REVENUE REGULATIONS NO. 4-2018 issued on January 15, 2018 provides the rules and regulations implementing the adjusted Documentary Stamp Tax (DST) rate under Republic Act (RA) No. 10963 (Tax Reform for Acceleration and Inclusion [TRAIN] Law).

The summary of changes in the DST rates are as follows:

a. The rate of DST on the original issue of shares has been increased from One Peso (₱ 1.00) to Two Pesos (₱2.00) on each Two Hundred Pesos (₱ 200), or fractional part thereof, of the par value of such shares of stock.

b. The rate of DST on sales, agreements to sell, memoranda of sales, deliveries or transfer of shares or certificates of stock has been increased from Seventy-Five Centavos (₱ 0.75) to One Peso and Fifty Centavos (₱ 1.50) on each Two Hundred Pesos (₱ 200), or fractional part thereof, of the par value of such stock. In case of stocks without par value, the DST shall be equivalent to Fifty Percent (50%) of the DST paid upon the original issue of said stock.

c. The rate of DST on the Certificates of Profits or Interest in Property or Accumulations has been increased from Fifty Centavos (₱ 0.50) to One Peso (₱ 1.00) on each Two Hundred Pesos, or fractional part thereof, of the face value of such certificates or memorandum.

d. The rate of DST on bank checks, drafts, certificates of deposit not bearing interest, and other instruments has been increased from One Peso and Fifty Centavos (₱ 1.50) to Three Pesos (₱ 3.00).

e. The rate of DST on all debt instruments is increased from One Peso (₱ 1.00) to One Peso and Fifty centavos (₱ 1.50) on each Two Hundred Pesos (₱ 200.00), or fractional part thereof, of the issue price of any such debt instruments.

f. The rate of DST on all bills of exchange or drafts has been increased from Thirty Centavos (₱ 0.30) to Sixty Centavos (₱ 0.60) on each Two Hundred Pesos (₱ 200.00), or fractional part thereof, of the face value of any such bill of exchange or draft.

g. The rate of DST on acceptance of bills of exchange and others all bills of exchange or drafts has been increased from Thirty Centavos (₱ 0.30) to Sixty Centavos (₱ 0.60) on each Two Hundred Pesos (₱ 200.00), or fractional part thereof, of the face value of any such bill of exchange or draft, or the Philippine equivalent of such value, if expressed in foreign currency.

h. The rate of DST on all bills of exchange or drafts has been increased from Thirty Centavos (₱ 0.30) to Sixty Centavos (₱ 0.60) on each Two Hundred Pesos (₱ 200), or fractional part thereof, of the face value of any such bill of exchange or letter of credit, or the Philippine equivalent of such face value, if expressed in foreign currency.

i. On all policies of insurance or other instruments by whatever name the same may be called, whereby any insurance shall be made or renewed upon any life or lives, there shall be collected a one-time DST at the following rates:

<table>
<thead>
<tr>
<th>Amount of Insurance</th>
<th>DST Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>₱ 100,000 or less</td>
<td>Exempt</td>
</tr>
<tr>
<td>₱ 100,000 but does not exceed ₱ 300,000</td>
<td>₱ 20.00</td>
</tr>
<tr>
<td>₱ 300,000 but does not exceed ₱ 500,000</td>
<td>₱ 50.00</td>
</tr>
<tr>
<td>₱ 500,000 or more</td>
<td>₱ 100.00</td>
</tr>
</tbody>
</table>
If the amount of insurance exceeds ₱150,000 but does not exceed ₱750,000 ₱100.00

If the amount of insurance exceeds ₱750,000 but does not exceed ₱1,000,000 ₱150.00

If the amount of insurance exceeds ₱1,000,000 ₱200.00

The rates of DST on life insurance policies have been doubled.

j. The rate of DST on annuities has been increased from Fifty Centavos (₱0.50) to One Peso (₱1.00) on each Two Hundred Pesos (₱200), or fractional part thereof, of the premium or installment payment on contract price collected. Pre-need plans are now taxed at Forty Centavos (₱0.40) from the previous rate of Twenty Centavos (₱0.20).

k. The rate of DST on certificates has been increased from Fifteen Pesos (₱15.00) to Thirty Pesos (₱30.00).

l. The rate of DST on warehouse receipts has been increased from Fifteen Pesos (₱15.00) to Thirty Pesos (₱30.00).

m. The rate of DST on jai-alai, horse race, tickets, lotto, or other authorized number game has been increased from Ten Centavos (₱0.10) to Twenty Centavos (₱0.20); and if the cost of ticket exceeds One Peso (₱1.00), the additional tax has been increased from Ten Centavos (₱0.10) to Twenty Centavos (₱0.20) on every One Peso (₱1.00), or fractional part thereof.

n. The rate of DST on each bill of lading or receipt has been increased from One Peso (₱1.00) to Two Pesos (₱2.00), if the value of goods exceeds One Hundred Pesos (₱100) and does not exceed One Thousand Pesos (₱1,000); and the rate of DST has been increased from Ten Pesos (₱10.00) to Twenty Pesos (₱20.00), if the value of goods exceeds One Thousand Pesos (₱1,000).

o. The rate of DST on each proxy has been increased from Fifteen Pesos (₱15.00) to Thirty Pesos (₱30.00).

p. The rate of DST on each Power of Attorney has been increased from Five Pesos (₱5.00) to Ten Pesos (₱10.00).

q. The rate of DST on leases and other hiring agreements has been increased from Three Pesos (₱3.00) to Six Pesos (₱6.00) for the first Two Thousand Pesos (₱2,000), or fractional part thereof; and the additional tax was increased from One Peso (₱1.00) to Two Pesos (₱2.00) for every One Thousand Pesos (₱1,000) or fractional part thereof, in excess of the first Two Thousand Pesos (₱2,000).

r. The rate of DST on every mortgage, pledge, or deed of trust has been increased from Twenty Pesos (₱20.00) to Forty Pesos (₱40.00), when amount secured does not exceed Five Thousand Pesos (₱5,000); and the additional tax has been increased from Ten Pesos (₱10.00) to Twenty Pesos (₱20.00), on each Five Thousand Pesos (₱5,000), or fractional part thereof in excess of Five Thousand Pesos (₱5,000).

s. The rates of DST on charter parties and similar instruments have been doubled.

Donations of real property shall now be subject to DST under the amended Section 196. However, the following donations or gifts exempt from Donor’s Tax under Section 101 (A) and (B) shall be exempt from DST:

(A) In the Case of Gifts Made by a Resident
   i. Gifts made to or for the use of the National Government or any entity created by any of its agencies which is not conducted for profit, or to any political subdivision of the said Government; and
ii. Gifts in favor of an educational and/or charitable, religious, cultural or social welfare corporation, institution, accredited non-government organization, trust or philanthropic organization or research institution or organization: Provided, however, that not more than thirty percent (30%) of said gifts shall be used by such donee for administration purposes. For the purpose of this exemption, a 'non-profit educational and/or charitable corporation, institution, accredited non-government organization, trust or philanthropic organization and/or research institution or organization' is a school, college or university and/or charitable corporation, accredited non-government organization, trust or philanthropic organization and/or research institution or organization, incorporated as a non-stock entity, paying no dividends, governed by trustees who receive no compensation, and devoting all its income, whether students' fees or gifts, donation, subsidies or other forms of philanthropy, to the accomplishment and promotion of the purposes enumerated in its Articles of Incorporation.

(B) In the Case of Gifts Made by a Non-resident not a Citizen of the Philippines

i. Gifts made to or for the use of the National Government or any entity created by any of its agencies which is not conducted for profit, or to any political subdivision of the said Government.

ii. Gifts in favor of an educational and/or charitable, religious, cultural or social welfare corporation, institution, foundation, trust or philanthropic organization or research institution or organization. Provided, however, that not more than thirty percent (30%) of said gifts shall be used by such donee for administration purposes.