

## Advisory on...

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<b>BIR REVENUE MEMORANDUM CIRCULAR NO. 36-2020 Clarification on the Exemption from Documentary Stamp Tax for Qualified Loans</b>	<b>2</b>

20/F Chatham House  
Valero cor. Rufino Sts.



Salcedo Village  
Makati Zip Code



[www.bdblaw.com.ph](http://www.bdblaw.com.ph)  
[info@bdblaw.com.ph](mailto:info@bdblaw.com.ph)



T: (632) 403-2001  
F: (632) 403-2001 loc. 130



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**BUREAU OF INTERNAL REVENUE**  
**REVENUE MEMORANDUM CIRCULAR**  
**NO. 36-2020**

**ADVISORY**

**FURTHER CLARIFICATION ON THE EXEMPTION FROM**  
**DOCUMENTARY STAMP TAX RELIEF FOR QUALIFIED LOANS**  
**PURSUANT TO REVENUE REGULATION NO. 8-2020 AND**  
**REVENUE MEMORANDUM CIRCULAR NO. 35-2020**

RMC No. 36-2020 clarifies RR 8-2020 and RMC 35-2020 as regards exemption from DST of credit extensions and credit restructuring, to wit:

Transaction	Tax Treatment
<i>Credit Extensions</i> – Pre-existing loans that fall due during the ECQ period where the interest is paid but the principal is:	
converted into a new loan with a new maturity	New loan principal and the renewal or extension of related collateral shall be EXEMPT from DST
rolled-over or renewed as a new loan principal in accordance with a pre-agreed roll-over agreement and collateral prior to the COVID-19 situation	Shall remain subject to DST
<i>Credit Restructuring</i> – Pre-existing loans that fall due during the ECQ period where:	
both the principal and interests are not paid but are consolidated and converted into a new loan principal	New loan principal with new maturity date and the renewal or extension of related collateral shall be EXEMPT from DST
there is payment of interest and partial payment of principal and remaining principal is converted into a new loan principal	

Fresh loan availments, top-up to existing loans, and new loan drawdowns during the ECQ Period and its collateral shall remain subject to DST.

Covered institutions must submit in hard (under oath as to the completeness, truth, and accuracy) and soft copy a summary listing of all pre-existing loans, pledges, and other instruments as of March 17, 2020 which were granted extension of payment and/or maturity periods based on the format provided.

The listing shall be submitted to the Revenue District Office/Large Taxpayers Service/Large Taxpayers District Office where the taxpayer is registered within sixty (60) days from the lifting of the ECQ period

Failure to provide the listing shall subject the covered institution to the additional DST that should have been imposed plus penalties.

*Source:*

*Revenue Memorandum Circular No. 36-2020*