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

| **Certificate of Tax Exemption No:** |
|---|
| NSH- 134 - 2021 |

# CERTIFICATE OF TAX EXEMPTION

**TO ALL WHOM IT MAY CONCERN:**

This certifies that **Rotaflex Construction and Development Corporation**, an entity engaged by the **National Housing Authority (NHA)**, is exempt from project-related income taxes/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 the acquisition, construction and development of twenty-nine (29) 5-storey low rise buildings with 1,740[1] socialized housing units in **Deparo Residences**, a socialized housing project of the NHA under the NHA's Community Based Initiative Approach (CBIA) earmarked for informal settler families affected by DPWH / DOTr infrastructure projects, located at Brgy. Deparo, Caloocan City. Likewise, the acquisition of the twenty-nine (29) 5-storey low rise buildings with 1,740 socialized housing units 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 P3,199,200.00 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[2] with selling price of not more than P2,000,000.00, as adjusted in 2011 using the 2010 Consumer Price Index values.[3]

However, the purchases of goods/articles by **Rotaflex Construction and Development Corporation** shall be subject to VAT, even if the said purchases are to be used for the above-mentioned socialized housing project, since VAT is an indirect tax which can be passed on by the seller of the goods/services. It shall be understood that **Rotaflex Construction and Development Corporation** must issue VAT-exempt official receipts on its gross receipts from the said socialized housing project.

Moreover, the Deeds of Absolute Sale made and executed by and between the Sellers and NHA over the parcels of land described below, to wit:

| Date | Name of Sellers | Transfer Certificate of Title (TCT) Nos. | Area (Sq. m.) | Transferred (Sq. m) | Location |
|---|---|---|---|---|---|
| September 9, 2020 | Rotaflex Construction and Development Corp.[4] | | 36,183 | 36,183 | Brgy. Deparo, Caloocan, Metro Manila |

[1] Per letter of the NHA dated July 30, 2020

[2] Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to RA No. 10963.

[3] Per Revenue Regulations No. 4-2021 dated April 8, 2021.

[4] The TCT is still under the names of the previous owners but is in the process of being transferred under the name of the new owner. Further, this CTE does not include exemption from estate tax which may be due, if any, on the estate of Luzviminda A. Domingo.

CTE No. NSH- 1 4 4 - 2 0 2 1
Date issued APR 2 7 2021

| | | | | | |
|---|---|---|---|---|---|
| January 14, 2021 | Cecile Ronquillo | | 500 | 500 | Brgy. Deparo, Caloocan, Metro Manila |
| January 14, 2021 | Heirs of Alexander S. Magpoc[4] | | 300 | 300 | |
| March 18, 2021 | Lyf Homes Development Corp. | | 3,525.80 | 3,525.80 | |
| | | | 451 | 451 | |

which will be used for the above mentioned socialized housing project, are **not subject** to income tax/capital gains tax/expanded withholding tax and documentary stamp tax pursuant to Sections 19 and 20 of RA No. 7279 and to VAT pursuant to Section 109 (1)(P) of the Tax Code of 1997, as amended.

It is, however, understood that this Certificate of Tax Exemption (CTE) is never intended, and shall not be construed, as giving authority to concerned Register of Deeds (RD) to effect transfer of the land titles in the name of the buyer without the necessary certificates of authority to register issued by this Bureau. In this regard, this CTE shall be presented to the Revenue District Office (RDO) concerned in order for the latter to issue the Certificates Authorizing Registration (CARs). The CARs shall only be issued after the submission of the complete requirements provided under Revenue Memorandum Order (RMO) No. 15-2003.

Upon application for exemption, a lien on the titles of the land shall be annotated by the concerned RD having jurisdiction over the properties, to the effect that the same are to be applied or are being applied to a socialized housing project pursuant to RA No. 7279.

This CTE 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 2 7 2021.

**CAESAR R. DULAY**
Commissioner of Internal Revenue

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[4] The TCT is still under the names of the decedent. This CTE does not include exemption from estate tax which may be due, if any, on the estate of Alexander S. Magpoc.