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

Certificate of Tax Exemption No:
NSH- 029-2023

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **Front Nine Konstruct (Builders & Realty Development) Corporation/The One Dynamic Three Realty and Development Corporation Joint Venture (JV),** an entity engaged by the **National Housing Authority (NHA),** is exempt from project-related income taxes 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 construction of **Three Hundred Twenty-Eight (328)** units of fully developed lots and completed housing units for **Safari Ville, Brgy. Old Busuanga, Municipality of Busuanga, Palawan,** a socialized housing project under the NHA's Yolanda Permanent Housing Project intended for those qualified beneficiaries affected by the calamity.

Moreover, the delivery of the **328** 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 per house and lot package; provided further, that January 01, 2021, the exemption from VAT shall only apply to sale of house and lot and other residential dwellings[1] with selling price of not more than P3,199,200.00[2].

Furthermore, the Deeds of Absolute Sale executed by the Landowners in favor of **Front Nine Konstruct (Builders & Realty Development) Corporation/The One Dynamic Three Realty and Development Corporation Joint Venture (JV)** over the parcels of land described below, to wit:

Date	Name of Landowners	Transfer Certificate of Title (TCT) Nos.	Area (sq. m.)	Transferred (sq. m.)	Location
Sept. 01, 2022	Emma R. Darol married to Dante R. Darol,Sr.				
Sept. 01, 2022	Emma R. Darol married to Dante R. Darol, Sr.				
Sept. 01, 2022	Dante R. Darol, Sr. married to Emma R. Darol				
Sept. 01, 2022	Leonardo D. Catain, Jr. married to Esperansa V. Catain				

[1] Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to RA No. 10963.

[2] As adjusted using the 2010 Consumer Price Index values pursuant to Revenue Regulation (RR) No. 8-2021 dated June 11, 2021.

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Sept. 01, 2022	Elenita D. Libarra married to Ariel Libarra				
Total					

which shall be used for the abovementioned socialized housing project are not subject to capital gains tax (CGT) pursuant to Section 20 (d) (2) of RA No. 7279, as amended, and to VAT pursuant to Section 109 (1) (P) of the Tax Code of 1997, as amended.

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 Tax 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.

Moreover, the purchases of goods/articles by **Front Nine Konstruct (Builders & Realty Development) Corporation/The One Dynamic Three Realty and Development Corporation Joint Venture (JV)** shall be subject to VAT, even if the said purchases are to be used for the said 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 **Front Nine Konstruct (Builders & Realty Development) Corporation/The One Dynamic Three Realty and Development Corporation Joint Venture (JV)** must issue VAT Exempt official receipts on its gross receipts from the said socialized housing project.

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 APR 12 2023 _____.

ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue
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