



BIR Form No. <b>1707</b> April 2021 (ENCS) Page 1	<h2 style="margin:0;">Capital Gains Tax Return</h2> <p style="margin:0;">(For Onerous Transfer of Shares of Stock Not Traded Through the Local Stock Exchange)</p> <p style="margin:0; font-size: small;">Enter all required information in CAPITAL LETTERS using BLACK ink. Mark applicable boxes with an "X". Two copies must be filed with the BIR and one held by the Tax Filer.</p>	<p style="font-size: small; margin-top: 5px;">1707 04/21ENCS P1</p>	
1 Date of Transaction (MM/DD/YYYY) <input type="text"/>	2 Amended Return? <input type="checkbox"/> Yes <input type="checkbox"/> No	3 Alphanumeric Tax Code (A/T/C) <input type="checkbox"/> II030 Individual <input type="checkbox"/> IC110 Corporation	4 Number of Sheet/s Attached <input type="text"/>

Part II - Background Information		
5 RDO Code of the Seller <input type="text"/>	6 Seller's Name (Last Name, First Name, Middle Name or Individual OR Registered Name for Non-Individual) (Attach Additional Sheet/s if necessary) <input type="text"/>	Seller's Registered Address (Indicate complete address; if branch, indicate the branch address; if registered address is different from the current address, go to the RDO to update registered address by using BIR Form No. 1905) <input type="text"/> <input type="text"/> <input type="text"/>
7 Buyer's Name (Last Name, First Name, Middle Name or Individual OR Registered Name for Non-Individual) (Attach Additional Sheet/s if necessary) <input type="text"/>		Buyer's Registered Address (Indicate complete address; if branch, indicate the branch address; if registered address is different from the current address, go to the RDO to update registered address by using BIR Form No. 1905) <input type="text"/> <input type="text"/> <input type="text"/>

8 Are you availing of tax relief under Special Law or International Tax Treaty? <input type="checkbox"/> Yes <input type="checkbox"/> No	8A If yes, please specify: <input type="text"/>
9 Description of Transaction: <input type="checkbox"/> Cash Sale <input type="checkbox"/> Installment Sale (From Part IV - Schedule 2) <input type="checkbox"/> Foreclosure Sale <input type="checkbox"/> Others (please specify) <input type="text"/>	

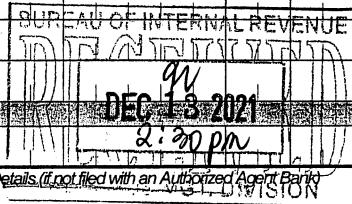
Part III - Computation of Tax	
10 Taxable Base - For Cash Sale / Foreclosure Sale (From Part IV - Schedule 2)	0
11 Less: Cost and Other Allowable Expenses (From Part IV - Schedule 2)	0
12 Net Capital Gain/(Loss) (Item 10 less Item 11)	0
13 Applicable Tax Rate	15%
14 Tax Due on the Entire Transaction (Cash Sale / Foreclosure Sale) (Item 12 Multiply by Item 13)	0
15 Tax Due for this Payment Period (If Tax is Payable under Installment Method of Computation) (From Part IV - Schedule 2 Item 7)	0
16 Less: Tax Paid in Return Previously Filed, if this is an Amended Return	0
17 Tax Payable (Overpayment) (Item 14 or 15 Less Item 16)	0
18 Add: Penalties	0
18A Surcharge	0
18B Interest	0
18C Compromise	0
18D Total Penalties (Sum of Items 18A to 18C)	0
19 Total Amount Payable (Overpayment) (Sum of Items 17 and 18D)	0

In case of overpayment, apply for tax refund using BIR Form No. 1914 (Application of Tax Credits/Refunds)

I/We declare under the penalties of perjury that this return and all its attachments has been made in good faith, verified by me/us, and to the best of my/our 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. Further, I/we give my/our consent to the processing of my/our information as contemplated under the Data Privacy Act of 2012 (RA No. 10173) for legitimate and lawful purposes. (If Authorized Representative, attach authorization letter)

Signature over Printed Name of Taxpayer/Authorized Representative/Tax Agent (Indicate Title/Designation and TIN) <input type="text"/>	Signature over Printed Name of President/Vice President/Authorized Officer or Representative/Tax Agent (Indicate Title/Designation and TIN) <input type="text"/>
Tax Agent Accreditation No. / Attorney's Roll No. (if applicable) <input type="text"/>	Date of Issue (MM/DD/YYYY) <input type="text"/>
	Date of Expiry (MM/DD/YYYY) <input type="text"/>

Part III - Details of Payment			
Particulars	Drawee/Bank/Agency	Number	Date (MM/DD/YYYY)
20 Cash/Bank Debit Memo			
21 Check			
22 Tax Debit Memo			
23 Others (specify below)			



Machine Validation/Revenue Official Receipt Details (if not filed with an Authorized Agent/Bank)	Stamp of Receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)
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NOTE: The BIR Data Privacy Policy is in the BIR website ([www.bir.gov.ph](http://www.bir.gov.ph))

[Handwritten Signature]

Capital Gains Tax Return (For Onerous Transfer of Shares of Stock Not Traded Through the Local Stock Exchange)



TIN: Taxpayer's Name:

Part IV - Schedules

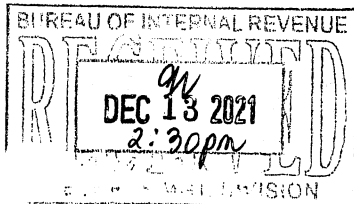
Schedule 1 - Installment Sale
1 Selling Price
2 Cost and Expenses
3 Mortgage Assume
4 No. of Installment
5 Amount of Installment for this Payment Period
6 Applicable Tax Rate 15%
7 Tax Due for the Period
8 Date of Collection of Installment for this Payment Period (MM/DD/YYYY)
9 Total Collection (Down payment and Installments) during the Year of Sale

Schedule 2 - Description of Shares of Stocks (attach additional sheets, if necessary)
Name of Corporate Stock
A
B
C
D

(Continuation of Schedule 2)
No. of Shares Stock Certificate Number Taxable Base/Selling Price
A
B
C
D
Total Taxable Base (To Part II Item 10)

Schedule 3 - Schedule of Cost and Other Allowable Expenses (attach additional sheets, if necessary)
Particulars Amount
A
B
C
D
Total (To Part II Item 11)

Taxpayer Classification Tax Rate
1. For Individual 15%
2. For Corporation
2.1 Domestic 15%
2.2 Foreign 15%



Handwritten notes and signatures: 'Ch', 'for the month', '13', 'J', 'M'

# Guidelines and Instructions for BIR Form No. 1707 [April 2021 (ENCS)]

## Capital Gains Tax Return

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

These instructions are designed to assist taxpayers, or their authorized representatives, with the preparation of the Capital Gains Tax Return. If there are questions which are not adequately covered, please inquire to the concerned RDO. If there appears to be any discrepancies between these instructions and the applicable laws and regulations, the laws and regulations take precedence.

### 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 Buyer/Transferee shall withhold from the seller and shall deduct from the agreed selling price and/or consideration the tax due on net capital gains realized.

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 and Pay

The return shall be filed and paid within thirty (30) days after each sale, barter, exchange or other disposition of shares of stock not traded through the local stock exchange with any Authorized Agent Bank (AAB) under the jurisdiction of the Revenue District Office (RDO) where the seller/transferee is required to register.

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 and paid within thirty (30) days after the receipt of their first down payment and within thirty (30) days after receipt of each subsequent installment payment with any AAB under the jurisdiction of the RDO where the seller/transferee is required to register.

In places where there are no AABs, the return shall be filed and tax paid with the Revenue Collection Officer (RCO) of the RDO where the seller/transferee is required to be registered, who will issue an Electronic Revenue Official Receipt (eROR) therefor.

When the return is filed with an AAB, taxpayer must accomplish and submit BIR-prescribed deposit slip, which the bank teller shall machine validate as evidence that payment was received by the AAB. The AAB receiving the tax return shall stamp mark the word "Received" on the return and also machine validate the return as proof of filing the return and payment of the tax by the taxpayer, respectively. The machine validation shall reflect the date of payment, amount paid and transactions code, the name of the bank, branch code, teller's code and teller's initial. Bank debit memo number and date should be indicated in the return for taxpayers paying under the bank debit system.

Payments may also be made thru the epayment channels of AABs thru either their online facility, credit/debit/prepaid cards, and mobile payments.

### 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:

A. For Individual	15%
B. For Corporation	
B.1 Domestic	15%
B.2 Foreign	15%

### Penalties

There shall be imposed and collected as part of the tax:

- A surcharge of twenty-five percent (25%) for the following violations:
  - Failure to file any return and pay the amount of tax or installment due on or before the due date;
  - Filing a return with a person or office other than those with whom it is required to be filed, unless otherwise authorized by the Commissioner;

- 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 double the legal interest rate for loans or forbearance of any money in the absence of an express stipulation as set by the Bangko Sentral ng Pilipinas from the date prescribed for payment until the amount is fully paid. Provided, that in no case shall the deficiency and the delinquency interest prescribed under Section 249 Subsections (B) and (C) of the National Internal Revenue Code, as amended, be imposed simultaneously.

- Compromise penalty as provided under applicable rules and regulations.

For purposes of Securing Electronic Certificate Authorizing Registration, the following requirements shall be submitted by the taxpayer to the concerned RDO:

### Mandatory: [Additional two (2) photocopies of each document]

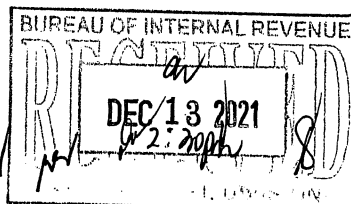
- Taxpayer Identification Number (TIN) of Seller/s and Buyer/s;
- Notarized Deed of Absolute Sale/Document of Transfer but only photocopied documents shall be retained by BIR;
- Photocopy of Stock Certificate;
- Proof of acquisition cost (i.e. Deed of Sale; Fair Market Value (FMV) at the time of acquisition);
- Official Receipt/Deposit Slip and duly validated return as proof of payment;
- Duly Notarized Special Power of Attorney (SPA) for the transacting party if the latter is not one of the parties to the Deed of Transfer; and
- Secretary's Certificate or Board Resolution, approving the sale/transfer of the shares of stocks and indicating the name and position of the authorized signatory to the Deed of Sale/Assignment, if the seller/transferee is a corporation.

### Additional Requirements, if applicable: [Additional two (2) photocopies of each document]

- For claiming expenses of sale – Proof of claimed deductions such as official receipt and/or invoices;
- For shares of stock not listed/traded - Latest Audited Financial Statement of the issuing corporation with computation of the book value per share;
- For club shares – Price published in newspapers on the transaction date or nearest to the transaction date;
- Special Power of Attorney (SPA), if the person transacting/processing the transfer is not a party to the transaction;
- Certificate of Exemption/BIR Ruling issued by the Commissioner of Internal Revenue or his authorized representative, if tax exempt; and
- Such other documents as may be required by law/ruling/regulations/etc.

### Note: All background information must be properly filled-out.

- The last 5 digits of the 14-digit TIN refers to the branch code.
- All returns filed by an accredited tax agent on behalf of a taxpayer shall bear the following information:
  - For Individual (CPAs, members of GPPs, and others)
    - Taxpayer Identification Number (TIN); and
    - BIR Accreditation Number, Date of Issue and Date of Expiry
  - For members of the Philippine Bar (Lawyers)
    - Taxpayer Identification Number (TIN);
    - Attorney's Roll Number;
    - Mandatory Continuing Legal Education (MCLE) Compliance Number; and
    - BIR Accreditation Number, Date of Issue and Date of Expiry.
- Onerous Transfer means transfer for value.



ENCS