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MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This **MEMORANDUM OF AGREEMENT** is entered into by and between:

The **DEPARTMENT OF FINANCE (DOF)**, a government agency whose mandate is the formulation, institutionalization and administration of fiscal policies in coordination with other concerned subdivisions, agencies and instrumentalities of the government, with office address at the DOF Building, BSP Complex, Roxas Boulevard, Manila, herein represented by **Secretary CESAR V. PURISIMA**, hereinafter referred to as "**DOF**";

-and-

The **DEPARTMENT OF JUSTICE (DOJ)**, a government principal law agency whose mandate is to serve as the government's prosecution arm and to administer the government's criminal justice system, with office address at DOJ Building, Padre Faura Street, Manila, herein represented by **Secretary LEILA M. DE LIMA**, hereinafter referred to as "**DOJ**";

-and-

The **BUREAU OF INTERNAL REVENUE (BIR)**, a government agency under the Department of Finance, with office address at BIR Road, Diliman, Quezon City, herein represented by **Commissioner KIM S. JACINTO-HENARES**, hereinafter referred to as "**BIR**";

and-

The **LAND REGISTRATION AUTHORITY (LRA)**, a government agency under the Department of Justice, a central repository of all lands records through its Registry of Deeds (RD/s) offices nationwide, with office address at LRA Building, East Avenue corner NIA Road, Diliman, Quezon City, herein represented by **Administrator EULALIO C. DIAZ III**, herein referred to as "**LRA**".

WITNESSETH:

WHEREAS, all Parties are willing to coordinate and cooperate to improve their services to taxpayers and to enhance tax collection and administration.

WHEREAS, the DOF and BIR are responsible for the generation of financial resources of the government through the enforcement of internal revenue laws and regulations.

WHEREAS, the DOJ has administrative supervision over LRA, while the latter exercises supervision and control over all Registries of Deeds nationwide.

WHEREAS, records, documents, data and information are needed by all Parties to augment their respective revenue base.

WHEREAS, the LRA is the agency mandated by Law with the task of preserving the integrity of the land registration process and protecting the sanctity of the Torrens Title and the central repository of all land records through its Registry of Deeds offices nationwide where all records are kept of its instruments affecting registered and unregistered lands as well as chattel mortgages affecting movable properties.

WHEREAS, it is imperative to plug all loopholes to prevent tax leakage and to ensure that all taxes due to the Government are collected before registration or transfer of real property is effected by the Register of Deeds.

sold and/or lands donated qualified to be exempt from capital gains tax or donors tax.

- h. Section 207 (B), in relation in Section 219, both of the Tax Code on the requirement of written notice to the Register of Deeds of the City or Province where the real property levied or subjected to tax lien is located.

2. **Linkages** - To achieve better monitoring and control over real property transactions subject of the foregoing revenue laws and issuance, the Parties hereto agree to set up the infrastructure necessary to link BIR on one hand and LRA and its RDs nationwide on the other, designed to enable the LRA and the RDs to verify all real property transfers against BIR clearances and simultaneously, to enable BIR to check that all of such transfers have corresponding BIR clearances.

3. **Role of the Parties**

A. **The Department of Justice and the Department of Finance**

DOJ and DOF shall oversee the faithful compliance by their respective attached agencies concerned of the provisions of this AGREEMENT.

B. **Bureau of Internal Revenue**

1. In general, the BIR shall continue to perform its assigned functions pursuant to its mandate by:
 - a. Issuing Certificates Authorizing Registration (CAR), whether taxable or tax-exempt transactions, to be presented as basis for the Register of Deeds to effect transfers;
 - b. Furnishing reports on CAR issued and generated on-line to the RDs for on-line automated verification as to authenticity by LRA; and
 - c. Receiving and matching the electronic report from LRA on the New Number generated for the newly-issued TCT/ CCT/ OCT.
2. BIR shall provide the necessary training to concerned personnel involved;
3. BIR shall ensure the implementation of a comprehensive information campaign to inform the public of the changes that shall be brought about by the automated verification process to be adopted by LRA and BIR; and
4. BIR shall take disciplinary action against BIR personnel violating the provisions of this AGREEMENT.

C. **LRA and RDs**

1. In general, LRA and all the RDs nationwide shall perform their assigned functions under its mandate;
2. LRA shall provide through the linkage, information relating to all Real Property Transfers against BIR Certificate Authorizing Registration (CAR) to enable BIR/LRA to check if all such transfers have BIR CARs;
3. LRA shall ensure the development, implementation, and operation of the on-line automated verification of the CARs presented to the Registries of Deeds through its Land Titling Computerization Project (LTCP), which is undertaken in partnership with a private proponent, Land Registration Systems Incorporated (LARES), under a Built-Own-Operate (BOO) scheme pursuant to R.A. No. 7718 (Philippine BOT Law, as amended):

b. **Purpose of the Exchange of Proprietary Information** - the exchange of Proprietary Information is solely for the purpose of enabling the Parties to implement this AGREEMENT.

c. **Ownership of Proprietary Information** - all Proprietary Information exchanged between the Parties pursuant to this AGREEMENT shall remain the property of the Disclosing Party. This AGREEMENT shall not be construed as to confer or imply the grant, or agreement to grant, by the Disclosing Party to the Receiving Party any ownership, right, license, title or interest of any nature or kind whatsoever, including but not limited to any ownership, right, license, title or interest in the Proprietary Information or in any copyright, patent, trademark, or other intellectual property rights.

d. **Use of Proprietary Information** - each Party agrees never to use or copy the other Party's Proprietary Information for any purpose other than for purposes associated with this AGREEMENT. Permitted Recipients of the Proprietary Information shall not disclose or authorize any person to disclose the Proprietary Information to any person not a party to this AGREEMENT without the written consent of the Disclosing Party.

e. **Confidentiality of the Proprietary Information** - each Party shall keep confidential the Proprietary Information and shall only disclose Proprietary Information it received from the Disclosing Party to the Permitted Recipients. Permitted Recipients shall: (a) not disclose the Proprietary Information to any other party; (b) use the Proprietary Information solely for the purpose of accomplishing the Project and not for any other purpose; and, (c) be bound by the same level of confidentiality obligations set forth in this AGREEMENT.

Neither Party hereto shall in any way or in any form disclose, publicize, or advertise in any manner the discussion that give rise to this AGREEMENT nor the discussions or negotiations covered by this AGREEMENT without the prior written consent of the other Party.

f. **Protection of Proprietary Information** - each Party shall protect the other Party's Proprietary Information by exercising the same care that it exercises in protecting its own Proprietary Information, and in any event, shall exercise the due diligence of a good father of a family in handling the Proprietary Information.

It is further agreed that the Receiving Party shall ensure that all of its employees and consultants (including employees and consultants of its parent, subsidiaries and affiliates) having access to Proprietary Information adhere to the terms and conditions of this AGREEMENT as if they were parties hereto.

g. **Return of Proprietary Information** - the Receiving Party shall, forthwith upon receipt of a written request from the Disclosing Party, return and deliver, or destroy, all documents, records, computer media, physical objects containing the Proprietary Information it received from the Disclosing Party, including all prototypes and samples relating to or derived from such Proprietary Information.

The Receiving Party shall not keep any copy(ies) or duplicate(s) of any and all such documents, records, computer media, physical objects, prototypes and samples returned and delivered to the Disclosing Party, or destroyed by the Receiving Party pursuant to the written request of the Disclosing Party.

The Disclosing Party shall, upon receiving the documents, records, computer media, physical objects, prototypes and samples containing the Proprietary Information, acknowledge receipt thereof.

Upon return or destruction of the documents, records, computer media, physical objects, prototypes and samples containing the Proprietary Information, the

Receiving Party shall issue a certification confirming its compliance with the provisions of this section of the AGREEMENT.

8. **Amendment** - This AGREEMENT may, upon mutual consent of the parties, be amended or modified through an addendum duly signed by them.
9. **Effectivity** - This AGREEMENT shall take effect upon signing and shall continue in full force and effect unless otherwise revoked by the parties hereto upon prior notice of sixty (60) days.

IN WITNESS WHEREOF, the parties have caused their signatures to be affixed to this AGREEMENT on this _____ of _____, in Quezon City.

DEPARTMENT OF FINANCE

DEPARTMENT OF JUSTICE

By:

CESAR V. PURISIMA
Secretary


LEILA M. DE LIMA
Secretary

BUREAU OF INTERNAL REVENUE

LAND REGISTRATION AUTHORITY

By:


KIM S. JACINTO-HENARES
Commissioner


EULALIO C. DIAZ III
Administrator

SIGNED IN THE PRESENCE OF:

