REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

ORIGINAL

Certificate of Tax Exemption No:
NSH-596-2021

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **BAQUE CORPORATION**, an entity engaged by the **National Housing Authority** (NHA)[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 construction/development of **767** socialized housing units in La Vista de Calamba, a socialized housing project of NHA under the NHA's Community–Based Initiative Approach (CBIA) Program intended for the families affected by the Supreme Court Mandamus, located at Brgy. Banlic, Calamba City, Laguna.

Moreover, the delivery of the said **767** socialized 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[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.

The purchases of goods/articles by **BAQUE 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 **BAQUE CORPORATION** must issue VAT Exempt official receipts on its gross receipts from the said socialized housing project.

Moreover, the Deed of Conveyance executed by the Landowners in favor of the NHA over the parcels of land described below, to wit:

Date	Name of Landowner/s Seller/s[4]	Original/Transfer Certificate of Title No.	Area (Sq.m.)	Area Transferred (Sq. m.)	Location
May 31, 2021	Manuel C. Arambulo, Jr. married to Lilia Torres; Virgilio C. Arambulo married to Elvira Senga; Rodolfo C. Arambulo married to Ruth G. Orsolim; Teresita A. Zablan married to Zoilo Zablan; Rosario C. Arambulo; Remedios C. Arambulo;		46,643	46,643	

[1] Per Memorandum of Agreement dated May 21, 2021.
[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] As represented by Teresita Ruby Arambulo-San Juan.

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	Myrcia A. Viado married to Federico Viado; Lydia A. Golez married to Manuel Golez; Erlinda A. Silva married to Arturo Silva; Heirs of Nestor C. Arambulo Ernesto R. Arambulo; Edgardo R. Arambulo; Encarnita R. Arambulo; and Eduardo R. Arambulo				
May 20, 2021	Josefina Arambulo married to Victor Jorvina		25,000	25,000	

which shall be used for the above-mentioned socialized housing project, is **not subject** to capital gains tax and documentary stamp tax under Sections 19 and 20 of RA No. 7279, as amended, and to VAT pursuant to Section 109 (1)(P) of the Tax Code, as amended.

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 to effect transfer of the land titles in the name of the NHA without the necessary Certificate Authorizing Registration (CAR) issued by this Bureau. In this regard, this CTE, together with the documentary requirements provided under 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 titles of the land shall be annotated by the Register of Deeds having jurisdiction over the properties, to the effect that the same are to be applied or are being applied to a socialized housing project pursuant to RA 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 OCT 2 5 2021, ______.

CAESAR R. DULAY
Commissioner of Internal Revenue
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