newspaper of general circulation, whichever comes first.

Recommending Approval:

CAESAR R. DULAY

Commissioner of Internal Revenue

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CARLOS G. DOMINGUEZ III
Secretary of Finance

JUN 16 2022