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

Certificate of Tax Exemption No:
[illegible]

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **RAEMULAN LANDS, INC.** with Taxpayers Identification Number (TIN) , is exempt from income tax, creditable withholding tax (CWT) and value-added tax (VAT) pursuant to Section 20 (d) (1) and (3) of Republic Act (RA) No. 7279 on its income received directly in connection with its sale of socialized housing units to qualified beneficiaries in **Pasinaya Homes Phase 2**, consisting of **1,307** housing units, located at Brgy. Sabang, Naic, Cavite, a project duly registered with the Housing and Land Use Regulatory Board (HLURB) under Certificate of Registration No. and License to Sell No. , provided that the selling price of said housing units does not exceed P450,000.00[1] for house and lot packages.

Moreover, the Deeds of Absolute Sale executed by the Landowners in favor of **RAEMULAN LANDS, INC.** over the parcels of land described below, to wit:

Date	Name of Landowners	Transfer Certificate of Title	Area (sq. m.)	Transferred (sq. m.)	Location
November 22, 2016	Ricardo G. Ong married to Julie Ong		29,910	29,910	Naic, Cavite
November 22, 2016	Arthur S. P. Lim married to Mylene Lim		26,844	26,844	
November 22, 2016	Adelaido S. De Guzman married to Rosita De Guzman		31,843	31,843	
May 09, 2017	Ricardo G. Ong married to Julie Ong		21,019	21,019	

in so far as the 35,942[2] sq. m. for Pasinaya Homes 1 and 58,203[3] sq. m for Pasinaya Homes Phase 2 are concerned, which will be used for the entire Pasinaya Homes socialized housing project, are not subject to capital gains tax and VAT pursuant to Section 20 (d) (2) of RA No. 7279 and Section 109 (1) (P) of the National Internal Revenue Code of 1997, as amended.

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 landowners and the project developer shall be liable to pay the DST on the documents conveying the properties 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

[1] Pursuant to HLURB License to Sell No. 032240
[2] Pursuant to the HLURB Certificate of Registration No. dated February 24, 2017
[3] Pursuant to the HLURB Certificate of Registration No. dated May 05, 2017

fair market value determined in accordance with Section 6 (E) of the same Code, whichever is higher.

Also, the purchases of goods/articles by **RAEMULAN LANDS, INC.** 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 **RAEMULAN LANDS, INC.** must issue VAT-exempt official receipts on its gross receipts from the said socialized housing project.

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[4] stated hereof. The Company is liable, however, for 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 ____________, ______.

CAESAR R. DULAY
Commissioner of Internal Revenue

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[4] TERMS AND CONDITIONS

a. The exemption from income, creditable withholding taxes and VAT covers only income directly attributable to the revenues generated from the **1,307** socialized housing units in **Pasinaya Homes** Phase 2 located at Brgy. Sabang, Naic, Cavite.

b. 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.

c. 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 P450,000.00.