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

Certificate of Tax Exemption No:
BOI-LEG- 260-2022

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **COMMUNITIES PAMPANGA, INC.** with Taxpayer Identification Number (TIN) is exempt from income tax and creditable withholding tax on its income received directly in connection with its economic and low-cost housing project, **Bria Homes San Fernando – Brgy. Calulut, City of San Fernando, Pampanga,** consisting of **660** house and lot units used solely for family home or dwelling purposes, located at **Brgy. Calulut, City of San Fernando, Pampanga,** a project duly registered with the Board of Investments (BOI) under **Certificate of Registration No.** dated **December 23, 2021,** for a period of **3 years** beginning from **December 2021** or actual start of commercial operations/selling, whichever is earlier, but in no case 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 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 (Tax Code) of 1997, as amended. Provided, however, that beginning January 01, 2021, the VAT exemption shall only apply to sale of house and lot and other residential dwellings[1] valued at P3,199,200.00[2].

However, the sale of house and lot units in excess of the **660** house and lot units registered with the BOI, if any, 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 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 MAY 27 2022, ____.

By:

CAESAR R. DULAY
Commissioner of Internal Revenue

MARISSA Q. CABREROS
Deputy Commissioner
Legal Group
Officer-in-Charge 0898

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[1] Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to RA No. 10963.
[2] As adjusted using the 2010 Consumer Price Index values pursuant to RR No. 8-2021 dated June 11, 2021.

CTE No. BOI-LEH-
Date issued MAY 27 2022

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 project, **Bria Homes San Fernando – Brgy. Calulut, City of San Fernando, Pampanga,** consisting of **660** house and lot units used solely for family home or dwelling purposes located at **Brgy. Calulut, City of San Fernando, Pampanga.** Such exemption shall not cover revenues from units with selling price exceeding . Moreover, the **660** housing units covered by Provisional License to Sell No shall not be sold for more than P 0 per house and lot.

2. The enterprise shall observe the following project timetable:

Milestone	Investment Cost and Schedule
Site Preparation and Development	July 2021 – December 2026
Building/House Construction	December 2021 – December 2026
Start of Commercial Operations	December 2021
Total Project Cost	

3. In the computation of the project's ITH, interest income from in-house financing shall not be considered as part of the revenues generated from the registered housing project.

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

5. Pursuant to Section 4 of Republic Act (RA) No. 10708[3], 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 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, within the periods prescribed under RA No. 10708's Implementing Rules and Regulations and Joint Memorandum Circular No. 1-2016 dated September 1, 2016.

6. The Company shall be constituted as a withholding agent for the government if it acts as employer and any of its employees received compensation income subject to compensation withholding tax, or if it makes payments to individuals or corporations subject to the withholding taxes as source as required under Chapter XIII and Section 57 of the Tax Code of 1997, as amended, and implemented by RR No. 2-98, as amended.

7. The Company is required to file on or before the 15th day of the fourth month following the close of its accounting period of 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.

8. Finally, the Company's books of accounts and other pertinent records shall be subject to periodic examination by revenue enforcement officers of this Bureau 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.

[3] An Act Enhancing Transparency in the Management and Accounting of Tax Incentives Administered by Investment Promotion Agencies.