

REVENUE REGULATIONS NO. 23-2020 issued on September 30, 2020 implements Section 6 of Republic Act No. 11494 (Bayanihan to Recover as One Act) relative to the repeal of tax on the Initial Public Offering (IPO) of shares of stocks provided under Section 127(B) of the National Internal Revenue Code (NIRC) of 1997, as amended.

The tax on shares of stocks sold, bartered, exchanged or other disposition through IPO is repealed. Thus, every sale, barter, exchange or other disposition through IPO of shares of stock in closely held corporations shall no longer be subject to the tax imposed under Section 127(B) of the NIRC, as amended, upon the effectivity of RA No. 11494.