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

Certificate of Tax Exemption No.
NCH- F313-2022

CERTIFICATE OF TAX EXEMPTION

TO WHOM IT MAY CONCERN:

This certifies that **ZEPHYR CONSTRUCT PHILIPPINES, INC.**, 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 construction of **The Guardian Hill Subdivision**, a socialized housing project of the National Housing Authority (NHA) developed through the Community Association Initiative Approach under the AFP-PNP Housing Program[1] consisting of 1, 000 housing units, located at Upper London, Brgy. Bawing, Siguil, General Santos City, South Cotabato.

Moreover, the delivery of the 1, 000 housing units shall be exempt from value-added tax (VAT) pursuant to Section 109 (1) (P) of the National Internal Revenue Code of 1997 (Tax Code), as amended, provided that the selling price thereof does not exceed P3,199,200.00 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[2] with selling price of not more than P3,199,200.00. [3]

However, the purchases of goods/articles by **ZEPHYR CONSTRUCT PHILIPPINES, INC.** shall be subject to VAT, even if the said purchases are to be used for the above-mentioned 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 **ZEPHYR CONSTRUCT PHILIPPINES, INC.**, must issue VAT-exempt official receipts on its gross receipts from the said socialized housing project.

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 JUN 27 2022, ____.

CAESAR R. DULAY
Commissioner of Internal Revenue
052016

K1

[1] As per Certification issued by the NHA dated March 21, 2022
[2] Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to RA No. 10963
[3] As adjusted using the 2021 Consumer Price Index values per Revenue Regulations (RR) No. 8-2021 dated June 11, 2021