

(To be filled up by the BIR)

DLN:



Republika ng Pilipinas
Kagawaran ng Pananalapi
Kawanihan ng Rentas Internas

Capital Gains Tax Return

BIR Form No.

1707

July, 1999 (ENCS)

For Onerous Transfer of Shares of Stock Not
Traded Through the Local Stock Exchange

Fill in all applicable spaces. Mark all appropriate boxes with an "X".

1	Date of Transaction (MM / DD / YYYY)	2	Amended Return? Yes No	3	No. of Sheets Attached	4	ATC Code	II 0 3 0 IC 1 1 0	Individual Corporation
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Part I Background Information

5	TIN Seller	6	RDO Code	7	TIN Buyer	8	RDO Code
9	Seller's Name			10	Buyer's Name		
11	Registered Address			12	Registered Address		
	Zip Code				Zip Code		

15	Are you availing of tax relief under an International Tax Treaty or Special Law? Yes No		If yes, specify	
16	Description of Transaction Cash Sale Installment Sale Foreclosure Sale Others (specify)			
17	Details of Installment Sale:			
17A	Selling Price/Fair Market Value			.
17B	Cost and Expenses			.
17C	Mortgage Assumed			.
17D	No. of installments			.
17E	Amount of Installment for this Payment Period			.
17F	Date of Collection of Installment for this Payment Period (MM/DD/YYYY)			.
17G	Total Collection (Downpayment and Installments) during the Year of Sale			.

PART II Computation of Tax

18	Taxable Base - For Cash Sale/ Foreclosure Sale (Schedule 1)	18	.
19	Less: Cost and Other Allowable Expenses (Schedule 2)	19	.
20	Net Capital Gain/(Loss)	20	.
21	Tax Due on the Entire Transaction (5% on the first 100,000 ; 10% over 100,000)(Cash Sale/Foreclosure Sale); or	21	.
22	Tax Due for this Payment Period Computation of the Tax Due (If tax is payable under the installment method of computation)	22	.
23	Less: Tax Paid in Return Previously Filed, if this is an Amended Return	23	.
24	Tax Payable/(Overpayment)(Item 21 or 22 less Item 23)	24	.
25	Add: Penalties		
25A	Surcharge	25B	Interest
25C	Compromise	25D	.
26	Total Amount Payable/(Overpayment) (Sum of Items 24 & 25D)	26	.

Schedule 1 Description of Shares of Stock (attach additional sheets, if necessary)

Name of Corporate Stock	Stock Certificate No.	No. of Shares	Taxable Base Selling Price or FMV whichever is higher
			.
			.
			.
			.
27	Total (To Item 18)		.

I declare, under the penalties of perjury, that this return has been made in good faith, verified by me, and to the best of my knowledge and belief, is true and correct, pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof.

28	Taxpayer/Authorized Agent Signature over Printed Name	29	Title/Position of Signatory
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Part III Details of Payment

Particulars	Drawee Bank/ Agency	Number	Date MM DD YYYY	Amount
30 Cash/Bank Debit Memo		31B	31C	30
31 Check 31A		31B	31C	31D
32 Tax Debit Memo		32A	32B	32C
33 Others 33A		33B	33C	33D

Stamp of Receiving
Office and Date of
Receipt

Machine Validation/Revenue Official Receipt Details (If not filed with the bank)

Schedule 2		Schedule of Cost and Other Allowable Expenses
		Particulars
		Amount
		.
		.
		.
		.
34		Total (To Item 19)
		.

BIR Form 1707 - Capital Gains Tax Return
(For Onerous Transfer of Shares of Stock Not Traded Through the Local Stock Exchange)
Guidelines and Instructions

Who shall file

This return shall be filed in triplicate by every natural or juridical person, resident or non-resident, for sale, barter, exchange or other onerous disposition of shares of stock in a domestic corporation, classified as capital assets, not traded through the local stock exchange.

The term “Capital Asset” shall mean property held by the taxpayer (whether or not connected with his trade or business), but does not include stock in trade of the taxpayer or other property of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year, or property held primarily for sale to customers in the ordinary course of trade or business, or property used in the trade or business of a character which is subject to the allowance for depreciation, or real property used in trade or business.

When and Where to File

The return shall be filed within thirty (30) days after each sale, barter, exchange or other disposition of shares of stock not traded through the local stock exchange.

In case of installment sale where the taxpayer is legally allowed to pay the tax by installment under certain conditions and requirements, the return shall be filed within thirty (30) days following the receipt of the first down payment and within thirty (30) days following each subsequent installment payment.

The return shall be filed by the seller with any Authorized Agent Bank (AAB) under the jurisdiction of the Revenue District Office (RDO) where the seller/transferor is required to register. In places where there are no Authorized Agent Banks (AABs), the return shall be filed with the Revenue Collection Officer or Duly Authorized City or Municipal Treasurer of the Revenue District Office where the seller/transferor is required to register.

When and Where to Pay

Upon filing the return, the total amount payable shall be paid to the Authorized Agent Bank (AAB) where the return is filed. In places where there are no AABs, payments shall be made directly to the Revenue Collection Officer or duly Authorized City or Municipal Treasurer who shall issue Revenue Official Receipt (BIR Form No. 2524) therefor.

Where the return is filed with an AAB, the lower portion of the return must be properly machine-validated and stamped by the Authorized Agent Bank to serve as the receipt of payment. The machine validation shall reflect the date of payment, amount paid and transaction code, and the stamp mark shall show the name of the bank, branch code, teller’s name and teller’s initial. The AAB shall also issue an official receipt or bank debit advice or credit document, whichever is applicable, as additional proof of payment.

Rate and Basis of Tax

A final tax at the rates prescribed below shall be computed based on the net capital gains realized from the sale,

barter, exchange or other disposition of shares of stocks in a domestic corporation, classified as capital assets, not traded through the local stock exchange:

Not over P100,000	5%
On any amount in excess of P100,000	10%

Penalties

- There shall be imposed and collected as part of the tax:
- A surcharge of twenty five percent (25%) for each of the following violations:
 - Failure to file any return and pay the amount of tax or installment due on or before the due date;
 - Unless otherwise authorized by the Commissioner, filing a return with a person or office other than those with whom it is required to be filed;
 - Failure to pay the full or part of the amount of tax shown on the return, or the full amount of tax due for which no return is required to be filed on or before the due date;
 - Failure to pay the deficiency tax within the time prescribed for its payment in the notice of assessment.
 - A surcharge of fifty percent (50%) of the tax or of the deficiency tax, in case any payment has been made on the basis of such return before the discovery of the falsity or fraud, for each of the following violations:
 - Willful neglect to file the return within the period prescribed by the Code or by rules and regulations; or
 - In case a false or fraudulent return is willfully made.
 - Interest at the rate of twenty percent (20%) per annum, or such higher rate as may be prescribed by rules and regulations, on any unpaid amount of tax, from the date prescribed for the payment until the amount is fully paid.
 - Compromise penalty.

Attachments Required

- Copy of the Notarized Deed of Sale or Exchange;
- Copy of the Deed of Sale (Acquisition) or proof of cost/fair market value of the stocks at the time of acquisition;
- Photocopy of proof of the expenses related to sale;
- Copy of Audited Financial Statements of issuing corporation/institution.
- Duly approved Tax Debit Memo, if applicable.

The attachments must be submitted upon field or office audit of the tax case before the Tax Clearance Certificate/Certificate Authorizing Registration can be released to the taxpayer.

Note: All background information must be properly filled up.

- Box No. 1 refers to the date of transaction of the shares of stock covered by this return.
- The last 3 digits of the 12-digit TIN refers to the branch code.
- TIN = Taxpayer Identification Number.
- Onerous Transfer means transfer for value.