May 18, 2021

CERTIFICATE OF TAX EXEMPTION NO. PSH-168-21

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN :

This certifies that **VALEENLAND REALTY CORPORATION** [1] 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 the sale of socialized house and lot units for residential and dwelling purposes to qualified beneficiaries in **Valeen Vista Residences Phase II-A**, [2] consisting of 513 house and lot units, located at Brgy. San Felipe, Tantangan, South Cotabato, a project duly registered with the Department of Human Settlements and Urban Development (DHSUD) under Provisional Certificate of Registration No. _____ and Provisional License to Sell No. _____ provided that the selling price of said units does not exceed _____ per house and lot package for 44 sqm lot sizes and _____ per house and lot package for lots with sizes ranging from 44.25 sqm up. [3]

Moreover, the sale by the Company of a 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 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, however, that beginning January 01, 2021, the exemption from VAT shall only apply to sale of house and lot and other residential dwellings [4] with selling price of not more than P2,000,000.00, as adjusted in 2011 using the 2010 Consumer Price Index values. [5]

It is observed, however, that documentary stamp tax (DST) is not one of the taxes covered by the tax exemption clause in Section 20 of RA No. 7279. Thus, the documents conveying the properties shall be subject to DST imposed under Section 196 of the National Internal Revenue 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, 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.

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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 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 18th day of May, 2021.

(SGD.) CAESAR R. DULAY
Commissioner of Internal Revenue

ATTACHMENT

TERMS AND CONDITIONS
OF THE CERTIFICATE OF TAX EXEMPTION

a. The exemption from income and creditable withholding taxes covers only income directly attributable to the revenues generated from the 513 socialized housing units in ValeenVista Residences Phase II-A, located at Brgy. San Felipe, Tantangan, South Cotabato.

b. 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.

c. It is understood that the Certificate Authorizing Registration (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 _____ or lots that are 44 sqm in lot size and _____ or lots that are at least 44.24 sqm in lot size. [6]

d. List of non-saleable lots per DHSUD Provisional License to Sell No. _____ granted by the HLURB, Southern Mindanao Region, to wit:

Block No.	Lot No.	Remark
3	19	Community Facilities
3	31	Community Facilities
4	25	Park/Playground

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5	25	Park/Playground
6	25	Park/Playground
7	25	Park/Playground
8	25	Park/Playground
9	25	Park/Playground
10	25	Park/Playground
11	25	Park/Playground
12	25	Park/Playground

Footnotes

1. Doing business under the name and style of Renaissance Park; Renaissance Chapels; Valeenvista Residences; and Valeen Aggregates.
2. Developed and owned by Valeenland Realty Corp./Valeenvista Global Estates Corp.
3. Per DHSUD Provisional License to Sell No. _____ dated January 9, 2020.
4. Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to RA No. 10963.
5. Per Revenue Regulations No. 4-2021 dated April 8, 2021.
6. Per DHSUD Provisional License to Sell No. 001 dated January 9, 2020.

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