Quezon City

Sec. 40(C)(2)&(6)(b), NIRC RR No. 18-01
BIR Ruling Nos. 214-12, 100-17 & 075-18
S40M - 0612 - 2020
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DAIICHI PROPERTIES, INC.
3/F One World Place, 32nd Street
City Center North, BGC, Taguig

Attention: **Salvador T. Uy**
President

Gentlemen:

This refers to your letter dated September 11, 2020 requesting for confirmation of your opinion that the merger between DAIICHI PROPERTIES, INC. (DAIICHI), as the surviving corporation, and GRAND ARCIS HOLDINGS, INC. (GRAND ARCIS) and GRAND FORTIS HOLDINGS, INC. (GRAND FORTIS), as the absorbed corporations is a tax-free merger pursuant to Section 40(C)(2) in relation to Section 40(C)(6)(b) of the National Internal Revenue Code of 1997, as amended (the "Tax Code").

Background

DAIICHI is a corporation duly organized and existing under the laws of the Philippines with Securities and Exchange Commission (SEC) Company Registration No. [redacted] and Tax Identification Number (TIN) [redacted], having its principal place of business at Third Floor, One World Place, 32nd St., City Center North, Bonifacio Global City, Taguig City. DAIICHI was organized primarily to deal, engage, invest and transact, directly or indirectly, in all forms of business and mercantile acts and transactions concerning all kinds of real property, including but not limited to the acquisition, development, utilization, and disposition of residential, commercial and industrial property and concerning all kinds of personal property.

DAIICHI has an authorized capital stock of [redacted] (P[redacted]), divided into [redacted] Class A shares and [redacted] Class B shares with a par value of [redacted] Peso (P[redacted]) per share, of which [redacted] shares are subscribed, fully paid and outstanding.

As of June 30, 2019, the carrying amounts and fair values of DAIICHI show total assets of [redacted] Pesos (P[redacted]), total liabilities of [redacted] and total stockholders' equity of [redacted]

GRAND ARCIS, on the other hand, is a corporation duly organized and existing under the laws of the Philippines with SEC Company Registration No. [redacted] and TIN [redacted] having its principal place of business at 3rd Floor, Lot 7 Block 5, 32nd St., City Center North, Bonifacio Global City, Taguig City. GRAND ARCIS was organized primarily to carry on business as a holding company, including but not limited to, the acquisition by purchase, exchange, assignment, gift, importation or otherwise, and to hold, own and use for investment or otherwise, and to sell, assign, transfer, exchange, mortgage, pledge, traffic or otherwise, and to hold, own and use for investment or otherwise and to sell, assign, transfer, exchange, mortgage, pledge, traffic or otherwise to enjoy and dispose of all types of property including but not limited to land, condominium units, buildings, machineries, equipment, bonds, debentures, promissory notes, shares of capital stock, or other securities or obligations,

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created, negotiated or issued by any corporation, association, or other equity, foreign or domestic and while the owner thereof, to exercise all rights, powers and privileges of ownership, including the right to receive, collect and dispose of , any and all dividends, rentals, interest and income, derived therefrom and generally perform acts or things design to promote, protect, preserve, improve or enhance the value of any or such properties to the extent permitted by law, but not acting as a broker or dealer of securities.

GRAND ARCIS has an authorized capital stock of [redacted] (P[redacted]), divided into [redacted] shares with a par value of [redacted] (P[redacted]) per share, of which [redacted] shares are subscribed, fully paid and outstanding.

As of June 30, 2019 the audited balance sheet of GRAND ARCIS shows total asset of [redacted] Pesos ([redacted] total liabilities of [redacted] ([redacted]) and total stockholders' equity of [redacted] Pesos ([redacted]).

Finally, GRAND FORTIS, is a corporation duly organized and existing under the laws of the Philippines with SEC Company Registration No. [redacted] and TIN [redacted] having its principal place of business at 3rd Floor, Lot 7 Block 5, 32nd St., City Center North, Bonifacio Global City, Taguig City. GRAND FORTIS was organized primarily to carry on business as a holding company, including but not limited to, the acquisition by purchase, exchange, assignment, gift, importation or otherwise, and to hold, own and use for investment or otherwise, and to sell, assign, transfer, exchange, mortgage, pledge, traffic or otherwise, and to hold, own and use for investment or otherwise and to sell, assign, transfer, exchange, mortgage, pledge, traffic or otherwise to enjoy and dispose of all types of property including but not limited to land, condominium units, buildings, machineries, equipment, bonds, debentures, promissory notes, shares of capital stock, or other securities or obligations, created, negotiated or issued by any corporation, association, or other equity, foreign or domestic and while the owner thereof, to exercise all rights, powers and privileges of ownership, including the right to receive, collect and dispose of , any and all dividends, rentals, interest and income, derived therefrom and generally perform acts or things design to promote, protect, preserve, improve or enhance the value of any or such properties to the extent permitted by law, but not acting as a broker or dealer of securities.

GRAND FORTIS has an authorized capital stock of [redacted] (P[redacted]). divided into [redacted] shares with a par value of [redacted] (P[redacted] per share, of which [redacted] ([redacted]) shares are subscribed, fully paid and outstanding.

As of June 30. 2019, the audited balance sheet of GRAND FORTIS shows total assets of [redacted] total liabilities of [redacted] and total stockholders' equity of [redacted]

In order to enhance economic and operational efficiency for the business involved, the constituent corporations decided to effect a merger, thus, DAIICHI, GRAND ARCIS and GRAND FORTIS executed a Plan of Merger dated September 5,2019. Under the said plan of merger GRAND ARCIS and GRAND FORTIS will be the absorbed corporations and will be merged with DAIICHI, the surviving corporation.

The Plan of Merger was approved by the stockholders of DAIICHI representing at least 2/3 of its outstanding capital stock at a special stockholders' meeting held on July 29, 2019, and was approved by the stockholders of GRAND ARCIS and GRAND FORTIS representing at least 2/3 of its outstanding capital stock at a special stockholders' meeting both held on July 29, 2019.

The SEC approved the Articles and Plan of Merger on December 27, 2019, by virtue of which the SEC issued a Certificate of Filing of the Articles and Plan of Merger. Under the approved Articles and Plan of Merger, the merger shall become effective on the date when the

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Certificate of Merger shall have been issued and released by the SEC. Accordingly, the merger took effect on **December 27, 2019** ("Effective Date of Merger").

Pursuant to the Plan of Merger, DAIICHI will issue a total of [redacted] ([redacted]) Class A shares of stock to the stockholders of GRAND ARCIS and a total of [redacted] Class A shares of Stock to the stockholders of GRAND FORTIS, which shares are composed of [redacted] ([redacted]) unissued authorized capital stock of DAIICHI.

Based on the foregoing representations, you now request for your confirmation that:

1. The statutory merger of DAIICHI, GRAND ARCIS and GRAND FORTIS qualifies for non-recognition of gain or loss for income tax purposes in accordance with Sections 40(C)(2) in relation to 40(C)(6)(b) of the Tax Code. Therefore, no gain or loss shall be recognized by DAIICHI, GRAND ARCIS and GRAND FORTIS on the transfer of all assets and assumption of liabilities pursuant to the Articles and Plan of Merger, and neither DAIICHI, GRAND ARCIS and GRAND FORTIS will be subject to income tax, withholding tax, or capital gains tax on the transfer.

2. The transfer of assets by GRAND ARCIS and GRAND FORTIS to DAIICHI pursuant to the merger is not subject to DST under Sections 199(e) and (m) of the Tax Code.

3. The surrender by the GRAND ARCIS and GRAND FORTIS Shareholders of their DAIICHI shares pursuant to the merger is not subject to DST.

4. The DST at the rate of P[redacted] on each P[redacted] par value, or fractional part thereof, shall be imposed on the following: (a) original issuance of DAIICHI shares in favor of the GRAND ARCIS and GRAND FORTIS Shareholders as a consequence of the merger; and (b) issuance of DAIICHI shares that were previously owned by GRAND ARCIS and GRAND FORTIS and were reacquired by DAIICHI as a consequence of the merger, in favor of the GRAND ARCIS and GRAND FORTIS Shareholders.

5. The transfer of assets by GRAND ARCIS and GRAND FORTIS to DAIICHI will not be considered as a transfer of property for an insufficient consideration subject to Donor's Tax since there is no intention to donate on the part of GRAND ARCIS and GRAND FORTIS and that the merger was undertaken purely for legitimate business purposes.

6. The transfer of assets by GRAND ARCIS and GRAND FORTIS to DAIICHI pursuant to the merger is not subject to value-added tax (VAT).

7. Since the legal and beneficial ownership of excess creditable withholding taxes were effectively transferred to DAIICHI as a consequence of the merger, DAIICHI as the surviving corporation is now entitled to exercise all the attributes of ownership over them. Hence, DAIICHI is entitled to carry forward and apply these excess creditable withholding taxes as credit against its Minimum Corporate Income Tax (MCIT) or regular corporate income tax liabilities.

In reply thereto, please be informed as follows:

1. The foregoing merger of GRAND ARCIS, GRAND FORTIS and DAIICHI is a merger within the contemplation of Section 40(C)(2), in relation to Section 40(C)(6)(b) of the Tax Code, as amended, because DAIICHI shall acquire/assume all the assets and liabilities of the Absorbed Corporations and the same is necessary and advisable and is to the advantage and welfare of the merging corporations and their respective stockholders since the corporations own, hold, and manage various assets for the same beneficial owner. Hence, the merger of GAHI, GFHI and DAIICHI is being undertaken for a *bona fide* business purpose and not for the purpose of escaping the burden of taxation.

The merger of GRAND ARCIS, GRAND FORTIS and DAIICHI qualifies for non-recognition of gain or loss for income tax purposes in accordance with Section 40(C)(2) of the Tax Code, as amended, in that no gain or loss shall be recognized by GRAND ARCIS and

GRAND FORTIS, as the transferors of all assets and liabilities, to DAIICHI pursuant to the Articles and Plan of Merger.

Accordingly, no gain or loss shall be recognized by DAIICHI, as the transferee, on its receipt of the asset and liabilities of GRAND ARCIS and GRAND FORTIS pursuant to and as a consequence of the merger.

The basis of the shares of stocks to be received by the Shareholders of GRAND ARCIS and GRAND FORTIS upon the exchange shall be the same as the basis of the properties, stocks or securities exchanged, decreased by (1) the money received, and (2) the fair market value of the other property/ies received and increased by (a) the amount treated as dividend of the shareholders and (b) the amount of any gain that was recognized in the exchange. (Sec. 40 (C)(5)(a) of the Tax Code)

The basis of the property transferred in the hands of the transferee (DAIICHI), listed in Annex "A" hereof, shall be the same as it would be in the hands of the transferors (GRAND ARCIS and GRAND FORTIS) increased by the amount of the gain, if any, recognized to the transferors on the transfer. (Sec. 40 (C)(5)(b), *supra*)

If the amount of the liabilities assumed plus the amount of the liabilities to which the property is subject exceed the total of the adjusted basis of the property transferred pursuant to such exchange, then such excess shall be considered as a gain from the sale or exchange of a capital asset or of property which is not a capital asset, as the case may be. (Sec. 40 (C)(4)(b), *supra*)

The substituted bases of the properties transferred by of GRAND ARCIS and GRAND FORTIS to DAIICHI should strictly comply with the rule that cash and other cash items will be excluded from the computation of the adjusted bases of the properties transferred for purposes of determining whether liabilities assumed and to which the property is subject do not exceed the adjusted basis of the property transferred, pursuant to No. IV(A)(2) of Revenue Memorandum Ruling (RMR) No. 2-2002 dated June 10, 2002.

Accordingly, the allocated shares and the substituted basis of the properties transferred by of GRAND ARCIS and GRAND FORTIS shall be as follows:

GRAND ARCIS HOLDINGS, INC.

Assets	**Amount**	**Allocated Liabilities**	**Allocated Shares**	**Substituted Basis**
Cash in banks				
Prepaid Expense				
Input value-added tax				
Investment property (TCT No.				
Total				

Liabilities	**Amount**
Accrued expenses	
Due to a stockholder	
Total	

GRAND FORTIS HOLDINGS, INC.

Assets	**Amount**	**Allocated Liabilities**	**Allocated Shares**	**Substituted Basis**
Cash in banks				

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Prepaid Expense	[redacted]	[redacted]	[redacted]	[redacted]
Input value-added tax	[redacted]	[redacted]	[redacted]	[redacted]
Investment property (TCT No. 164-2019000286)	[redacted]	[redacted]	[redacted]	[redacted]
Total	[redacted]	[redacted]	[redacted]	[redacted]

Liabilities	**Amount**
Accrued expenses	[redacted]
Due to a stockholder	[redacted]
Total	[redacted]

2. No DST is due on the transfer of assets of of GRAND ARCIS and GRAND FORTIS to DAIICHI pursuant to the Articles and Plan of Merger under Section 199(m) of the Tax Code, as amended by Republic Act No. 9243, in relation to Section 40(C)(2) of the Tax Code, as amended.

No DST is due on the surrender by the Shareholders of of GRAND ARCIS and GRAND FORTIS of their shares of stock for cancellation pursuant to the merger under Section 199(m) of the Tax Code, as amended by Republic Act No. 9243, in relation to Section 40(C)(2) of the Tax Code, as amended.

Pursuant to Section 174 of the Tax Code, as amended, DST at the rate of P[redacted] on each P[redacted] par value, or fractional part thereof, shall be imposed on the following: (a) original issuance of DAIICHI shares in favor of the Shareholders of of GRAND ARCIS and GRAND FORTIS as a consequence of the merger.

3. Well-settled in our jurisprudence is the fact that the essential elements of a valid donation are: (1) the reduction of the patrimony of the donor; (2) the increase in the patrimony of the donee; and (3) the intent to do an act of liberality (*animus donandi*).

Clearly, there is no intention on the part of of GRAND ARCIS and GRAND FORTIS to donate to DAIICHI their assets since the transaction is purely for a legitimate business purpose. Thus, the merger will not be subject to donor's tax since there is no intention to donate, and the transaction is a *bona fide* merger effected solely for business reasons.

4. The transfer of assets/properties of GRAND ARCIS and GRAND FORTIS to DAIICHI as a consequence of merger is not subject to value-added tax (VAT) pursuant to Section 105 of the Tax Code, as amended. The transfer of assets/properties to effectuate a merger is not made in the course of business but by operation of law pursuant to the merger.

The excess and unutilized creditable withholding taxes (CWT) of the absorbed corporations, of GRAND ARCIS and GRAND FORTIS, as of the effective date of the merger, if any, may be applied as a tax credit by DAIICHI against its income tax due for the taxable year 2019, the effective date of the merger being December 27, 2019, and in the succeeding taxable years, or may be the subject of a claim for refund or issuance of a tax credit certificate (TCC).

5. It is to be emphasized, however, that the net operating loss carry-over (NOLCO), under Section 34 (D)(3) of the Tax Code, and as implemented by RR No. 14-2001, of the Tax Code, of the Absorbed Corporations, if any, is not one of the assets of the latter that can be transferred and absorbed by the surviving corporation, as this privilege or deduction can be availed of by the absorbed corporation only. Accordingly, the tax-free merger between GAHI and GFHI and DAIICHI does not cover the NOLCO of the former.

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However, in order that the above-described reorganization can be considered as merger under Section 40(C)(2) and (6)(b) of the Tax Code, the parties to the merger should comply with the following requirements set forth under Revenue Regulations No. 18-2001:

A. The plan of reorganization should be adopted by each of the corporations, parties thereto, the adoption being shown by the acts of its duly constituted responsible officers and appearing upon the official records of the corporation. Each corporation, which is a party to the reorganization, shall file, as part of its return for the taxable year within which the reorganization occurred a complete statement of all facts pertinent to the non-recognition of gain or loss in connection with the reorganization, including:

   1. A copy of the plan of reorganization, together with a statement executed under the penalties of perjury, showing in full the purposes thereof and in detail all transactions incident to, or pursuant to the plan;

   2. A complete statement of all cost or other basis of all property, including all stocks or securities, transferred incident to the plan;

   3. A statement of the amount of stock or securities and other property or money received from the exchange, including a statement of all distribution of other disposition made thereof. The amount of each kind of stock or securities and other property received shall be stated on the basis of the fair market value thereof at the date of the exchange;

   4. A statement of the amount and nature of any liabilities assumed upon the exchange, and the amount and nature of any liabilities to which any of the property acquired in the exchange is subject.

B. Every taxpayer, other than a corporation, party to the reorganization, who received stock or securities and other property or money upon a tax-free exchange in connection with a corporate reorganization shall incorporate in his income tax return for the taxable year in which the exchange takes place a complete statement of all facts pertinent to the non-recognition of gain or loss upon such exchange, including:

   1. A statement of the cost or other basis of the stock or securities transferred in the exchange; and

   2. A statement in full of the amount of stock or securities and other property or money received from the exchange, including any liabilities assumed upon the exchange, and any liabilities to which property received is subject. The amount of each kind of stock or securities and other property (other liabilities assumed upon the exchange) received shall be set forth upon the basis of the fair market value thereof at the date of the exchange.

C. Records in substantial form shall be kept by every taxpayer who participates in a tax-free exchange in connection with a corporate reorganization showing the cost or other basis of the transferred property or money received (including any liabilities assumed on the exchange, or any liabilities to which any of the properties received were subject), in order to facilitate the determination of gain or loss from subsequent disposition of such stock of securities and other property received from the exchange.

In addition to the foregoing requirements, the parties shall enclose with their respective income tax returns for the taxable year in which the tax-free exchange occurred a copy of the request for ruling filed with, and the corresponding ruling issued by the Bureau of Internal Revenue, both duly stamped received by the appropriate office of the Bureau of Internal Revenue. Such persons shall include as a note to their respective audited financial statements for the taxable year in which the exchange occurred a statement to the effect that they hold such assets/shares acquired in a tax-free exchange and the year in which such exchange occurred, and in the taxable years until the subject properties are subsequently transferred to another transferee.

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Moreover, the shareholders of both of GRAND ARCIS and GRAND FORTIS shall record in their respective books of accounts the mandatory accounting entries stated in Annex "B" hereof, pursuant to Revenue Memorandum Order No. 17-2016.

The parties shall, cause to annotate at the back of the Transfer Certificates of Title and Certificates of Stock, as the case may be, the date the deed of exchange was executed, the original or historical cost of acquisition of the properties or shares of stock involved, and the fact that no gain or loss was recognized as a result of such exchange; provided however, that any violation by the Corporate Secretary of this condition shall be penalized under Section 275 of the same Code. It is further required that within ninety (90) days from receipt of this ruling, the parties to the transaction must submit to the Law and Legislative Division, Bureau of Internal Revenue, certified true copies by the Corporate Secretary, of duly annotated Certificates of Stock, in respect of the shares of stock of transferee corporation, including the allocation of shares and computation of the substituted bases of the properties which shall be in accordance with RMR No. 2-2002.

This ruling is being issued on the basis of the foregoing facts as represented. However, if upon investigation, it will be disclosed that the facts are different, then this ruling shall be considered null and void.

Very truly yours,

CAESAR R. DULAY
Commissioner of Internal Revenue

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Annex "A"

LIST OF PROPERTY/IES TRANSFERRED
(Pursuant to Section 40(C)(2) and 6(c) of the Tax Code of 1997,
Revenue Regulations No. 18-2001 dated November 13, 2001,
and Revenue Memorandum Order No. 32-2001 dated November 28, 2001)

Name of Transferee: **DAIICHI PROPERTIES, INC.**

No.	Transfer Certificates of Title No./Tax Declaration Nos.	Property Description and Classification	Acquisition Cost	Depreciation	Original/Adjusted Basis (in PhP)
1		Land/Industrial		-	
2		Land/Industrial		-	
	TOTAL			-	

*The total difference of as compared to the total amount of Investment Properties as reflected in FS of GAHI and GFHI as against the total cost of the real properties stated above represents the Development Cost.

PROFORMA ENTRIES - MERGER

Annex "B"

Particulars	Individual Shareholders' Book (The entry/ies shall be per individual shareholder of the absorbed corporation)	Transferee' s Book

Journal Entry to Record the Tax-Free Exchange	Investment in (name of transferee) xxx.xx
	    Investment in (name of dissolving corporation) xxx.xx
	    Dividend Income (net of FWT on dividend) xxx.xx
	
	To record the Tax-Free Exchange (TFE) of investment in (share type) shares of (name issuing corporation/s) with aggregate fair market value of P_______ in exchange for (type and no. of share) of (name of transferee) with par value of P_____ per share.
		Investment in (issuing corp. for shares of stock) xxx.xx
		PPE - Land & Improvement (for real props) xxx.xx
		Others Assets (as applicable) xxx.xx
		    Liabilities xxx.xx
		    Capital Stock xxx.xx
		    Additional Paid-In Capital xxx.xx
		
		To record the Tax-Free Exchange (TFE) of real properties, investment in (share type) shares of (name issuing corp/s), and other assets with aggregate fair market value of P_______, including liabilities assumed resulting from merger, in exchange for (type and no. of share) of (name of transferee) with par value of P_____ per share.

Balance Sheet Notes Entry	Investment includes (no. and type of share/s) with par value of P_______in (name of transferee) resulting from the Tax-Free Exchange of investment in (no. and type of share/s) of (issuing corporation/s) covered by Stock Certificate No/s. _______________ which were acquired for the total cost of (substituted basis) and which have fair market value as of the date of exchange amounting to P___________.	Real properties, investment in (no. and type of share/s) of (issuing corporation/s) and other assets were acquired through merger as evidenced by Plan of Merger and Articles of Merger, including the increase of the Authorized Capital Stock of (name of transferee), approved by the Securities and Exchange Commission on (date). The total acquisition cost/substituted cost to (name of transferee) of the investment/s amounts to (FMV at the time of exchange). The real properties, investment/s and other assets were previously covered by Transfer Certificate of Title and Stock Certificate No/s. ________ issued by (issuing corporation/s) and are now presently covered by Stock Certificate No/s. _______ constituting (no. and type of share/s) [total] shares in the name of (name of transferee).

Proforma Entries to Record Subsequent Sale / Transfer	Cash or Accounts receivables xxx.xx
	    Investment in (name of transferee) xxx.xx
	    Gain on Sale of Investment xxx.xx
	
	To record subsequent sale / transfer of investment acquired thru Tax-Free Exchange
	
	Current xxx.xx
	    Tax Payable xxx.xx
	
	Provision for Tax as follows: (see table A below)
		Cash or Accounts receivables xxx.xx
		    Investment in (name of issuing corporation) / PPE - Land & Improvement / Other Assets xxx.xx
		    Gain on Sale of Investment xxx.xx
		
		To record subsequent sale / transfer of real properties, investment/s and/or other assets acquired thru Tax-Free
		
		Current xxx.xx
		    Tax Payable xxx.xx
		
		Provision for tax as follows: (see tables B and C below)

Individual Shareholders' Book — Provision for Tax:

	Tax Type	Tax Rate*	Multiply By	Amount
1)	Net Capital Gains Tax	5% on P100,000 and 10% on excess	Gains realized on TFE	
OR	Stock Transaction Tax	1/2 of 1%	FMV of inv/s at the time of TFE	xxx.xx
2)	Net Capital Gains Tax	15%	Gains realized on subsequent sale of investment/s	
OR	Stock Transaction Tax	6/10 of 1%	Selling Price of investment at the time of subsequent sale	xxx.xx
	Total Tax Payable			xxx.xx

* If subsequent sale/s of investment/s was/were made before January 1, 2018, the tax rates used in the computation of Net Capital Gains Tax and Stock Transaction Tax at the time of tax-free exchange shall apply.

* Computation of Gain Realised on Subsequent Sale of Investment:

Selling Price	xxx.xx
Less: Cost (Substituted Basis)	xxx.xx
Net Capital Gain on sale of unlisted shares	xxx.xx

* Per RMO 17-2016, the substituted basis of the stock or securities received by the transferor on a tax-free exchange shall be as follows: (1) The original basis of the property, stock or securities to be transferred; (2) Less: (a) money received, if any, and (b) the fair market value of the other property received, if any; (3)Plus: (a) the amount treated as dividend of the shareholder, if any, and (b) the amount of any gain that was recognized on the exchange, if any.

Transferee's Book — Provision for tax:

	Tax Type	Tax Rate*	Multiply By	Amount
1)	Net Capital Gains Tax	15%	Gains realized on subsequent sale of investment/s	
OR	Stock Transaction Tax	6/10 of 1%	Selling Price of investment at the time of subsequent sale	xxx.xx
	Total Tax Payable			xxx.xx

	Tax Type	Rate	Multiply By	Amount
1)	Withholding Tax-ONETT	1.5% to 6% per RR No. 6-2001	Fair Market Value (FMV) of the property/ies at the time of subsequent sale / transfer	xxx.xx
2)	Documentary Stamp Tax (DST)	1.5% for every P1,000 and fractional part thereof		xxx.xx
3)	Value-Added Tax (VAT)	12%		xxx.xx
	Total Tax Payable			xxx.xx

*Gain on sale of property/ies is subject to Normal Corporate Income Tax (NCIT)

*FMV at the time of subsequent sale / transfer refers to the selling price, zonal value or the value reflected in the tax declaration, whichever is highest.