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

Certificate of Tax Exemption No:
PSH-419-2021

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **Rosand Builders Corporation**, an entity engaged by the **Quezon City Government**[1], is exempt from project-related income taxes and creditable withholding tax pursuant to Section 20 (d)(1) 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 the land development and construction of 102 condominium units three-storey walk-up in Bistekville-28 (Phase 1) located at Brgy. Nagkaisang Nayon, Quezon City, intended for the qualified informal settler families (ISFs) in Quezon City. Moreover, the delivery of 102 socialized housing units shall be exempt from value-added tax (VAT) pursuant to Section 109 (1)(P) of the National Internal Revenue Code (Tax Code) of 1997, as amended, provided that the selling price thereof does not exceed P3,199,200.00[2] per house and lot package; provided further, that beginning January 01, 2021, the exemption from VAT shall only apply to sale of house and lot and other residential dwellings[3] with selling price of not more than P3,199,200.00.

However, the purchases of goods/articles by **Rosand Builders Corporation**, shall be subject to VAT, even if the said purchases are to be used for the socialized housing project, since VAT is an indirect tax which can be passed on by the seller of the goods/services. It shall be understood that **Rosand Builders Corporation** must issue VAT exempt official receipts on its gross receipts from the said socialized housing project.

Moreover, the Deed of Absolute Sale executed by the Landowners in favor of the City Government of Quezon City over the parcel of land described below, to wit:

Date of Deed of Absolute Sale	Name of Landowners /Sellers[4]	Transfer Certificate of Title No.	Area (Sq.m.)	Area Transferred (Sq. m.)	Location
February 17, 2017	Sps. Ernesto Chan and Edna Uy Chan Sps. Rogelio Chan and Luisa Lim Chan Sps. Amado Chan and Mary Dorothea Tan Chan Angelita Chan		7,809	7,809	

[1] Per Contract Agreement dated August 14, 2018.
[2] As adjusted using the 2010 Consumer Price Index values per Revenue Regulation No. 8-2021.
[3] Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to RA No. 10963.
[4] Special Powers of Attorney were executed in favor of Lourdes Chan to execute the Deed of Absolute Sale on behalf of the landowners for the sale of the property identified and described in TCT No.

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Date issued NOV 0 8 2021

	Lourdes Chan Rosa Chan				

which shall be used by the City Government of Quezon City for the development of a socialized housing project for the benefit of Quezon City Informal Settlers Families (ISFs), is **not subject** to **capital gains tax** pursuant to Section 20 (d)(2) of RA No. 7279 and to VAT pursuant to Section 109 (1)(P) of the Tax Code of 1997, as amended. The transaction is, however, **subject** to **documentary stamp tax** under Section 196 of the Tax Code of 1997, as amended, based on the actual consideration of the property transferred considering that one of the parties is the Government.

It is, however, understood that this Certificate of Tax Exemption (CTE) is never intended, and shall not be construed, as giving authority to concerned Register of Deeds (RD) to effect transfer of the land title in the name of the City Government of Quezon City without the necessary Certificate Authorizing Registration (CAR) issued by this Bureau. In this regard, this CTE, together with the documentary requirements provided under Revenue Memorandum Order (RMO) No. 15-2003, shall be presented to the Revenue District Office (RDO) concerned in order for the latter to issue the CAR.

Upon application for exemption, a lien on the title of the land shall be annotated by the RD having jurisdiction over the property, to the effect that the same is to be applied or is being applied to a socialized housing project pursuant to RA No. 7279.

This CTE 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 NOV 0 8 2021, _____.

CAESAR R. DULAY
Commissioner of Internal Revenue

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