



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

Certificate of Tax Exemption No.

BOI-LEH-3 42 - 2022

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **ARGUSLAND, INC.**, (the "Company") with Taxpayer Identification Number ("TIN") _____ is exempt from income tax and creditable withholding tax on its income received directly in connection with its economic and low-cost housing project, **Menzi Heights - Brgy. Damilag, Manolo Fortich, Bukidnon**, consisting of **266** house and lot units used solely for family home or dwelling purposes, located at Brgy. Damilag, Manolo Fortich, Bukidnon, a project duly registered with the Board of Investments ("BOI") under Certificate of Registration ("COR") No. _____ dated July 2, 2020, for a period of **three (3) years** beginning from **July 2, 2020 to July 1, 2023**, pursuant to Executive Order ("EO") No. 223, otherwise known as the "Omnibus Investments Code of 1987" and Section 2.57.5 (B) (2) of Revenue Regulations ("RR") No. 2-98, as amended.

Moreover, the sale by the Company of residential lot valued at P1,919,500.00 and below, or house and lot and other residential dwellings valued at P3,199,200.00 and below, is exempt from value-added tax ("VAT") pursuant to Section 109 (1) (P) of the National Internal Revenue Code ("Tax 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 dwellings¹ with selling price of not more than P3,199,200.00.²

However, the sale of house and lot units in excess of the **266** house and lot units registered with the BOI, if any, including those units used for commercial purposes such as leasing, retail stores, offices, etc., shall be subject to the payment of appropriate taxes under the Tax Code of 1997, as amended.

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 **JUN 30 2022**, _____.


CAESAR R. DULAY
Commissioner of Internal Revenue
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¹ Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to Republic Act (RA) No. 10963.
² As adjusted using the 2010 Consumer Price Index values per RR No. 8-2021 dated June 11, 2021.

**TERMS AND CONDITIONS
OF THE CERTIFICATE OF TAX EXEMPTION**

1. The exemption from income and creditable withholding taxes covers only income directly attributable to the revenues generated from the project, **Menzi Heights, Brgy. Damilag, Manolo Fortich, Bukidnon**, consisting of 266 house and lot units used solely for family home or dwelling purposes, located at Menzi Heights, Brgy. Damilag, Manolo Fortich, Bukidnon. Such exemption shall not cover revenues from units with selling price exceeding ₱2.0M. Moreover, the 266 house and lot units covered by License to Sell No. dated November 8, 2019 issued by the Housing Land Use Regulatory Board shall not be sold for more than ₱2.0M per house and lot.
2. In the computation of the project's Income Tax Holiday ("ITH"), the following shall apply:
 - a. Only income generated from the sale of housing units (**Menzi Heights - Brgy. Damilag, Manolo Fortich, Bukidnon**) with selling price not exceeding ₱2.0M and used solely for family home or dwelling purposes and not for commercial purposes such as leasing, retail stores, offices, etc. shall be qualified.
 - b. Interest income from in-house financing shall not be considered as revenues generated from the registered activity.
3. The Company's entitlement to ITH for its BOI-registered housing project is subject to the compliance with the provisions of the Specific Terms and Conditions of its BOI Registration.
4. Pursuant to Section 4 of Republic Act ("RA") No. 10708³, the Company is required to file its tax returns and pay its tax liabilities, on or before the deadline as provided under the Tax Code of 1997, as amended, using the electronic system for filing and payment of taxes of the BIR. It shall file with BOI a complete annual tax incentives report of its income-based tax incentives, VAT and duty exemptions, deductions, credits or exclusions from the tax base, as may be provided under EO No. 226, within the periods prescribed under RA No. 10708's Implementing Rules and Regulations and Joint Memorandum Circular No. 1-2016 dated September 1, 2016.
5. The Company shall be constituted as a withholding agent for the government if it acts as employer and any of its employees receive compensation income subject to compensation withholding tax, or if it makes payments to individuals or corporations subject to the withholding taxes at source as required under Chapter XIII and Section 57 of the Tax Code of 1997, as amended, and implemented by RR No. 2-98, as amended.
6. The Company is required to file on or before the 15th day of the fourth month following the close of its accounting period of a Profit and Loss Statement and Balance Sheet with the Annual Information Return under oath, stating its gross income and expenses incurred during the taxable year.
7. Finally, the Company's books of accounts and other pertinent records shall be subject to periodic examination by revenue enforcement officers of this Bureau for the purpose of ascertaining whether it is complying with the conditions under which it has been granted tax exemption or tax incentives and its tax liability, if any, pursuant to Section 235 of the Tax Code of 1997, as amended.

³ Act Enhancing Transparency in the Management and Accounting of Tax Incentives Administered by Investment Promotion Agencies.