REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

Certificate of Tax Exemption No:
PSH - 106 - 2022

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **BORLAND DEVELOPMENT CORPORATION**, 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 No. 10884 (Balanced Housing Development Program Amendments) dated July 17, 2016, on its income received directly in connection with its sale of socialized house and lot units for residential and dwelling purposes to qualified beneficiaries in **Cambria Homes**, consisting of **806** socialized house and lot units, located at Brgy. San Pablo, Castillejos, Zambales, a project duly registered with the Department of Human Settlements and Urban Development (DHSUD) under a Provisional Certificate of Registration No. and Provisional License to Sell No. provided that the ceiling price per house and lot package does not exceed ₱580,000.00[1].

Moreover, the sale by the Company of residential lot valued at P1,919,500.00 and below, or house and lot and other residential dwellings valued at P3,199,200.00 and below, is VAT-exempt under Section 109(1)(P) of the National Internal Revenue Code of 1997 (Tax Code), as amended, provided that the selling price thereof does not exceed P3,199,200.00[2] 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[3] with selling price of not more than P3,199,200.00.

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. 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. 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 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 MAR 30 2022, _____.

CAESAR R. DULAY
Commissioner of Internal Revenue

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[1] The maximum selling price is pegged at based on DHSUD Provisional License to Sell No.
[2] As adjusted using the 2010 Consumer Price Index values per Revenue Regulation No. 8-2021 dated June 11, 2021.
[3] Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to RA No. 10963.

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 **806** socialized house and lot units in **Cambria Homes**, located at **Brgy. San Pablo, Castillejos, Zambales**.

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 (RR) 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 (RDO) 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 ₱580,000.00 per house and lot unit.

4. List of Non-saleable lots per DHSUD Provisional License to Sell No. granted by the DHSUD, Region 3-DMGC, City of San Fernando, Pampanga, to wit:

   Non-saleable lots:

   Parks & Playground - Block 25, Lot 3
   Block 27, Lot 2
   Community Facilities - Block 25, Lots 1 & 2
   Excluded Areas - Block 25, Lot 1
   Block 26, Lots 1 & 2
   Block 27, Lot 1