

# [ PRESIDENTIAL DECREE NO. 16-A, October 05, 1972 ]

## AMENDING PRESIDENTIAL DECREE NO. 16, DATED OCTOBER 5, 1972, ENTITLED, "AMENDING SECTION 34 (b) OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED, EXEMPTING CAPITAL GAINS, EXCEPT SHARES OF STOCKS OF CORPORATIONS UNDER SECTION 4 OF REPUBLIC ACT NO. 6141, UNDER CERTAIN CONDITIONS"

Paragraph five of Presidential Decree No. 16, dated October 5, 1972, is hereby amended to read as follows:

**"SEC. 34(b)** — In the case of a taxpayer, other than a corporation, no gain or loss will be recognized on the portion of the gains realized that corresponds to the portion of the proceeds of the sale, disposition or transfer of capital assets, except shares of stocks of corporation covered in Section 4 of Republic Act No. 6141, invested in capital stocks of preferred productive enterprises or in the purchase of new issues of government bonds, securities, debentures and notes other than treasury bills, within six (6) months from the date the gains were realized: *Provided*, That the shares of stock or government instruments representing the investments are not disposed of, transferred, assigned or conveyed for a period of three (3) years from the date the investment was made, otherwise all the taxes due on the gains realized from the original transfer, sale or disposition of the capital assets shall immediately become due and payable." Presidential Decree No. 16, dated October 5, 1972, and regulations part thereof inconsistent herewith are hereby revoked or amended accordingly.

Done in the City of Manila, this 5th day of October, in the year of Our Lord, nineteen hundred and seventy-two.

**(Sgd.) FERDINAND E.  
MARCOS**

President  
Republic of the Philippines

By the President:

**(Sgd.) ALEJANDRO  
MELCHOR**

Executive Secretary



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