REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Certificate of Tax Exemption No:
PSH - 412 - 2022

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **ALSONS DEVELOPMENT AND INVESTMENT CORPORATION** 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 RA No. 10884 (Balanced Housing Development Program Amendments) dated July 17, 2016, on its income received directly in connection with the sale of socialized house and lot units for residential and dwelling purposes to qualified beneficiaries in **Molave Homes Alabel Phase 2**, consisting of 656 house and lot units, located at Brgy. Maribulan, Municipality of Alabel, Sarangani Province, a project duly registered with the Department of Human Settlements and Urban Development (DHSUD) under Provisional Certificate of Registration No. and Provisional License to Sell No. , provided that the selling price per house and lot package does not exceed the price ceilings indicated under said Provisional License to Sell.[1]

Likewise, the sale by Alsons Development and Investment Corporation of house and lots 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 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 P3,199,200.00,[3] and the sale of residential lot, regardless of value, is now subject to VAT.

However, the purchases of goods/articles of Alsons Development and Investment Corporation 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 Alsons Development and Investment Corporation must issue VAT-exempt official receipts on their gross receipts from the said socialized housing project.

Moreover, the Deed of Absolute Sale made and executed by and between the Seller and Alsons Development and Investment Corporation over the parcel of land described below, to wit:

Date	Name of Seller	Transfer Certificate of Title No.	Area (Sq. m.)	Transferre d (Sq. m)	Location
September 5, 2019	Sarangani Agricultural Company, Inc. (SACI)		sqm.	sqm.	Brgy. Maribulan, Municipality of Alabel, Sarangani Province

which will be used for the above mentioned socialized housing project, is **not subject** to income tax/capital gains tax/expanded withholding tax pursuant to Section 20 of RA No. 7279 and to VAT pursuant to Section 109 (1)(P) of the Tax Code of 1997, as amended.

[1] See DHSUD Provisional License to Sell No ated January 20, 2020.
[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 2010 Consumer Price Index values per Revenue Regulations No. 8-2021 dated June 11, 2021.

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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 RA 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, which is attached hereto as Annex "A". 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 OCT 11 2022.

LILIA CATRIS GUILLERMO
Commissioner of Internal Revenue

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KI-FR-21-0594

ANNEX "A"

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 656 socialized house and lot units located at Brgy. Maribulan, Municipality of Alabel, Sarangani Province.

2. 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 Bureau of Internal Revenue (BIR) during the processing of the Certificate Authorizing Registration (CAR) for the transfer of the title of the socialized housing unit.

3. It is understood that the 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 exceed the price ceilings indicated under DHSUD Provisional License to Sell No. 003.