



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
BUREAU OF INTERNAL REVENUE

October 22, 2021

REVENUE MEMORANDUM ORDER NO. 30-2021

SUBJECT : Amending the Provisions of Revenue Memorandum Order No. 83-2010 and 13-2014, Particularly on the Recognition of Absolutely Forfeited Properties in the National Government Books of Accounts.

TO : All Internal Revenue Officers and Others Concerned

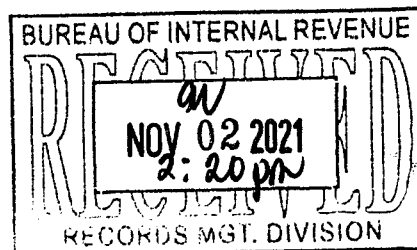
**I. GENERAL OBJECTIVE**

This Order is hereby issued to prescribe general policies and guidelines in the recognition of absolutely forfeited properties in accordance with required financial reporting standards under Paragraph 30-33 of the International Public Sector Accounting Standard (IPSAS) 23, in order to comply with COA Circular No. 2020-001 prescribing the Revised Chart of Accounts (RCA) Updated 2019, Effective January 1, 2020.

**II. GENERAL POLICIES AND GUIDELINES**

1. All absolutely forfeited real properties shall be recorded in the National Government (NG) Books of Accounts of the Regional Finance Division (RFD), after the lapse of the one-year redemption period, based on the fair value of these assets.
2. The fair value of absolutely forfeited real properties shall be determined using the existing published value which is the zonal value of these assets at the date of forfeiture.
3. Absolutely forfeited properties with legal issues or encumbrances shall be disclosed in the quarterly Notes to Financial Statements (FS) with details on the fair value of these properties and the nature of said legal issues and encumbrances.
4. An Aging and Breakdown of all absolutely forfeited real properties by classification shall be disclosed in the quarterly Notes to FS for the purpose of monitoring and immediate disposal of these properties.
5. All Forfeited Properties Held for Sale shall be recorded in the NG Books using the account title Merchandise Inventory (Account Code 10401010) in accordance to COA Circular No. 2020-001 prescribing the Revised Chart of Accounts (RCA) Updated 2019, Effective January 1, 2020, the details of which are as follows:

| Type            | Revised Chart of Accounts                       | Classification         | Purpose       | Description                                                                                                                 |
|-----------------|-------------------------------------------------|------------------------|---------------|-----------------------------------------------------------------------------------------------------------------------------|
| Real Properties | Merchandise Inventory –<br>Levied Real Property | Levied Real Properties | Held for Sale | Real properties duly levied in accordance with Section 307 (B) of the NIRC in satisfaction of the delinquent tax liability. |



| Type                | Revised Chart of Accounts                                   | Classification                         | Purpose           | Description                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------|-------------------------------------------------------------|----------------------------------------|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                     | Merchandise Inventory – Acquired/Forfeited Real Property    | Acquired/Forfeited Real Properties     | Held for Sale     | Levied real properties which have been: <ol style="list-style-type: none"> <li>1. subjected to public auction,</li> <li>2. declared forfeited to the Government because there is no bidder</li> <li>3. or the highest bid is insufficient to pay taxes, penalties and costs, in accordance with Section 215 of the NIRC.</li> </ol> Forfeited real properties can be redeemed by the delinquent taxpayer within 1 year from the date of forfeiture. |
| Personal Properties | Merchandise Inventory – Seized/Distrained Personal Property | Distrained Personal Properties         | Held for Sale     | Personal properties duly distrained or garnished in accordance with Section 207 (A) and 208 of the NIRC.                                                                                                                                                                                                                                                                                                                                            |
|                     | Forfeited Property/Asset                                    |                                        | Not Held for Sale |                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                     | Merchandise Inventory – Seized/Distrained Personal Property | Acquired/Forfeited Personal Properties | Held for Sale     | Distrained personal properties subjected to public auction and purchased by the Commissioner of Internal Revenue or his Deputy in accordance with Section 212 of the NIRC because the bid for the property is not equal to the amount of tax or is very much less than the actual market value of the articles.                                                                                                                                     |
|                     | Forfeited Property/Asset                                    |                                        | Not Held for Sale |                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

### III. REPEALING CLAUSE

The pertinent provisions of RMO No. 13-2014, RMO 83-2010 and other relevant revenue issuances which are inconsistent with this Order are hereby repealed, modified or amended accordingly.

### IV. EFFECTIVITY

This order shall take effect immediately.

  
**CAESAR R. DULAY**  
Commissioner of Internal Revenue

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