REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
National Office Building
Quezon City

Certificate of Tax Exemption No:
BOI-011-2023

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **MASAITO DEVELOPMENT CORPORATION**, with Taxpayer Identification Number , is exempt from income tax and creditable withholding tax on its income received directly in connection with its economic and low-cost housing project, **Monte Royale Subdivision**, located at Brgy. Alapan II-A, Imus City, Cavite, a project duly registered with the Department of Human Settlements and Urban Development (DHSUD)[1] under Certificate of Registration No. and License to Sell No. covering **530** house and lot units, and the Board of Investments (BOI) under Certificate of Registration No. dated May 18, 2018, for a period of **four (4) years** beginning May 2018 or actual start of commercial operations, whichever is earlier but in no case earlier than the date of registration, 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 a 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 (Tax Code), 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]

The sale of house and lot units in excess of the 530 house and lot units as per DHSUD License to Sell No. if any, including units which shall be used for commercial purposes such as leasing, retail stores, offices, etc., are not covered by this Certificate of Tax Exemption and shall be subject to applicable taxes under the Tax Code, 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 FEB 17 2023, _____.

ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue

003527

K1-FR-21-0754
K1-RPT

[1] Previously the Housing and Land Use Regulatory Board (HLURB).
[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.

CTE No. BOI-011-2023
Date issued [illegible]

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, Monte Royale Subdivision consisting of 530 house and lot units[4], located at Brgy. Alapan II-A, Imus City, Cavite. Such exemption shall not cover revenues from units with selling price exceeding ₱2,000,000.00.

2. The Company shall observe the following timetable:

Activity	Period
Land acquisition	September 2017
Secure necessary license/permit/registration from the government/training costs	October 2017 – November 2017
Site preparation and development	November 2017– December 2017
Building/House construction	November 2017 – March 2018
Start of Commercial Operations	May 2018

3. The Company's entitlement to ITH for its BOI-registered project is subject to the compliance with the provisions of the Terms and Conditions of its BOI Registration.

4. Pursuant to Section 4 of Republic Act (RA) No. 10708[5], the Company is required to file its tax returns and pay its tax liabilities, on or before the deadline as provided under Tax Code, as amended, using the electronic system for filing and payment of taxes of the BIR. It shall file with RROI 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 received 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, 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, as amended.