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- 091-2025

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **DENLEY AND RICH REALTY AND DEVELOPMENT CORP.** with Taxpayer's Identification Number is exempt from income tax and creditable withholding tax (CWT) pursuant to Section 20 (d)(1) of Republic Act (RA) No. 7279, as amended by RA (Balanced Housing Development Program Amendments) dated July 17, 2016, on its income received directly in connection with its sale of socialized housing units in **Mikaela Homes**, consisting of **519** socialized house and lot units, located at Brgy. Maasim, San Ildefonso, Bulacan, a project duly registered with the Department of Human Settlements and Urban Development (DHSUD) under Certificate of Registration No. 0(id License to Sell No provided that the selling price per house and lot package does not exceed er house and lot.

Moreover, the sale of the 519 socialized housing units of the said project 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 as adjusted to [1] per house and lot package to take effect beginning January 1, 2024, and below; 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 is not one of the taxes covered by the tax exemption clause in Section 20 of RA No. 7279. Such being the case, the owner/project developer/seller shall be liable to pay the documentary stamp tax on the documents conveying the properties 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 or RA No. 12001,[3] as the case may be. Likewise, lots/units classified as Economic Housing, not being covered by RA No. 7279, shall be subject to the payment of appropriate taxes.

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 APR 16 2025.

BIR025876

ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue

K-1-JAC

[1] As adjusted using the 2023 Consumer Price Index values pursuant to Revenue Regulations No. 1-2024 dated January 10, 2024.
[2] Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to RA No. 10963.
[3] Real Property Valuation and Assessment Reform Act.

CTE No. PSH- 091-2025
Date issued APR 16 2025

TERMS AND CONDITIONS OF THE CERTIFICATE OF TAX EXEMPTION

1. The exemption from income, CWT and VAT covers only income directly attributable to the revenues generated from the **519** socialized housing units in **Mikaela Homes**, located at **Brgy. Maasim, San Ildefonso, Bulacan**.

2. The developer shall submit the sworn statement of the buyer that he is eligible as a socialized housing beneficiary under Section 5 (A) of Revenue Regulations No. 11-97 to the BIR during the processing of the Certificate Authorizing Registration (CAR) for the transfer of the title of the socialized housing unit.

3. It is understood that the CAR 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 [illegible] per house and lot unit.

4. The Company shall be constituted as a withholding agent for the government if it acts as an employer and any of its employees receives 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 Section 79, Chapter XIII and Section 57, Chapter IX of the Tax Code of 1997, as amended, and implemented by RR No. 2-98, as amended.

5. List of Non-saleable areas per DHSUD License to Sell No. [illegible] granted by the DHSUD Region 3- DHSUD Bldg., DMGC, Brgy. Maimpis, City of San Fernando, Pampanga, to wit:

Parks & Playground	:	Blk. 15 Lot 3 (521.00 sq.m.);
Community Facility	:	Blk. 15 Lot 2 (437.00 sq.m.);
Open Spaces	:	Blk. 19 Lot 1 and Blk. 21 Lot 1
Reserved Area	:	Blk 11 Lot 1, Blk. 12 Lot 1, Blk 13 Lot 1, Blk. 14 Lot 1, Blk. 15 Lot 1, Blk. 16 Lot 1, Blk. 17 Lot 1 Blk. 18 Lot 1, Blk. 20 Lot 1.