

NEGOTIATED SALE RULES AND PROCEDURES
(Attachment to Negotiated Offer to Purchase Form)
Revised as of 05 September 2019

I. GENERAL PROVISIONS

1. The property shall be sold on an “As-Is, Where-Is” basis. It is, thus, incumbent upon the offeror to make the necessary investigation, inspection, and verification of the property for sale to ascertain its actual condition and the status of the title to the property before making an offer.

The conditions covered under this provision include, but are not limited to the following:

- a. Presence of informal settlers;
 - b. Property is still inhabited by previous owner;
 - c. Property is landlocked;
 - d. Property is under dispute or with pending case;
 - e. Property is located in an area with risk of flooding, within earthquake fault zone and even seismic hazard zone; and
 - f. Existing easements.
2. The buyer shall be responsible at his own expense for the ejectment of squatters and/or occupants, if any, on the property subject of sale.
 3. Any and all claims and liens currently annotated on the title, assessments, liabilities and/or damages whatsoever arising from any claim, suit or litigation involving the property shall solely be assumed and borne by the buyer, accruing from the date of his receipt of the Notice of Approval (NOA).
 4. The Bangko Sentral ng Pilipinas (BSP) does not warrant (implied, express or otherwise), that the property conforms precisely to the description indicated in the published list of Properties for Sale.
 5. The BSP reserves the right to withdraw any or all of the properties offered for sale at any time before receipt of offer.
 6. For property with title/tax declaration (TD) that is not yet in the name of BSP, the buyer shall undertake all activities in order to cause the transfer of the title/TD from the registered owner and assume the payment of all taxes and other charges and expenses necessary or incidental in effecting the transfer of the title/TD in the name of the buyer.
 7. Offers to purchase BSP properties are subject to the approval of the Committee on Disposal of Real Properties (CDRP) or the Monetary Board (MB).

Signature of Buyer

II. PUBLISHED SELLING PRICE

1. The selling price of the properties available for sale shall be published at the BSP website.
2. The published selling price of the BSP properties is subject to change without prior notice to conform to the current fair value of the property and the CDRP has the discretion to accept or reject an offer already received based on an earlier published selling price.

III. TERMS OF SALE

1. The basic terms and conditions of the sale are as follows:

Signature of Buyer

	Cash	Installment
Deposit	At least 20% of the offer price	
Payment Period	Full payment shall be made within 30 calendar days from date of receipt of the NOA	The balance may be payable monthly, quarterly, semestrally, or annually for a maximum period of five years, subject to fixed interest. The first installment shall be made 30 days from receipt of the NOA. The buyer has the option to pay the account earlier than the term approved.
Interest Rate	None	Based on BSP’s prevailing overnight (O/N) lending rate, as confirmed by the CDRP.

2. The acceptance of the deposit shall not bind the BSP to the offer until after receipt by the offeror of the BSP NOA.
3. The deposit may be in the form of cash or manager’s/cashier’s check payable to the “Bangko Sentral ng Pilipinas”.
4. The BSP may also accept payments through:
 - a. Availment of a Pag-IBIG Fund housing loan or bank loan, provided that the Deed of Absolute Sale shall be executed and the title released only upon receipt by the BSP of the document evidencing payment guarantee issued by the Pag-IBIG Fund or the lender bank. However, this mode of payment shall only be applicable to installment sale transactions covering properties classified as socialized housing.
 - b. Availment of the Community Mortgage Program of the Social Housing Finance Corporation (SHFC), provided that the Community Association shall have a time-bound

period of five years from receipt of the BSP NOA within which to secure the SHFC Letter of Guaranty and payment to the BSP; otherwise, the Community Association shall pay interest as provided under Section III.1, on the balance of the purchase price to be reckoned from the start of the sixth year up to the date of payment.

5. Any request for change of payment term from cash to installment sale, even if submitted within 30 days from receipt of NOA, shall not be allowed.

IV. ACCEPTANCE OF OFFERS

1. Offers will be accepted on a “first-come, first-served” basis. However, offers received for the same property within the same day shall be evaluated to determine the best offer. Receipt of a non-compliant offer (*i.e.*, incomplete documentary requirements and deposit), based on the documentary checklist provided under Section V shall not preclude BSP to accept other offers nor cause the removal of the property from the List of Properties Available for Sale. This shall be acknowledged by the offeror by accomplishing a Checklist of Documentary Requirements Form.
2. The BSP reserves the right to reject any or all offers, as well as to waive any defect or infirmity in the Negotiated Offer to Purchase, to accept such offers as may be considered most advantageous to the BSP, and to conduct a re-auction of the property subject of an offer. Failure to comply with any of the terms and conditions mentioned herein may cause the rejection of the offer.

V. SUBMISSION OF OFFER

1. The offeror shall pay a deposit of at least 20% of the offer price, and submit the following accomplished documents:
 - a. Buyer’s Information Sheet;
 - b. Negotiated Offer to Purchase Form; and
 - c. Negotiated Sale Rules and Procedures, signed on all pages, together with the documents listed in the Buyer’s Information Sheet, as follows:
 - c.1. For individual offerors –
 - i. Original copy of the Certificate of Employment and pay slip for the last three months or current employment contract and proof/s of other income or source of funds, if any;
 - ii. Photocopy of any Government Issued ID & BIR TIN; and,
 - iii. Special Power of Attorney (SPA) executed by the offeror if represented by another individual.
 - c.2. For duly registered single proprietorship –
 - i. Photocopy of the Department of Trade and Industry registration;
 - ii. Photocopy of Mayor’s Business Permit for the current year;

Signature of Buyer

- iii. Photocopy of Income Tax Return for the last three years or financial statements for the last two years if with comparative period or three years if without comparative period and proof/s of other income or source of funds, if any; and
 - iv. SPA if the proprietor is represented by another individual.
 - c.3. For duly registered corporations and other juridical entities –
 - i. Photocopy of the Securities & Exchange Commission registration;
 - ii. Photocopy of Mayor's Business Permit for the current year;
 - iii. Photocopy of Articles of Partnership or Incorporation, as the case may be;
 - iv. Photocopy of Latest Income/Corporate Tax Return;
 - v. Photocopy of Audited Financial Statements for the last two years if with comparative period or three years if without comparative period and proof/s of other income or source of funds, if any;
 - vi. Secretary's Certificate or its equivalent on Authority to Purchase; and
 - vii. Secretary's Certificate or its equivalent on Authorized Signatory.
2. BSP shall confirm the authenticity of the submitted document/s and certifications through phone call or email, among others. Any indication of falsification in the documents submitted may cause the rejection of the offer and forfeiture of the deposit made. For this purpose, the buyer will be required to submit an authorization for AMD to validate documents submitted.
3. The offeror may also be required to submit proof of additional sources of funds which include, among other things, bank certification, deed of suretyship or letter of guaranty. The Deed of Suretyship shall be supported by documents showing the issuer's source of income, as enumerated under Section V.1.
4. If the property is subject of a pending court case, the offeror may be required to submit a notarized acknowledgment that he is fully aware of the pending court case/s and that he shall assume the risks/consequences attendant thereto.
5. Multiple buyers for a sale transaction shall be required to submit an Undertaking that the obligation to pay the purchase price is contracted in their joint and solidary capacities. All requirements for evaluation of the capacity to pay shall be submitted by all the buyers.

VI. OFFERS COURSED THROUGH BROKERS

1. Offers coursed through a broker shall be accepted, provided the broker named and so designated in the submitted Negotiated Offer to Purchase Form, has a valid Authority to Sell issued by the BSP, as of the date of submission of offer.
2. Real estate brokers are not authorized to collect or receive any payment in behalf of either the BSP or the offeror. Any payment coursed through a broker shall be the sole and

exclusive risk of the offeror.

VII. NOTICES

1. For approved offers, the offeror shall be notified in writing through a NOA and the deposit shall form part of the purchase price.
2. For disapproved offers, the BSP shall send a Notice of Disapproval and the deposit will be returned without interest upon his submission of the duly accomplished Authority to Credit Form.

VIII. OTHER CONDITIONS

1. Withdrawal of Offer -

Any request for withdrawal of an offer shall mean forfeiture of the deposit in favor of the BSP as follows:

Reference Point	Amount to be Forfeited
Before approval or receipt of the NOA	5% of offer price
After receipt of the NOA	20% of offer price
After Contract to Sell (CTS) has been executed	Terms and conditions of CTS shall apply

Signature of Buyer

2. Penalty -

There shall be a penalty of 12% per annum and additional interest based on the interest rate per CTS on the total unpaid installments and other monetary obligations advanced by the BSP.

3. Cancellation

In case the buyer fails to make payments of any of the installments, with interest, penalty, taxes and assessments thereon, the contract shall be cancelled. In case of cancellation or rescission, the BSP shall be at liberty to dispose of and sell the property, together with all the improvements thereon, to any person.

If by virtue of a court order or decision, the sale of the property is cancelled, the amount to be returned to the buyer shall be equivalent to the purchase price without interest and net of broker's commission, if any. All taxes, cost of improvement, and other expenses incurred by the buyer relative to the purchase of the property shall not be reimbursed. However, there will be no return of payments received by the BSP if the buyer acknowledged all the defects of the property and its title, and waived his right to any recourse.

IX. DOCUMENTATION AND RELEASE OF TITLE

1. A CTS shall cover purchases on installment while a DAS shall be executed upon full payment of the purchase price.
2. The duly signed CTS shall be returned by the buyer to BSP not later than 30 days from receipt of the NOA; otherwise, the NOA shall be cancelled and the deposit shall be forfeited in favor of the BSP.
3. The owner’s duplicate Certificate of Title/TD together with the pertinent BIR Form Confirmation and the credit advice evidencing the payment of the CGT to the BIR, shall thereafter be released to the buyer upon submission of a duly signed DAS to BSP and reimbursement of any advances made by the BSP.

X. PAYMENT OF TAXES AND FEES

1. The payment of capital gains tax (CGT) shall be borne by BSP to the extent of 6% of the purchase price. Any excess assessment due on the difference between the zonal value/market value per Tax Declaration (TD) and the purchase price, in case the zonal value/market value per TD is higher than the purchase price, shall be for the account of the buyer. This should not, however, prevent the buyer and the BSP to have an agreement as to who will bear the burden of paying the CGT.
2. The amount of CGT which the buyer will assume will have to be paid to the BSP which shall in turn remit to the BIR through a direct credit of the account of the Treasurer of the Philippines.
3. Upon execution of the CTS/DAS, the real property taxes, condominium or association dues and insurance premiums already paid by the BSP shall be assumed by the buyer on a pro rate basis; thus, entitling the BSP to reimbursement of the real property taxes, condominium/association dues and insurance premium paid for the remaining days of the year.
4. All other taxes and fees incidental and necessary to the sale and transfer of title to the buyer will be assumed by the buyer.

C O N F O R M E:

Name of Offeror
(Signature over Printed Name)
Date: _____

() Individual () Partnership* () Corporation*

*Authorization on the designation of representative attached.