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

Certificate of Tax Exemption No:
PSH - 375 - 2021

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **GRIS ALLIANCE PROPERTIES AND DEVELOPMENT INC.,** with Taxpayer 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 Sta. Monica Homes consisting of 559[1] house and lot units, located at Brgy. Sta. Monica, San Pablo City, Laguna, a project duly registered with the Housing and Land Use Regulatory Board (HLURB)[2] under Certificate of Registration No. License to Sell No. (Batch 1), Provisional License to Sell No. Batch 2) and Provisional License to Sell No. (Batch 3).

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 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[3] with selling price of not more than P3,199,200.00[4].

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 Tax 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.

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 _____ day of OCT 06 20__, _____.

CAESAR R. DULAY
Commissioner of Internal Revenue

046103

K-MDT

[1]Out of the 559 house and lot units, 393 house and lot units shall not be sold for more than P450,000.00 per unit per License to Sell No. (Batch 1, 273 house and lot units) and Provisional License to Sell No. (Batch 3, 120 house and lot units) while the remaining 166 house and lot units shall not be sold for more than P530,000.00 per unit per Provisional License to Sell No. (Batch 2).
[2]Now: Department of Human Settlements and Urban Development (DHSUD)
[3]Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to RA No. 10963.
[4]As adjusted using 2010 the Consumer Price Index values pursuant to Revenue Regulation No. 8-2021 dated June 11, 2021.

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 559 socialized house and lot units in Sta. Monica Homes located at Brgy. Sta. Monica, San Pablo City, Laguna.

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 Bureau of Internal Revenue (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 P450,000.00 on the 393 house and lot units and P530,000.00 on the 166 house and lot units.