Bringing In Revenues
for Nation-Building

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

BAGONG PILIPINAS

Certificate of Tax Exemption No:
PSH– 070-2025

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **ATLANTICA REALTY DEVELOPMENT CORP.** (the Company) 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, ARYA MONTE HOMES**, consisting of **796** house and lot units used solely for family home or dwelling purposes, located at **Brgy. Sto. Cristo, City of San Jose del Monte, Bulacan**, a project duly registered with the Department of Human Settlements and Urban Development (DHSUD) under **Provisional Certificate of Registration** [1] and **Provisional License to Sell No.** , both dated **July 29, 2022** pursuant to Batas Pambansa Blg. No. 220 in relation to Republic Act (RA) No. 7279, as amended, provided that the selling price of said residential units does not exceed ₱580,000.00 per house and lot.

Moreover, the sale by the Company of residential house and lot and other residential dwellings valued at ₱3,199,200.00,[1] as adjusted to ₱3,600,000.00 beginning January 1, 2024 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 RA No. 7279, as amended. Such being the case, the Company 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 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 APR 15 2025 _____.

ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue

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

CTE No. PGH- 070-2025
Date issued APR 15 2025

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, **ARYA MONTE HOMES** consisting of **796** house and lot units used solely for family home or dwelling purposes, located at **Brgy. Sto. Cristo, City of San Jose del Monte, Bulacan**. Such exemption shall not cover revenues from units with selling price exceeding ₱580,000.00.

2. The computation of the project's interest income from in-house financing shall not be considered as part of the revenues generated from the registered housing project.

3. Pursuant to Section 4 of Republic Act (RA) No. 10708,[3] the Company is required to file its tax returns and pay its tax liabilities, on or before the deadline as provided under the Tax Code, as amended, using the electronic system for filing and payment of taxes of the BIR.

4. The Company shall be constituted as a withholding agent for the government if it acts as an employer and any of its employees receive compensation income subject to withholding tax on compensation, or if it makes payments to individuals or corporations subject to the withholding taxes at 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.

5. The Company is required to file, on or before the 15th day of the fourth month following the close of its accounting period, 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.

6. Finally, the Company's books of accounts and other pertinent records shall be subject to periodic examination by revenue enforcement officers of the BIR 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.

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[3] An Act Enhancing Transparency in the Management and Accounting of Tax Incentives Administered by Investment Promotion Agencies.