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

Certificate of Tax Exemption No:
PSH- 043-2024

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **FORTE REALTY CORPORATION** is exempt from income tax and creditable withholding tax on its income directly attributable to the revenues generated in connection with its socialized housing project, **AMAVILLE**, consisting of ___ house and lot units, located at **Brgy. Tinurik, Tanauan City, Batangas**, a project duly registered with the Department of Human Settlements and Urban Development under **Provisional Certificate of Registration No.** and **Provisional License to Sell No.** both dated **February 11, 2020** pursuant to Batas Pambansa Blg. 220, provided that the selling price of said residential units does not exceed ₱) per house and lot.

Moreover, beginning January 01, 2021, the sale by the Company of residential house and lot and other residential dwellings valued at ₱3,199,200.00[1] 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 the sale of residential lot only, regardless of value, is subject to VAT.[2]

Nonetheless, it is observed that documentary stamp tax (DST) is not one of the taxes covered by the tax exemption clause in Section 20 of Republic Act (RA) No. 7279, as amended by RA No. 10884. Such being the case, the owner/project developer/seller shall be liable to pay the DST on the documents conveying the properties imposed under Section 196 of the Tax Code, 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.

The grant of tax exemption herein is subject to the compliance with the provisions of applicable Bureau of Internal Revenue (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 SEP 13 2024.

ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue

K1-RPT
K1-FR-21-1066

[1] As adjusted using the Consumer Price Index values per RR no. 8-2021 dated June 11, 2021.
[2] Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to RA No. 10963.

Forte Realty Corporation
Amaville

CTE No. PSH- 0 4 3 - 2 0 2 4
Date issued SEP 13 2024

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 socialized housing project. Such exemption shall not cover revenues from units with selling price exceeding ₱.

2. It is understood that the Certificate Authorizing Registration shall only be issued after it is established upon proper verification by the Revenue District Officer concerned that, considering the rules on valuation of real property, the actual selling price per sale transaction of the socialized house and lot packages in this case does not really exceed ₱ as stated in the Provisional License to Sell issued for the project.

3. The Developer shall be constituted as a withholding agent for the government if it acts as an employer and any of its employees received compensation income subject to withholding tax on compensation, or if it makes payments to individuals or corporations subject to the withholding taxes as source as required under Title II, Chapter XIII and Section 57 of the Tax Code, as amended and implemented by RR No. 2-98, as amended.

4. The Developer 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.

5. Finally, the Developer'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.