

**[REVENUE REGULATIONS NO. 22-2002,
NOVEMBER 25, 2002, November 25, 2002]**

**RULES IMPLEMENTING THE RESALE OF REAL ESTATE TAKEN FOR
TAXES UNDER SECTION 216 OF THE NATIONAL INTERNAL
REVENUE CODE OF 1997**

SECTION 1. Scope — These regulations are issued to lay down the basic rules in the sale or disposition of real estate obtained by the Government of the Philippines in payment or satisfaction of taxes, penalties or costs arising under the National Internal Revenue Code of 1997 (Code) or in compromise or adjustment of any claim therefor, with the objective of maximizing the realization thereof.

SECTION 2. Policies — In order to achieve the above objective, the following policies shall be observed:

- a. All acquired/forfeited real properties transferred in the name of the Republic of the Philippines, having passed the one-year redemption period shall be converted into cash from the date of acquisition or forfeiture;
- b. The sale of acquired/forfeited real properties shall be by sealed bids in a public auction to be witnessed by a representative of the Commission on Audit (COA);
- c. The Notice of Sale of the acquired real properties shall be published once a week for two (2) consecutive weeks in a newspaper of general circulation in the Philippines which must be completed at least twenty (20) days prior to the date of such public auction;
- d. Unless the Commissioner of Internal Revenue provides otherwise, the Minimum Bid Price/Floor Price shall be the latest fair market value as determined by the Commissioner of Internal Revenue or the fair market value (FMV) shown in the latest tax declaration issued by the provincial, city or municipal assessor, whichever is higher, pursuant to Section 6(E) of the Code;
- e. Anyone could bid except foreign nationals, corporate or otherwise, and those disqualified under existing laws, rules and regulations, including employees of the Bureau of Internal Revenue;
- f. Bidders shall be required to post a bond in cash or manager's check in an amount representing ten percent (10%) of the minimum bid price at least one (1) day before the scheduled public auction;
- g. Unless the Commissioner allows extension of time to pay, in meritorious cases, the winning bidder shall pay the full amount of his bid