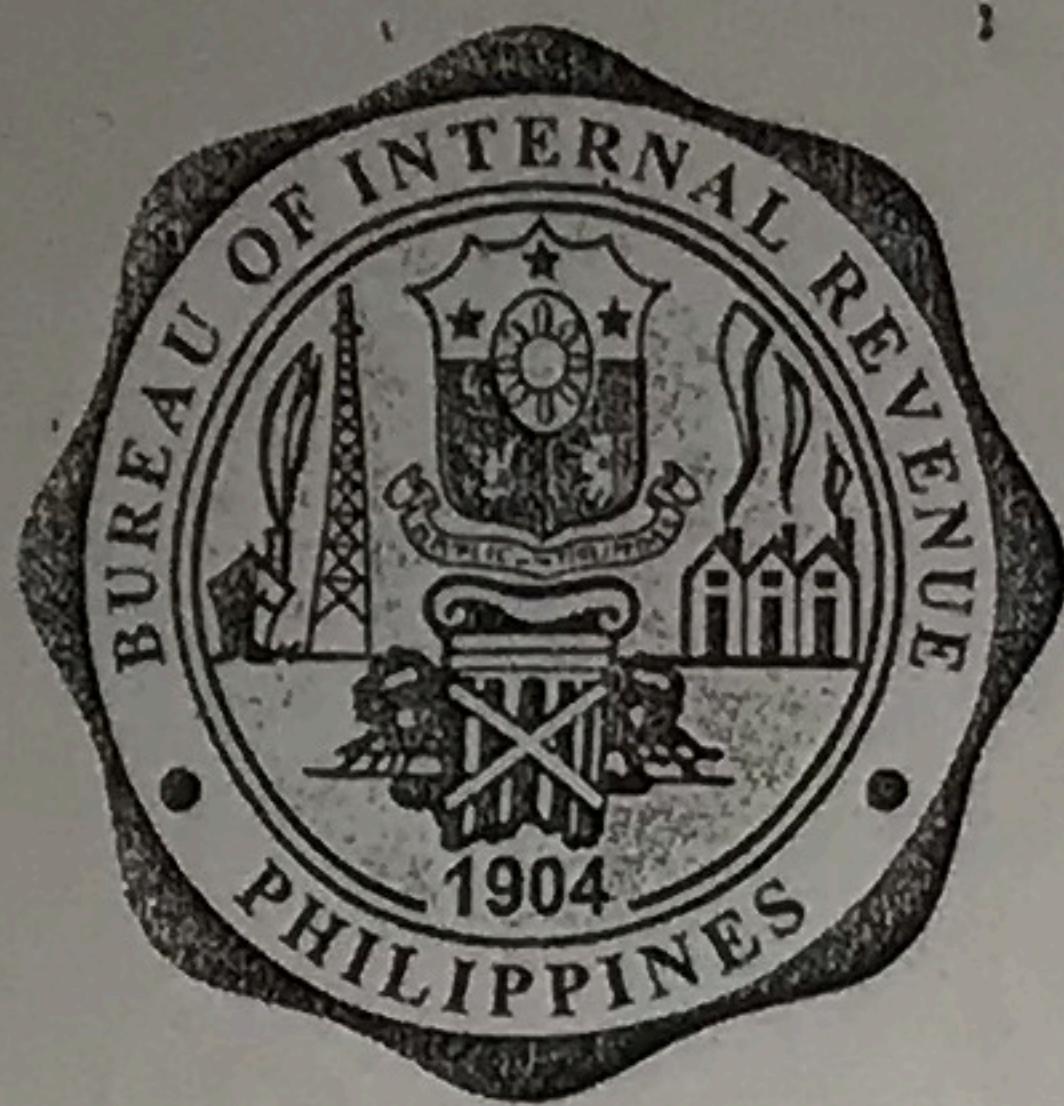




REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
BUREAU OF INTERNAL REVENUE  
Quezon City

Certificate of Tax Exemption No:

BOI - LEH - 0566 - 2020

**CERTIFICATE OF TAX EXEMPTION**

**TO ALL WHOM IT MAY CONCERN:**

This certifies that **8990 HOUSING DEVELOPMENT CORPORATION**, with Taxpayer's Identification Number [REDACTED] is exempt from income tax and creditable withholding tax on its income received directly in connection with its economic and low-cost housing project, **Urban Deca Homes – Tisa 2 (Bldg. 1 to Bldg. 6) – Brgy. Tisa, Cebu City**, consisting of **440<sup>1</sup>** residential units used solely for family home or dwelling purposes, located at Brgy. Tisa, Cebu City, a project duly registered with the Board of Investments (BOI) under Registration No. [REDACTED] dated December 13, 2018, for a period of **three (3) years** beginning from **December 2018** or actual start of commercial operations/selling, whichever is earlier, but in no case earlier than the date of registration of the project with the BOI, pursuant to Executive Order (EO) No. 226, 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 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<sup>2</sup> with selling price of not more than P2,000,000.00.

However, the sale of residential units in excess of the **440** residential units registered with the BOI, if any, including the shared parking slots and those other units used for commercial purposes such as leasing, retail stores, offices, etc., shall be subject to the payment of appropriate taxes under the National Internal Revenue 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 in Annex "A" hereof. The Company is liable, however, for all other applicable taxes not discussed above.

<sup>1</sup> Covered by the following Certificates of Registration (COR) and Licenses to Sell (LTS) issued by the Housing and Land Use Regulatory Board (HLURB):

|                    |                        |   |                                     |   |                  |
|--------------------|------------------------|---|-------------------------------------|---|------------------|
| COR No. [REDACTED] | and LTS No. [REDACTED] | : | Urban Deca Homes – Tisa 2 (Bldg. 1) | : | 72 units         |
| COR No. [REDACTED] | and LTS No. [REDACTED] | : | Urban Deca Homes – Tisa 2 (Bldg. 2) | : | 64 units         |
| COR No. [REDACTED] | and LTS No. [REDACTED] | : | Urban Deca Homes – Tisa 2 (Bldg. 3) | : | 80 units         |
| COR No. [REDACTED] | and LTS No. [REDACTED] | : | Urban Deca Homes – Tisa 2 (Bldg. 4) | : | 80 units         |
| COR No. [REDACTED] | and LTS No. [REDACTED] | : | Urban Deca Homes – Tisa 2 (Bldg. 5) | : | 80 units         |
| COR No. [REDACTED] | and LTS No. [REDACTED] | : | Urban Deca Homes – Tisa 2 (Bldg. 6) | : | 64 units         |
| Total              |                        |   |                                     |   | <u>440 units</u> |

<sup>2</sup> Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to Republic Act (RA) No. 10963.

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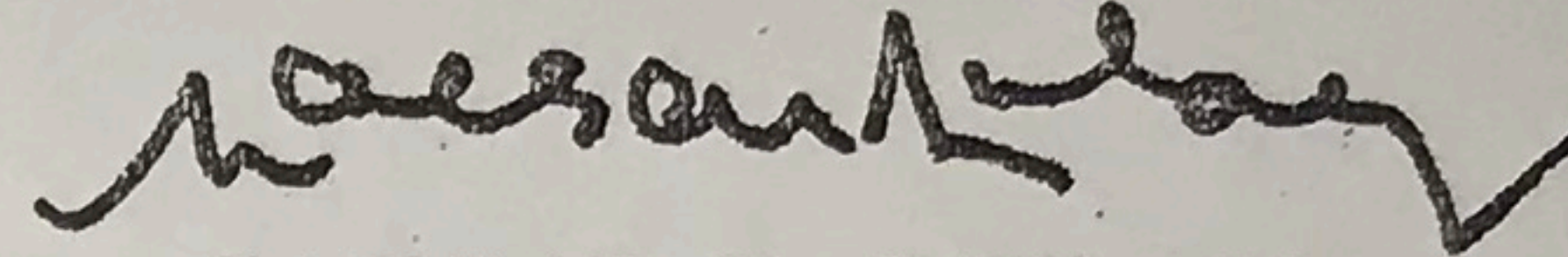


8990-HOUSING DEVELOPMENT CORPORATION  
[Urban Deca Homes - Tisa 2 (Bldg. 1 to Bldg. 6)]

CTE No.: BOI-LEH-4566-2020  
Date issued: OCT 01 2020

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 01 2020.



CAESAR R. DULAY  
Commissioner of Internal Revenue

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ANNEX "A"

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

1. The exemption from income and creditable withholding taxes (CWT) covers only income directly attributable to the revenues generated from the project, **Urban Deca Homes – Tisa 2 (Bldg. 1 to Bldg. 6) – Brgy. Tisa, Cebu City**, consisting of **440** residential units used solely for family home or dwelling purposes, located at Brgy. Tisa, Cebu City. Such exemption shall not cover revenues from units with selling price exceeding P2,000,000.00. Moreover, the **440** residential units covered by the above-enumerated Licenses to Sell shall not be sold for more than P1,700,000.00 per unit.
2. In the computation of the project's ITH, the following shall apply:
  - a. Only income generated from the sale of housing units [**Urban Deca Homes – Tisa 2 (Bldg. 1 to Bldg. 6) – Brgy. Tisa, Cebu City**] with selling price not exceeding Php2.0M 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. 10708<sup>3</sup>, the Company is required to file its tax returns and pay its tax liabilities, on or before the deadline as provided under the National Internal Revenue 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 E.O. 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 received compensation income subject to compensation withholding tax, or if it makes payments to individuals or corporations subject to the withholding taxes as source as required under Chapter XIII and Section 57 of the National Internal Revenue Code of 1997, as amended, and implemented by Revenue Regulations (RR) No. 2-98, as amended.
6. The Company is required to file on or before the 15<sup>th</sup> 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 National Internal Revenue Code of 1997, as amended.

<sup>3</sup> An Act Enhancing Transparency in the Management and Accounting of Tax Incentives Administered by Investment Promotion Agencies.

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