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

Certificate of Tax Exemption No:
NSH -

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **The One Dynamic Three Realty & 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 construction/development/acquisition through financing under the Community-Based Initiative Approach (CBIA) consisting of 500 residential socialized housing units in **Palm Tree Hauz**, a socialized housing project of the NHA under the Government Employees Housing Program intended for AFP/PNP/BFP/BJMP/BuCor personnel qualified for housing assistance, located at Brgy. Irawan, Puerto Princesa City, Palawan.

Likewise, the acquisition of the said 500 residential 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[1] with selling price of not more than P2,000,000.00, as adjusted in 2011 using the 2010 Consumer Price Index values.[2]

However, the purchases of goods/articles by **The One Dynamic Three Realty & 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 **The One Dynamic Three Realty & Development Corporation** must issue VAT-exempt official receipts on its gross receipts from the said socialized housing project.

Moreover, the sale by the Landowner/s to **The One Dynamic Three Realty & Development Corporation** of the parcel of land described below, to wit:

Date	Name of Landowner/s	Transfer Certificate of Title No.	Total Area (sq. m.)	Area Transferred (sq. m.)	Location
January 15, 2020	1. Consolacion M. Juanillo 2. Heirs of Maria Paz M. Lim 3. Alma G. Macasaet		233,094	80,000	

which shall be used for the above mentioned socialized housing project, is not subject to income tax/capital gains tax/expanded withholding tax pursuant to Section 20 of RA No. 7279 and to VAT pursuant to Section 109 (1) (P) of the Tax Code of 1997, as amended. However, such sale is subject to documentary stamp tax imposed under Section 196 of the Tax Code of 1997, as

[1] Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to RA No. 10963.
[2] Per Revenue Regulations No. 4-2021 dated April 8, 2021.

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.

It is, however, understood that this Certificate of Tax Exemption (CTE) is never intended and shall not be construed as giving authority to the concerned Register of Deeds to effect transfer of the land title in the name of the NHA without the necessary certificate 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 Certificate Authorizing Registration (CAR). The CAR 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 title of the land shall be annotated by the Register of Deeds having jurisdiction over the property, to the effect that the same is to be applied or is 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 JUL 0 2 2021, _____.

CAESAR R. DULAY
Commissioner of Internal Revenue

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