
Based on the amendment to Section 4.106-8 of RR No. 16-2005, the VAT shall not apply to goods or properties which are originally intended for sale or for use in the course of business existing as of the occurrence of the following:

a. Change of control of a corporation by acquisition of the controlling interest of such corporation by another stockholder (individual or corporate) or group of stockholders. The goods or properties used in business (including those held for lease) or those comprising the stock in trade of the corporation having a change in corporate control will not be considered sold, bartered, or exchanged despite the change in the ownership interest in the said corporation.

   However, the exchange of goods or properties including the real estate properties used in business or held for sale or for lease by the transferor, for shares of stocks, whether resulting in corporate control or not, is subject to VAT.

b. Change in the trade or corporate name of the business;

c. Merger or consolidation of corporations. The unused input tax of the dissolved corporation, as of the date of merger or consolidation, shall be absorbed by the surviving new corporation.