Bringing In Revenues
for Nation-Building

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
**BUREAU OF INTERNAL REVENUE**

**BAGONG PILIPINAS**

**Certificate of Tax Exemption No:**
BOI-LEH- E097-2025

# CERTIFICATE OF TAX EXEMPTION

**TO ALL WHOM IT MAY CONCERN:**

This certifies that **CATHAY LAND, INC.** (the Company) is exempt from income tax and creditable withholding tax on its income **directly attributable to the revenues generated in connection with its economic and low-cost housing project, STANFORD SUITES 3**[1], consisting of **249** residential units used solely for family home or dwelling purposes, located at **Brgy. Inchican, Silang, Cavite**, a project duly registered with the Board of Investments (BOI) under **Certificate of Registration No.** dated **May 31, 2019**, for a period of **four (4) years** beginning from **May 2019 or the actual start of commercial operations/selling, whichever is earlier, but in no case be earlier than the date of registration of the project with the BOI**, pursuant to Executive Order (EO) No. 226, otherwise known as the "*Omnibus Investments Code of 1987*" and Section 2.57.5 (B)(2) of Revenue Regulations (RR) No. 2-98, as amended.

Moreover, the sale by the Company of residential house and lot and other residential dwellings valued a as adjusted to[2] 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 (Tax Code) 1997, as amended. Provided, however, that the sale of residential lot only, regardless of value, is subject to VAT.[3]

However, the sale in excess of **249**[4] residential units provided under its BOI Certificate of Registration No. 2 including those units used for commercial purposes such as leasing, retail stores, offices, etc., shall be subject to the payment of appropriate taxes under the Tax Code of 1997, as amended.

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 22 2025, _____.

**ROMEO D. LUMAGUI, JR.**
Commissioner of Internal Revenue

K-1-FFR

[1] Correction of the spelling [illegible] project's name from "STANDFORD SUITES 3" to "STANFORD SUITES 3" per BOI Certificate of Registration No.
[2] As adjusted using the Consumer Price Index values per RR No. 1-2024.
[3] Sale of lot only, regardless of the price, shall be subject to VAT starting January 1, 2021 pursuant to RA No. 10963.
[4] Per total number of house and lot units under License to Sell No. 033951 which is 331, the excess are 82 residential units and 38 commercial units.

CTE No. BOI-CEH - 097-2025
Date issued APR 22 2025

## TERMS AND CONDITIONS OF THE CERTIFICATE OF TAX EXEMPTION

1. The tax exemption provided in this certificate shall not cover revenues from units with selling price exceeding

2. In the computation of the project's Income Tax Holiday (ITH), the following shall apply:

   a. Only income generated from the sale of housing units (**Stanford Suites 3 – Brgy. Inchican, Silang Cavite**) with selling price not exceeding PhP2.0M and to be used solely for family home or dwelling purposes, and not for commercial purposes such as leasing, retail stores, offices, etc. shall be qualified.

   b. Interest income from in-house financing shall not be considered as revenues generated from registered activity.

3. The Company's entitlement to ITH for its BOI-registered housing project is subject to the compliance with the provisions of the Specific and General Terms and Conditions of its BOI Registration.

4. Pursuant to Section 4 of RA No. 10708,[5] 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 of 1997, as amended, using the electronic system for filing and payment of taxes of the BIR. It shall file with the BOI a complete annual tax incentives report of its income-based tax incentives, VAT and duty exemptions, deductions, credits or exclusions from the tax base, as may be provided under EO No. 226 and RA No. 11534,[6] within the periods prescribed under RA No. 10708's Implementing Rules and Regulations and Joint Memorandum Circular No. 1-2016 dated September 1, 2016.

5. 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 of 1997, as amended and implemented by RR No. 2-98, as amended.

6. 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.

7. 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 of 1997, as amended.

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[5] An Act Enhancing Transparency in the Management and Accounting of Tax Incentives Administered by Investment Promotion Agencies.
[6] Corporate Recovery and Tax Incentives for Enterprises Act or CREATE.