February 26, 2021

CERTIFICATE OF TAX EXEMPTION NO. NSH-039-21

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN :

This certifies that **NBCDC/Eddmari Construction and Trading-J.V.**, an entity engaged by the **National Housing Authority (NHA)**, [1] is exempt from project-related income taxes/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 acquisition of 1,700 socialized housing units intended for qualified low-income families living in high risk areas affected by series of earthquakes on October 16, 29, and 31, 2019 in Kidapawan City, Cotabato. Moreover, the delivery of the 1,700 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 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 P2,000,000.00.

However, the purchases of goods/articles by **NBCDC/Eddmari Construction and Trading-J.V.** shall be subject to VAT, even if the said purchases are to be used for the above-mentioned socialized housing projects, since VAT is an indirect tax which can be passed on by the seller of the goods/services. It shall be understood that **NBCDC/Eddmari Construction and Trading-J.V.** must issue VAT-exempt official receipts on its gross receipts from the said socialized housing projects.

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 26th day of February, 2021.

(SGD.) CAESAR R. DULAY

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Footnotes

1. Per Contract Agreement dated October 08, 2020.
2. Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to RA No. 10963.

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