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

Certificate of Tax Exemption No:
PSH-004-2020

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **E.C. TANGHAL AND COMPANY, INC.**, with Tax Identification Number [redacted] is exempt from income tax and creditable withholding tax (CWT) pursuant to Section 20 (d)(1) of Republic Act (RA) No. 7279, as amended by R.A. 10884 (Balanced Housing Development Program Amendments) dated July 17, 2016, on its income received directly in connection with its sale of socialized housing units to qualified beneficiaries in **Tanghal Country Homes Subdivision**, consisting of **348 house and lot units**, used solely for family home or dwelling purposes, located at **Purok San Vicente, Brgy. San Isidro, Gen. Santos City,** 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 selling price of said housing units does not exceed P530,000.00[1] per house and lot packages.

Moreover, the sale by the Company of residential lot valued at ₱1,919,500.00 and below, or house and lot and other residential dwellings valued at ₱3,199,200.00 and below, is exempt from value-added tax (VAT) pursuant to Section 109 (1) (P) of the National Internal Revenue Code of 1997, as amended. Provided, however, that beginning January 01, 2021 the exemption from VAT shall only apply to sale of house and lot and other residential dwellings[2] with selling price of not more than ₱2,000,000.00.

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. Thus, the documents conveying the properties shall be subject to DST imposed under Section 196 of the National Internal Revenue 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 JAN 10 2020.

CAESAR R. DULAY
Commissioner of Internal Revenu

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[1] The maximum selling price pegged at P450,000.00 per house and lot based on HLURB License to Sell No. 031661 was adjusted to P530,000.00 per Certification issued by the HLURB dated December 11, 2018.
[2] 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-004-2020
Date issued JAN 10 2020

TERMS AND CONDITIONS
OF THE CERTIFICATE OF TAX EXEMPTION

1. The exemption from income, creditable withholding taxes and VAT covers only income directly attributable to the revenues generated from the **348** house and lot units in **Tanghal Country Homes Subdivision**, located at **Purok San Vicente, Brgy. San Isidro, Gen. Santos City.**

2. The developer shall submit the sworn statement of the buyer that he is eligible as a socialized housing beneficiary provided under Section 5 (A) of R.R. No. 11-97 to the BIR during the processing of the Certificate Authorizing Registration (CAR) for the transfer 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 house and lot packages in this case does not really exceed ₱450,000.00.