REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

Certificate of Tax Exemption No:
PSH - 0475 - 2020

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **MASAITO DEVELOPMENT CORPORATION**, with Taxpayer's Identification Number (TIN) [redacted], is exempt from income tax and creditable withholding tax (CWT) pursuant to Section 20 of Republic Act (RA) No. 7279, as amended by RA No. 10884 (Balanced Housing Development Program Amendments) dated July 17, 2016, on its income received directly in connection with its sale of socialized house and lot units to qualified beneficiaries in **Masaito Homes Trece Phase 3**, consisting of **935** house and lot units, used solely for family home or dwelling purposes, located at Brgy. San Agustin, Trece Martires City, Cavite, a project duly registered with the Housing and Land Use Regulatory Board (HLURB) under Certificate of Registration No. [redacted] and License to Sell No. [redacted], provided that the ceiling price per house and lot package does not exceed ₱450,000.00.

Moreover, the sale by the Company of residential lot valued at P1,919,500.00 and below, or house and lot and other residential dwellings valued at P3,199,200.00 and below, is VAT-exempt under Section 109(1)(P) of the 1997 Tax Code, as amended. Provided, however, that beginning January 1, 2021, the VAT exemption shall only apply to sale of house and lot and other residential dwellings[1] with selling price of not more than Two Million Pesos (P2,000,000.00).

It is observed, however, that documentary stamp tax (DST) is not one of the taxes covered by the tax exemption clause in Section 20 of RA No. 7279. Such being the case, the owner/project developer/seller shall be liable to pay the documentary stamp tax on the documents conveying the properties imposed under Section 196 of the Tax Code of 1997, as amended, based on the consideration contracted to be paid for such realties or on their fair market value determined in accordance with Section 6 (E) of the same Code, whichever is higher. Likewise, lots/units classified as Economic Housing, not being covered by R.A. No. 7279, shall be subject to the payment of appropriate taxes.

The grant of tax exemption herein is subject to the compliance with the provisions of applicable BIR rules and regulations and the Terms and Conditions stated at the back hereof. The Company is liable, however, for all other applicable taxes not discussed above.

This Certificate of Tax Exemption is being issued on the basis of the facts and documents as represented and submitted. However, if upon investigation, the BIR ascertains that the facts are different, then this Certificate shall be considered null and void.

Issued this _____ day of AUG 20 2020 , _____.

CAESAR R. DULAY
Commissioner of Internal Revenue

K-1-JAC

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[1] Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to RA No. 10963.

CTE No. PSH-0475-2020
Date issued AUG 20 2020

TERMS AND CONDITIONS
OF THE CERTIFICATE OF TAX EXEMPTION

1. The exemption from income and creditable withholding taxes covers only income directly attributable to the revenues generated from the **935** socialized house and lot units in **Masaito Homes Trece Phase 3**, with selling price not exceeding ₱450,000.00[2] per house and lot package, located at **Brgy. San Agustin, Trece Martires City, Cavite**.

2. The developer shall submit the sworn statement of the buyer that he is eligible as a socialized housing beneficiary under Section 5 (A) of Revenue Regulations (RR) No. 11-97 to the BIR during the processing of the Certificate Authorizing Registration (CAR) for the transfer of the title of the socialized housing unit.

3. It is understood that the Certificate Authorizing Registration (CAR) shall only be issued after it is established upon proper verification by the Revenue District Officer (RDO) concerned that, considering the rules on valuation of real property, the actual selling price per sale transaction of the socialized house and lot packages in this case does not really exceed ₱450,000.00.

4. List of non-saleable lots per HLURB License to Sell No. [redacted], granted by the HLURB, Southern Tagalog Region, to wit:

Description	**Block No.**	**Lot No.**
All Roads		
Alleys		
Easement		
Parks/Playground	26	1
Parks/Playground	44	1
Community Facilities	44	1 *(portion area = 527.25 m²)*
Community Facilities	40	1 to 7
Excluded Lots	45	1 & 2

2 Per HLURB License to Sell No. [redacted].