



**EXECUTIVE ORDER NO. PCG-40  
SERIES OF 2022**

**AN EXECUTIVE ORDER INSTITUTING THE GUIDELINES FOR THE AUCTION OF  
DELINQUENT REAL PROPERTIES**

**WHEREAS**, the Local Government Code (LGC) of 1991 provides that within thirty (30) days after service of the warrant of levy, the local treasurer shall proceed to publicly advertise for sale or auction the property or a usable portion thereof as may be necessary to satisfy the tax delinquency and expenses of sale;

**NOW, THEREFORE, I, VICTOR MA. REGIS N. SOTTO, Mayor of Pasig City**, by virtue of the powers vested in me by law, do hereby adopt the following:

**Section 1. Objectives.** – The guidelines intend to establish a system of procedures for collecting taxes on delinquent property accounts through competitive bidding at a public auction sale.

**Section 2. Coverage and Exclusion.** – These guidelines shall apply to all properties on record which appear in default for at least one (1) year.

**Section 3. Eligible Accounts for Auction.** – Eligible accounts for auction are those which:

- a. Are in default based on the standards set by the Auction Committee;
- b. Fail to respond to the Notices of Delinquencies;
- c. Fail to take any action to settle the tax due using the remedies available;
- d. Pursued the remedies available, but failed to comply; and
- e. Failed to pay the delinquent common area real property tax registered under the name of the developer.

In the event that the taxpayer fails to settle the outstanding tax dues up to the serving of the Final Notice of Delinquency, the subject property shall be endorsed to the Auction Unit for it to be included in the list of properties for auction.

**Section 4. Definition of Terms.** – When used in this guidelines, the term:

- a. “Delinquent Property” pertains to any property on which the taxes levied and assessed remain, in whole or in part, to be unpaid on the date that it is due and payable.
- b. “Notice of Delinquency” refers to a legal notification of an overdue payment.
- c. “Levy” refers to the legal seizure of the property to satisfy a tax liability.
- d. “Notice of Levy” is a document that informs a delinquent taxpayer that the City Treasurer has included his or her property on the list of properties for auction in order to satisfy unpaid tax due.
- e. “Notice of Sale” is a legal requirement that has to be issued by the City Treasurer before the intended date of sale of the delinquent property due for auction.
- f. “Cost of Sale” pertains to the sum of the total amount of tax, including penalties as of the date of actual sale, the cost publication, and the cost of annotation.
- g. “Certificate of Sale” is a statutory instrument, signed, and issued by the City Treasurer who conducted the Public Auction and attested the proceeding thereto, conveying the winning bidder’s equitable interest in the property. It does not transfer ownership, but merely identifies the name of the winning bidder and the property purchased, the bid price, and the date when the right of redemption expires.



- h. "Auction Sale" is an administrative proceeding by which the City Government holds a forced sale of the delinquent properties in order to collect unpaid tax dues from the property owner(s) through a competitive bidding process.
- i. "Bid Price" is the highest price that a bidder is willing to pay for the property being sold which shall not fall below the sum of the total tax dues and interest as of the date of actual sale, cost of publication, and cost of annotation.
- j. "Bidder" is a person who responds to the invitation to bid and registers himself to offer amounts under certain conditions set forth by the public auction.
- k. "Highest Bidder" is an eligible bidder who submitted the highest bid price for the subject property or properties.
- l. "Consolidation of the Title" is the process wherein the change in the name is reflected in the Transfer/Condominium Certificate of Title (TCT/CCT) from that of the declared owner to the winning bidder or the City Government of Pasig in the event of a want of a bidder;
- m. "Want of Bidder" it is a situation where no bidder satisfies the claim over the real property tax, related interests, and the cost of sale and the City Treasurer purchases the real property advertised for sale on behalf of the local government followed by the transfer of ownership of the forfeited property to the local government without first obtaining a court judgment.
- n. "Failure of Bidding" refers to the circumstance where all the qualified bidders fail to satisfy the amount of the bid price within the prescriptive period of twenty four (24) hours following the auction sale.
- o. "Redemption" is the process by which the owner or any person having legal interest over the property re-acquires the property sold at an auction sale through the payment of the total redemption cost within the redemption period.
- p. "Redemption Period" refers to the one (1)-year period from the date of sale during which the owner or any person having legal interest over the property can settle the total amount of the redemption price in order to redeem the property.
- q. "Redemption Price" is the sum of the total tax dues, penalties as of the date of the actual redemption, cost of publication, cost of annotation, and the two percent (2%) interest per month from the date of the auction sale up to the time of redemption.

**Section 5. Pre-auction.** – The pre-auction shall be conducted in the following manner:

- a. The City Treasurer shall post the notice of the dates when the tax may be paid without interest at a conspicuous and publicly accessible place at the City Hall. Said notice shall likewise be published in a newspaper of general circulation in the locality once a week for two (2) consecutive weeks.
- b. Without prejudice to criminal prosecution under the Revised Penal Code and other applicable laws, the City Treasurer or her deputy who fails to issue or execute the Warrant of Levy within one (1) year from the time the tax becomes delinquent or within thirty (30) days from the date of issuance thereof, or who is found guilty of abusing the exercise thereof in an administrative or judicial proceeding shall be dismissed from the service.
- c. When the real property tax becomes delinquent, the City Treasurer, through her duly authorized representative, shall serve or mail a Notice of Delinquency through a First Notice and Final Notice ten (10) days after no response is received from the taxpayer.
- d. The City Treasurer shall immediately cause a notice of the delinquency posted at the main entrance of the City Hall and in a publicly accessible and conspicuous place in each barangay.



The Notice of Delinquency shall also be published once a week for two (2) consecutive weeks, in a newspaper of general circulation in the City. Such notice shall specify the following:

- i. The date upon which the tax became delinquent;
  - ii. That the personal property may be distrained to effect payment;
  - iii. That any time before the distraint of personal property, payment of the tax with surcharges and interests may be made in accordance with the existing provisions of the law, and unless it is settled, the delinquent real property or properties will be sold at public auction, except when the notice of assessment or special levy is contested administratively or judicially.
- e. After the time required to pay the basic real property tax has expired, a Warrant of Levy is issued through mail or personal service upon the delinquent owner on or before, or simultaneously with, the institution of the civil action for the collection of the delinquent tax, with a duly authenticated certificate shall likewise be prepared bearing the following information:
- i. Name of the delinquent owner of the property or any person having legal interest over the property;
  - ii. Description of the property; and
  - iii. The amount of the tax and the interests thereon.
- In cases where the owner is out of the country or cannot be located, the administrator or occupant of the property shall receive the Warrant.
- f. The Notice of Levy with the attached Warrant of Levy shall be forwarded to the Office of the City Assessor's Office and the City Registrar of Deeds to annotate the levy on the Tax Declaration and Certificate of Title of the property respectively.
- g. The City Treasurer shall submit a Levy report to the *Sangguniang Panglungsod* within ten (10) days after the publication of the Warrant of Levy by the owner or person having legal interest therein.
- h. The Notice of Sale shall be posted in a publicly accessible and conspicuous place in the barangay where the property is located and shall be published once a week for two (2) consecutive weeks in a newspaper of general circulation in the City within thirty (30) days after the service of the Warrant of Levy with the following details:
- i. Sum total of the delinquent tax and interests thereon;
  - ii. Cost of sale;
  - iii. Date and place of sale;
  - iv. Name of the property owner or person having legal interest over the property; and
  - v. Description of the property to be sold.
- To ensure that the auction is properly documented, a Certificate of Publication and a Certificate of Posting must be secured from the appropriate authority.
- i. The declared owner or any party having legal interest over the property may settle their tax obligations, including its penalties, prior to the issuance of a certificate of sale.

**Section 6. Pre-auction Registration.** – The pre-auction registration shall be conducted in the following manner:

- a. All bidders who intend to participate must be present during the day of the action and must complete a Registration Form to be eligible for commission.
- b. Those who are permitted to participate are as follows:
  - b.1 All Filipino citizens who are not otherwise disqualified by law to acquire real property in the Philippines;



- b.2 Partnerships, Corporations and other entities duly registered with the Securities and Exchange Commission, 60% of the capital of which is owned by Filipino citizens and not otherwise disqualified by law to acquire real property in the Philippines
- c. Officials and employees of the national government, its agencies, instrumentalities, and local subdivisions are not allowed to participate in the auction sale.
- d. If the bidder is unable to attend the auction in person, a representative who has a Special Power of Attorney from the bidder may place the bid on his or her behalf.
- e. Aside from the Registration Fee in the amount of Five Hundred pesos (Php 500.00), a Cash Bond of Ten Thousand pesos (Php 10,000.00) shall be collected prior in order to be authorized to participate in the auction sale to minimize the risk of failure of bidding. The Cash Bond shall be held in trust by the City Treasurer until the winning bidder has tendered the bid price in full. In case of default, the Cash Bond will be forfeited in favor of the City Government.
- f. After completing the registration process, the participant will be given an Auction Kit containing these Guidelines, Conditions of the Auction Sale and the assigned number by which he shall represent himself and by which he shall be called during the entire proceedings. The signing an acceptance slip will serve as consent for the purpose.
- g. Bidding may be declared unsuccessful in any of the following cases:
  - i. There is no bidding participant; or
  - ii. All bidders fail to comply with the terms and conditions in the Invitation to Bid.

**Section 7. Auction Sale.** - The auction sale shall take place in the following manner:

- a. A non-refundable registration fee of Five Hundred pesos (Php 500.00) is to be collected to cover the costs of the administrative processes.
- b. The Cash Bond paid by the winning bidder shall be non-refundable and shall form part of his or her payment of the purchase price. Once the winning bidder has fully complied with the settlement of the bid price, the City Treasurer will prepare and deliver to the purchaser a Certificate of Sale which shall contain the name of the purchaser, a description of the property sold, the amount of the delinquent tax, the interest due thereon, the expenses of the sale, and a brief description of the proceedings.
- c. The auction sale shall be in form of an oral bidding. The City Treasurer, or her duly authorized representatives conducting the sale, shall auction the entire delinquent property one after the other.
- d. The land and improvement(s) covered by two separate tax declarations, both of which are delinquent and are declared in one person's name, or are jointly owned shall be auctioned simultaneously to prevent the sale to different persons.
- e. When a potentially separable improvement is built on a lot covered by two different tax declarations, the entire group of delinquent properties will be auctioned together for the purpose of the sale.
- f. Bidding will start once the City Treasurer or his duly authorized representative announces the Minimum Bid Price for a particular property.
- g. The bidder who offers to pay the highest price from the total amount of taxes, penalties, and cost of sale can be satisfied shall be declared the winning bidder and shall be entitled to the award. Taxes and penalties to be paid by the winning bidder will only cover the delinquencies in the notice (based on the updated statement during the period) sent by the City Treasurer.
- h. The Office of the City Treasurer will accept a manager's check, cashier's check, or cash payment for the auctioned property no later than twenty (24) hours from the time of the auction. Failure to settle within the specified time frame shall be deemed as a



declaration of failure in bidding. The City Treasurer shall move on to the next highest bidder until the last bidder who met the minimum bid price, if any, may be offered the property and requirement payment within twenty four (24) hours from the failure of the winning bidder to pay for the purchase price.

- i. The auction shall be deemed unsuccessful if none of the participating bidders submitted their payments within the prescribed period, or if no one submitted a bid for the real property advertised for sale, the City Treasurer shall purchase the real property, along with any related interest, and cost of sale, on behalf of the City Government in order to satisfy the claim.
- j. It is the winning bidder's responsibility to register the Certificate of Sale with the Registry of Deeds in order to determine the time when a Final Deed of Sale may be executed or issued and the ownership of the registered land consolidated.
- k. The City Treasurer does not warrant the authenticity or validity of the title of the declared owner nor does she guarantee the correctness or accuracy of the description of the property. Successful bidders acquire no better title than that of the registered or declared owner appearing on the title and they will acquire the property together with all its liens and encumbrances, such as mortgage, lease, etc. existing at the time of the purchase in auction. For their own protection, the prospective participants may first ascertain for themselves the existence and the title of the property that they wish to bid before making any bid.
- l. The City Treasurer reserves the right to revoke any or all awards/sale based on the following grounds:
  - i. Upon presentation of evidence that all taxes and penalties due to the property had been paid when the sale was made;
  - ii. It is later found that the property is tax-exempt by virtue of it being already government-owned or it being devoted exclusively for religious, educational, or charitable purposes;
  - iii. It is not taxable under Republic Act No. 7160, otherwise known as the Local Government Code of 1991, and other related laws; or
  - iii. The winning bidder fails to pay in full the bid price.

In any event, the purchase price shall be returned to the buyer/purchaser thereof without interest.

- m. At any time before the date fixed for the auction sale, the owner of the real property or person having legal interest over the property has the right to recover his or her property while it is not yet the subject of bidding, provided that he or she pays the delinquent tax, the interest due thereon, and the expenses of the sale.

**Section 8. Post-auction.** - The post-auction sale shall be conducted in the following manner:

- a. The successful bidder shall immediately register the Certificate of Sale within the Registry of Deeds in order to validate any claims or encumbrances on the property.
- b. In case the property is purchased on behalf of the City Government by the City Treasurer, it is the duty of the Registrar of Deeds concerned, upon registration with his office of any such declaration of forfeiture, to transfer the title of the forfeited property to the local government unit concerned without need for an order from a competent court.
- c. The City Treasurer or his deputy shall submit to the *Sangguniang Panglungsod* a report of the sale within thirty (30) days from the sale, which shall form part of her record.



**Section 9. Redemption of the Property.** - The redemption of the property shall be conducted in the following manner:

- a. The owner of the delinquent real property, the person having real interest over the real property, or his duly authorized representative, shall have the right to redeem the property within one (1) year from the date of sale by paying to the City Treasurer the amount of the delinquent tax, the interest due thereon, and the cost of sale from the date of delinquency to the date of sale, plus interest of not more than two percent (2%) per month on the purchase price from the date of sale.
- b. A Notice of Redemption shall be sent by the City Treasurer to the property owner or any person having legal interest over the property sixty (60) days prior to the expiration of the redemption period.
- c. Payment will render the Certificate of Sale issued to the purchaser as null and void, and the owner of the delinquent real property or any person having legal interest over the property shall be entitled to a Certificate of Redemption which shall be issued by the local treasurer or his deputy.
- d. The delinquent property shall remain in the possession of the owner or person having a legal interest therein from the date of sale until the expiration of the period of redemption, who shall be entitled to the income and other fruits thereof.
- e. Upon receipt of the Certificate of Sale from the purchaser, the City Treasurer or his deputy shall forthwith return to him the entire amount paid plus interest at no more than two percent (2%) per month. Thereafter, the property shall be free from lien of such delinquent tax, interest due thereon, and the expenses of the sale.

**Section 10. Post-redemption Period.** - In case the owner or person having legal interest over the property fails to redeem the delinquent property as provided herein, the local treasurer shall:

- a. Execute a Final Deed to Purchaser conveying to the purchaser said property, free from lien of the delinquent tax, interest due thereon, and the expenses of the sale. The deed shall briefly state the proceedings upon which the validity of the sale rests.
- b. In case the property is purchased on behalf of the City Government by the City Treasurer, the ownership thereof shall be vested on the local government unit concerned.

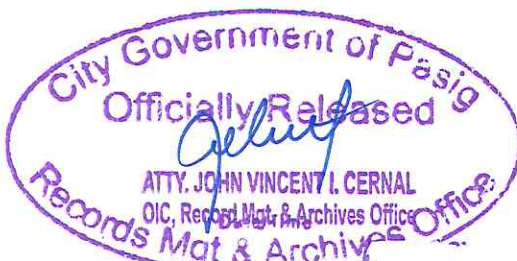
**Section 11. Separability Clause.** - The provisions of this Order are considered separable. If for any reason, any provision or provisions, or parts thereof, be declared invalid and unconstitutional by proper authority or tribunal, the other provisions or parts not declared thereby shall remain valid and enforceable.

**Section 12. Repealing Clause.** - Any order or issuance, or parts thereof, that are inconsistent with the provisions of this order are hereby repealed or modified accordingly.

**Section 13. Effectivity.** - This Order shall take effect immediately.

DONE this 14<sup>th</sup> day of October 2022 at the City of Pasig, Metro Manila.

  
VICTOR MA. REGIS N. SOTTO  
City Mayor



14 OCT 2022 3:15 PM



TO : VICTOR MA. REGIS N. SOTTO  
*City Mayor*  
OFFICE OF THE CITY MAYOR

THRU : ATTY. JERONIMO U. MANZANERO  
*City Administrator*  
OFFICE OF THE CITY ADMINISTRATOR

SUBJECT : GUIDELINES FOR THE PUBLIC AUCTION OF  
DELINQUENT PROPERTIES

DATE : 14 October 2022

---

The attached document contains the guidelines for the public action of delinquent properties located in barangays San Antonio, Bambang, Buting, Bagong Ilog, Palatiw, Kalawaan, Oranbo, and Manggahan this coming 20 October 2022. The guidelines contained in the attached document have been approved by the members of the Committee on Public Auction of Delinquent Properties (CPADP):

MR. ERNIE AL O. EDRALIN  
Member, CPADP  
Executive Assistant, Office of the City Mayor

ATTY. JOSEPHINE C. LATI-  
BAGAOISAN  
Member, CPADP  
City Legal Officer, Office of the City Legal

MR. ROBERT D. MINA  
Member, CPADP  
City Assessor, Office of the City Assessor

ATTY. ARNOLD A. BAUTISTA  
Member, CPADP  
Registrar of Deeds, Registry of Deeds -  
Pasig City

MS. MARITA A. CALAJE  
Chairperson, CPADP  
City Treasurer, Office of the City Treasury

---