



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

July 17, 2018

CUSTOMS MEMORANDUM CIRCULAR
NO. 139 - 2018

To: All Deputy Commissioners
All Directors and Division Chiefs
All District/Port Collectors
And Others Concerned

**Subject: DOF Order No. 037-2018/Real Property Valuation System
in the Philippines**

Attached is the Department of Finance (DOF) Order No. 037-2018 entitled: "***PRESCRIBING THE PHILIPPINE VALUATION STANDARDS (PVS) 2nd EDITION, 2018 - INCORPORATING THE INTERNATIONAL VALUATION STANDARDS (IVS) 2017 AND PROVIDING GUIDANCE NOTES UNDER PHILIPPINE SETTING.***"

For your information and guidance.

For record purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt hereof.



Bureau of Customs
ISIDRO S. LAPEÑA
Commissioner
18-12083
ISIDRO S LAPEÑA, PhD, CSEE
Commissioner
JUL 18 2018

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DEPARTMENT ORDER NO. 037.2018
2 July 2018



SUBJECT : Prescribing the Philippine Valuation Standards (PVS) 2nd Edition, 2018 – Incorporating the International Valuation Standards (IVS) 2017 and Providing Guidance Notes under Philippine Setting

1. LEGAL BASES. This Order is issued under the authority of the following laws:

- a. Section 201 of the Local Government Code of 1991 mandates the Department of Finance (DOF) to promulgate the necessary rules and regulations for the classification, appraisal, and assessment of real property;
- b. Section 33 (1) and (2), Chapter 4, Title II, Book IV of Executive Order (EO) No. 292, series of 1987, otherwise known as the Administrative Code of 1987, directs the Bureau of Local Government Finance (BLGF) to assist in the formulation and implementation of policies on local government revenue administration and fund management, exercise administrative and technical supervision and coordination over treasury and assessment operation of local governments;
- c. Section 2 of Republic Act No. 9646, otherwise known as the Real Estate Service Act, provides the policy of the State to develop and nurture through proper and effective regulation and supervision a corps of technically competent, responsible and respected professional real estate service practitioners whose standards of practice and service shall be globally competitive and will promote the growth of the real estate industry; and,
- d. Section 4 (E) of Republic Act No. 10963, otherwise known as the Tax Reform for Acceleration and Inclusion (TRAIN), authorizes the Commissioner of the Bureau of Internal Revenue (BIR) to prescribe the real property values based on the current PVS.

2. COVERAGE AND OBJECTIVES. The DOF recognizes the need for an efficient, effective and transparent real property valuation system in the country to ensure a robust and progressive real estate sector that will benefit the government and the private sectors, and foster greater confidence and transparency in valuation practice at the national and local levels for taxation and other purposes.

The PVS 2nd Edition intends to guide all concerned valuation stakeholders in the Philippines, mainly the attached bureaus and agencies of the DOF performing or requiring valuation service, to consistently use and apply internationally accepted valuation practices. In particular, the PVS 2nd Edition aims to: (i) raise the quality of public and private sector valuations and reporting of valuations; (ii) provide consistency

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and understanding between providers and users of valuations, especially at the local and national levels; (iii) promote transparency and reliability of valuations for taxation and other purposes; and, (iv) reduce financial risk for users of valuations.

The PVS 2nd Edition shall primarily be used to guide valuation of real properties for property taxation by local government units (LGUs), the BLGF, and the BIR, in conjunction with the pertinent laws, rules and regulations related to their respective mandates. Other agencies and users who intend to refer to and adopt the PVS 2nd Edition, 2018, particularly with respect to IVS 2017, are encouraged to do so, subject to their respective mandates and the applicable guidelines and regulations of competent authority/ies.

3. **THE PVS 2ND EDITION, 2018.** The PVS 2nd Edition, 2018 - *Incorporating the IVS 2017 and Providing Guidance Notes under Philippine Setting*, which succeeds the PVS 1st Edition issued in 2009, is composed of three (3) parts, namely: (i) IVS 2017 in full adoption; (ii) Philippine Context Focusing on Valuation for Taxation and Other Purposes; and, (iii) Guidance Notes.

The publication of the PVS 2nd Edition shall complement all issuances of the DOF pertaining to rules and regulations for the classification, appraisal and assessment of real property. It shall form part of the continuing professional development programs of the BLGF, being a duly recognized Institutional Member of the IVSC, as well as other supplemental manuals and guidelines for the LGUs.

4. **COMPLIANCE.** All Provincial, City and Municipal Assessors, and heads of the BLGF and the BIR are hereby enjoined to properly, efficiently and strictly implement and comply with the provisions of the PVS 2nd Edition in their respective jurisdictions, subject to the provisions of pertinent laws on the matter.
5. **SEPARABILITY CLAUSE.** Any portion or provision of this Order that may be declared unconstitutional or invalid shall not nullify other portions and provisions hereof as long as such remaining portion or provision can still subsist and be given effect in its entirety.
6. **REPEALING CLAUSE.** This Department Order supersedes Department Order No. 37-09 dated 19 October 2009, and all other issuances, or parts thereof that are inconsistent herewith, are likewise hereby repealed or modified and amended accordingly.
7. **EFFECTIVITY.** This Department Order shall take effect fifteen (15) days after its publication in the Official Gazette and the University of the Philippines Office of the National Administrative Register (ONAR) or in a newspaper of general circulation in the Philippines.

Carlos G. Dominguez
CARLOS G. DOMINGUEZ
 Secretary
 JUL 12 2018

