**Certificate of Tax Exemption No:**
NCH - 285 _ 2022

# CERTIFICATE OF TAX EXEMPTION

**TO ALL WHOM IT MAY CONCERN:**

This certifies that **Granby Trading and Construction**, 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 928 socialized housing units in Naka-Buhi Paglaom Village located in Brgy. De La Fe, Buhi, Camarines Sur, intended for the qualified members of Naka-Buhi Paglaom Village Homeowners Association, Inc. (NBPVHOA) for the relocation and resettlement of the families affected by calamities and those living in danger areas under the Community-Based Initiative Approach (CBIA) of the NHA. Moreover, the delivery of 928 socialized housing units shall be 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 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.

However, the purchases of goods/articles by **Granby Trading and Construction**, 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 **Granby Trading and Construction** must issue VAT exempt official receipts on its gross receipts from the said socialized housing project.

Moreover, the Deeds of Absolute Sale executed by the landowners in favor of the NHA over the parcels of land described below, to wit:

| Date of Deeds of Absolute Sale | Name of Landowner /Sellers[4] | Original Certificate of Title No. | Area (Sq.m.) | Area Transferred (Sq. m.) | Location |
|---|---|---|---|---|---|
| March 5, 2021 | Editha A. Asence and Benjamin F. Asence | | | | |

[1] Per Memorandum of Agreement executed by and among Grandby Trading and Construction, NBPVHOA, and NHA dated December 11, 2020.

[2] As adjusted using the 2010 Consumer Price Index values per Revenue Regulation No. 8-2021 dated June 11, 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] Special Powers of Attorney dated February 22, 2021 was granted to Maria Sofia S. Llana to execute the Deeds of Absolute Sale on behalf of the landowners for the sale of the properties identified and described in OCT Nos. and

CTE No. ˉ . 2 8 5 2 0 2 2
Date issued JUN 0 8 2022

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| March 5, 2021 | Adelia A. Belmonte and Abelardo H. Belmonte | | | | |

which shall be used for the above-mentioned socialized housing project, is not subject to capital gains tax and documentary stamp tax pursuant to Sections 19 and 20 of RA No. 7279, and to VAT pursuant to Section 109 (1)(P) of the Tax Code of 1997, 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 buyer without the necessary Certificate Authorizing Registration (CAR) issued by this Bureau. In this regard, this CTE, together with the documentary requirements provided under Revenue Memorandum Order (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 title 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 No. 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 JUN 0 8 2022, ______.

**CAESAR R. DULAY**
Commissioner of Internal Revenue

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