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

| **Certificate of Tax Exemption No:** |
|---|
| **BOI - LEH - 409 - 2021** |

# CERTIFICATE OF TAX EXEMPTION

**TO ALL WHOM IT MAY CONCERN:**

This certifies that **AMAIA LAND CORP.**[1], with Taxpayer Identification Number (TIN) , is exempt from income tax and creditable withholding tax on its income received directly in connection with its low-cost mass housing project, **Amaia Scapes - Lipa,** consisting of **647** housing units used solely for family home or dwelling purposes, located at Sto. Tomas, Lipa Road (Mahogany Road), Brgy. Dagatan, Lipa City, Batangas,[2] a project duly registered with the Board of Investments (BOI) under Certificate of Registration (COR) No. dated October 11, 2012, for a period of **four (4) years** beginning from **October 2012** 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 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]

However, the sale of housing units in excess of the **647** housing units registered with the BOI (per License to Sell No. issued by the Housing and Land Use Regulatory Board [HLURB], the excess is 51 housing units), 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 NOV 04 2021, ____.

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

K-1-MDT

C46750

[1] Formerly: First Communities Realty, Inc.
[2] Per COR No. and License to Sell No. both issued by the HLURB, Amaia Scapes - Lipa is located at Brgys. Dagatan and Sapac, Lipa City, Batangas.
[3] Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to Republic Act (RA) No. 10963.
[4] As adjusted using the 2010 Consumer Price Index values per RR 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 project, **Amaia Scapes - Lipa**, consisting of **647** housing units used solely for family home or dwelling purposes, located at Sto. Tomas, Lipa Road (Mahogany Road), Brgy. Dagatan, Lipa City, Batangas.[5] Such exemption shall not cover revenues from units with selling price exceeding P2,500,000.00. Moreover, the **647** housing units covered by License to Sell No. shall not be sold for more than P1,250,000.00 per housing unit.

2. The Company is obligated to construct and sell **647** housing units based on the following schedules/sales revenues:

| Year | Sales Volume (In no. of Units) | Sales Value (in PhP'000) |
|---|---|---|
| 1 | 126 | |
| 2 | 425 | |
| 3 | 96 | |
| 4 | 0 | |
| **Total** | **647** | |

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[6], 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 record 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.

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[5] Per COR No. and License to Sell No. both issued by the HLURB. Amaia Scapes - Lipa is located at Brgys. Dagatan and Sapac, Lipa City, Batangas.

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