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

Sec. 32, RA No. 7279
BIR Ruling No. 109-13
BIR Ruling No. 304-13
#041-2016
1-21-2016

UNITED LIBIS HOMEOWNERS ASSOCIATION, INC. PHASE 1
D. Bonifacio St., Canumay East, Valenzuela City

Attention: **MA. THERESA L. CARAMPTANA**
President

Gentlemen:

This refers to the letter of Eduardo T. Manicio, Executive Vice President of the Social Housing Finance Corporation (SHFC) dated May 27, 2015, endorsing the sale transaction between Philippine Veterans Bank and United Libis Homeowners Association, Inc. Phase I for exemption from the payment of Capital Gains Tax and other taxes in accordance with the Republic Act (RA) No. 7279, otherwise known as the "Urban Development and Housing Act of 1992".

Documents submitted disclose that Philippine Veterans Bank with Tax Identification Number (hereinafter referred to as Landowner) is the registered owner of four (4) parcels of land covered by four (4) Transfer Certificates of Title (TCT):

TCT No.	Tax Declaration No.	Lot No.	Area (sq. m.)
		3	5,455
		550-E-1	2,500
		550-C-3-B-2	1,669
		1463-B-1-A	202
		total area	9,826

all issued by the Registry of Deeds for the Valenzuela, Metro, Manila. The aforesaid properties are situated at Canumay East, Valenzuela City. United Libis Homeowners Association, Inc. Phase I (TIN), on the other hand, is a homeowner's organization duly registered with the Housing and Land Use Regulatory Board (HLURB). On March 27, 2015, the parties executed a Deed of Absolute Sale whereby the Landowner transferred and conveyed the subject properties to United Libis Homeowners Association, Inc. Phase I at an agreed price of Pesos and ( ). Pursuant to the certification issued by SHFC,

038282

sq.m. out of 9,826 sq.m. covered by TCT Nos.
and actually comprise a Community Mortgage Program (CMP) Project and shall be proportionately distributed to the association's qualified member-beneficiaries[1]. For this purpose, United Libis Homeowners Association, Inc. Phase I secured a housing loan under the CMP, a financing assistance program of the SHFC a subsidiary of the National Home Mortgage Finance Corporation (NHMFC). Documentary Stamp Tax (DST) due on the sale has been paid.

In support of its request, United Libis Homeowners Association, Inc. Phase I has completely submitted on September 11, 2015 the following documents:

1) SHFC letter application for tax exemption;
2) Certification of the President of the SHFC that 9,048.10 sq.m. portion of the subject properties qualify and is actually a CMP project;
3) SHFC Letter-Guaranty No.
4) Certified true copy of the Deed of Absolute Sale to the Community Association;
5) Certified true copy of the Articles of Incorporation of the Community Association;
6) Certified true copy of the Masterlist of Qualified Beneficiaries duly certified by the SHFC;
7) Certified true copies of the TCTs and Latest Tax Declarations of the Property Sold to the Community Association;
8) Certified true copy of the Location Plan of the Lot Sold to the Community Association;
9) TIN ID /BIR Certificate of Registration of the seller and the Homeowner Association; and
10) *Other pertinent documents*

In reply, please be informed that pursuant to Section 32 of RA No. 7279, pertinent portions of which state that:

> *"Sec. 32. Incentives. — To encourage its wider implementation, participants in the CMP shall be granted with the following privileges or incentives:*
>
> *xxx xxx xxx*
>
> *(b) Properties sold under the CMP shall be exempted from the capital gains tax; and"*

the landowner who sold its properties under CMP for use in a socialized housing project are exempt from the payment of capital gains tax.

Such being the case, the sale by the landowner, Philippine Veterans Bank to United Libis Homeowners Association, Inc. Phase I of the 9,048.10 sq.m. out of 9,826 sq.m. covered by TCT Nos. and is exempt from the capital gains tax.

Upon issuance of this letter of exemption, and upon registration of the document of sale, a lien on the Certificate of Title of the land to be issued in the name of the Homeowners Association shall be annotated by the Register of Deeds having jurisdiction over the property, to the effect that the said property shall be used for socialized housing pursuant to RA No. 7279. (BIR Ruling No. 109-13 dated March 21, 2013)

[1] see Annex for the masterlist of qualified beneficiaries

038282

#041-2016
1-21-2016

However, the documentary stamp tax is not one of the taxes covered by the tax exemption clause in Sec. 32 of RA 7279. Accordingly, the landowners are liable to pay the documentary stamp tax on the document conveying the afore-stated property imposed under Section 196 of the Tax Code of 1997, based on the consideration contracted to be paid for such realties or their fair market values determined in accordance with Section 6(E) of the said Code, whichever is higher. (BIR Ruling No. 109-13 dated March 21, 2013)

It is, however, understood that this ruling is never intended and shall not be construed as giving authority to the concerned Register of Deeds to effect transfer of the land titles in the name of the buyer without the necessary certificate of authority to register issued by this Bureau. In this regard, this ruling 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 requirements provided under RMO15-2003. (BIR Ruling No. 109-13 dated March 21, 2013)

Moreover, under Section 109 (1) (P) of the Tax Code of 1997, as amended by R.A. 9337, the sale of real properties utilized for low-cost and socialized housing as defined by R.A. No. 7279 shall be exempt from value-added tax (VAT), thus. the sale of the 9,048.10 sq.m. out of 9,826 sq.m. covered by TCT Nos. and by the landowner to United Libis Homeowners Association, Inc. Phase I is exempt from the imposition of VAT. (BIR Ruling No. dated August 6, 2013)

Notwithstanding the foregoing, the Bureau of Internal Revenue shall conduct verification and post-audit that the actual occupants of the property transferred under the CMP are qualified beneficiaries and therefore, the sellers are entitled to exemption from capital gains tax or income tax imposed under Sec. 24 (D)(1) the Tax Code of 1997, as amended.

This ruling is being issued on the basis of the foregoing facts as represented. However, if upon investigation, it will be ascertained that the facts are different, then this ruling shall be considered as null and void.

Very truly yours,

KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

K-1-JRC

038282
JAN 20 2016

(2) of (2)

UNITED LIBIS HOMEOWNERS ASSOCIATION, INC. PHASE 1
D. Bonifacio St., Canumay East, Valenzuela City

1	CABALLERO	JIMUEL	CALIZO	1	1	21.95
2	CABRERA	MARIO	PASAYLO	1	2	40.47
3	GAM	ENERIO	ANGCAGON	1	3	45.69
4	MALDO	JOSE	MISAL	1	4	57.01
5	YSONZA	ELIZALDE	BOQUECOSA	1	5	56.58
6	ESPERA	ROLANDO JR	MENDOZA	1	6	42.01
7	RETES	WINSTON	BANQUIAO	1	7	43.33
8	PAREJA	ANA MARIE	VELARDE	1	8	39.65
9	CAMBAYA	EDGAR	ORIAS	1	9	29.40
10	GILIG	RICO	MANLAPAS	1	10	25.89
11	TOTO	LUCITA	SALAHID	1	11	30.25
12	TUTO	ROSIE	BORDOMEO	1	12	23.97
13	LANCE	ARJAY	CARACAS	2	1	67.33
14	DE GUZMAN	DANTE	ARAÑAS	2	2	52.57
15	GAMIDO	DYLEN	PACULTAD	2	3	47.67
16	VIRTUDES	JAYSON	MATIMTIM	2	4	27.33
17	CORDOVA	ERLINDA	MIGUEL	2	5	27.21
18	CANSANCIO	TEODORO JR.	TEÑOSO	2	6	36.12
19	ROLDAN	OLIVIA	COLLADO	2	7	24.88
20	GUBUAN	CONCHITA	ROLDAN	2	8	34.74
21	CUABO	HENRY	LARONG	2	9	37.47
22	DE FELIX	ROLAND	SABANG	2	10	46.16
23	RAFINIAN	RAMIL	PINON	2	11	36.70
24	RAÑOLA	BEVERLY	CASTRUDES	2	12	20.55
25	JANGIT	VIRGINIA	NEQUIAS	2	13	38.46
26	YABAO	RODRIGO JR	LOPEZ	2	14	22.32
27	ALEGADO	LEONIDA	TAGALOG	3	1	43.97
28	DE GUZMAN	ELSA	BAUTISTA	3	2	46.60
29	GILIG	ENRY	RANES	3	3	73.39
30	LADIMO	MELANIA	YABAO	3A	1	30.86
31	YABAO	EDUARDO	LOPEZ	3A	2	39.95
32	FILIPINO	TERESITA	BAGCAL	3A	3	34.40
33	FILIPINO	EVELYN	VILLAREAL	3A	4	37.06
34	CORTEZ	JOEL	BUENA	3A	5	32.11
35	BAUTISTA	RUTH	ESTRADA	3A	6	45.57
36	BONIFACIO	LAURO	BUBAN	3A	7	40.76
37	BONIFACIO	RANDY	BUBAN	3A	8	33.29
38	SUMALINOG	JAQUELINE	MAGBAGO	3A	9	33.04
39	VINLUAN	LIEZL	0	3A	10	47.87
40	VERGARA	ELWINE	MARCELINO	3A	11	26.50
41	DALIDA	GILBERT	PERAMAN	3A	12	35.35
42	BONIFACIO	GERRY	BOLILAN	3A	13	27.50
43	VALLADOLID	PURISIMA	SABALBORO	3A	14	80.11
44	LAUDE	EUTEMIA	GALIPOSO	4	1	34.85

038282

45	MAHILUM	CECILIA	RAFAEL	4	2	31.41
46	URSABIA	RODITO	ESPINOSA	4	3	30.13
47	KHAN	REGINA	MONZON	4	4	33.96
48	PANTE	JACQUELINE	DAVA	4	5	25.14
49	DE FELIX	JANNET	MABUHAY	4	6	24.05
50	DELA CRUZ	RENE	FLORES	4	7	33.03
51	VILLANUEVA	ANTHONY	GALLANO	4	8	50.18
52	GUTIERREZ	PAULITO SR	MONGGOSIRA	4	9	52.07
53	ROSALES	JACKIELOU BLANCA	OLAYTA	4	10	53.42
54	JUSI	NIEVEZ	ORTIZ	4	11	27.91
55	PRESTOZA	GELLISA	PONGPONG	4	12	37.70
56	PONGPONG	JULIO	CLIMACO	4	13	54.98
57	GIPIT	ABELARDO	LIVANTINO	5	1	26.43
58	MORALES	MARIANO	CALLAYCAY	5	2	48.08
59	BERNALES	RESTITUTO	BUAL	5	3	51.75
60	LUNA	MARICEL	LIBRES	5	4	48.25
61	PERION	GRACE	FLORES	5	5	37.44
62	ARIOLA	ROWENA	GARCIA	5	6	37.52
63	LOGROÑO	JOSEFINA	ALBIALDE	5	7	32.87
64	VALLEGA	LEONA	OLASIMAN	5	8	34.41
65	REYNON	ANICETO	PRIETO	5	9	44.80
66	FRANCISCO	MARILYN	ROSENDAL	5	10	52.17
67	CARACAS	FLORANTE	REOMALES	5	11	43.10
68	FAROOK	FATIMA	PAGCU	5	12	44.46
69	BAJARIAS	GILBERT	CAPA	5	13	32.47
70	PLACENCIA	MARVI	PATA	5	14	33.08
71	GAYAS	ROMMEL	GULMATICO	5	15	73.49
72	JABONETE	BIBIANO	ABALENCIA	5	16	21.88
73	ORPHIANO	ANGELO	DELA PEÑA	5	17	31.72
74	RENEGADO	RODANTE	COGUERON	5	18	45.45
75	BITUALIA	JUANITA	CLAVERIA	6	1	48.37
76	ARCEGA	FERNANDO	OPEDA	6	2	29.52
77	ESTOLANO	LUMY	BUYO	6	3	48.37
78	DALAGAN	AIZA	ESTOLANO	6	4	48.10
79	BALDOVINO	RUBEN	SIBULO	6	5	45.00
80	DANIEL	MELVIN	VILLARUZ	6	6	74.64
81	ESTOLANO	MERLINA	NARCISO	6	7	62.22
82	PALAYPAYON	EDGAR	PILAPIL	7	1	46.29
83	CAMINO	JENNET	MANALANG	7	2	80.98
84	OBRIGUE	BERNABE	BERNALES	7	3	71.46
85	REGALADO	EMILIA	GILIG	7	4	27.47
86	GONZALES	MICHAEL	DELA PEÑA	7	5	64.15
87	UNARCE	RENE	SITCHARON	7	6	51.01
88	MALICDEM	MACARTHUR	BAUTISTA	7	7	29.11
89	FONTANILLA	ELIZABETH	VINLUAN	7	8	22.92
90	DE GUZMAN	ISABEL	BAUTISTA	7	9	52.90
91	BITUALIA	ARNIE	ANALA	7A	1	44.31

038282

92	COSMIANO	RENE	REBUERA	7A	2	16.74
93	LABANTE	AVELINO	OCASLA	7A	3	36.78
94	UNARCE	CARLO JOHN	BERNALES	7A	4	33.09
95	DAVA	RONALD	NIERRA	7A	5	52.40
96	FONTANILLA	JENELY	NACOR	7A	6	30.67
97	UNARCE	CANDELARIA	BERNALES	7A	7	32.84
98	DANDAYANAN	LOVELIAN	VENTURA	7A	8	53.93
99	FONTANILLA	ERNESTO JR.	SOON	7A	9	23.03
100	FONTANILLA	GAYLORD	SOON	7A	10	23.05
101	AYAG	ARNEL	LAGARTO	7A	11	31.99
102	PANELO	ANJO	MALDO	7A	12	72.78
103	CABUBAS	MICHAEL	CRUZ	7A	13	36.82
104	DALAGAN	AIKO MARIE	ESTOLANO	8	1	66.88
105	BAGABALDO	NELSON	GALAPIN	8	2	70.70
106	OBGUIA	ZYRA	ESTOLANO	8	3	40.45
107	DAVA	LEO	NIERRA	8	4	29.14
108	RUBISO	FERNANDO	DEVERLA	8	5	57.78
109	AMOR	TRIXIE	DELA PEÑA	8	6	51.01
110	TORILLO	ODELON	ELISAN	8	7	33.40
111	NORIEGA	SAMUEL	TAGUINOD	9	1	70.50
112	SATOR	LUCIO	NARCISO	9	2	28.27
113	NOVENARIO	MARILOU	POLLERO	9	3	44.31
114	DELA PENA	REYBIE	CANO	9	4	43.72
115	ANTIPASADO	DERLINA	DUGANG	9	5	91.37
116	ACEVEDO	RICHARD	FEDERIS	9	6	69.39
117	OCAMPO	JANE	LOBOSANA	10	1	66.62
118	LERUM	JESSON	MALDO	10	2	33.65
119	TAÑADA	DENIA	MANTES	10	3	26.02
120	ESPINOLA	CHONA	VALER	10	4	32.26
121	TONGCUA	APRIL	ADUCAL	10	5	32.29
122	JARO	GLENN	DALIDA	10	6	47.48
123	NABOA	ALEXIS	ARIOLA	10	7	80.20
124	ALMONTE	MADALINE	PACA	10	8	51.29
125	SARALDE	CRISTY	OLIVO	10	9	47.62
126	ADUCAL	LIZA	DURAN	10	10	31.14
127	ADUCAL	CRESENCIO	BADA	10	11	25.73
128	VIRAY	SALLY	OLIVO	10A	1	40.55
129	MONTUYA	LIZA	MALUNES	10A	2	41.25
130	CORPUZ	LAILYN	LACUATA	10A	3	29.96
131	PORTEN	ALLAN	CONCORDIA	10A	4	23.21
132	ADUCAL	PAZ	MAGA	10A	5	16.51
133	BERNALES	LYDIA	FELECIO	10A	6	59.31
134	GARCIA	FLORDELIZ	MARTIN	10A	7	29.51
135	YU	RENATO	PICO	10A	8	23.11
136	VILLANUEVA	PERLA	MILAN	10A	9	29.39
137	APOSTOL	SHERYL	SINGGIT	10A	10	49.90
138	TULABING	MARK BRYAN	VILLANUEVA	10A	11	50.81

038282

#041-2016
1-21-2016

139	GALES	JOCELYN	SINGGIT	10A	12	71.83
140	CARAMPATANA	MA. THERESA	LARA	10A	13	30.37
141	DAGOC	ANTONIO	CAINOY	11	1	29.59
142	LORENZO	RUBEN	AMISTOSO	11	2	22.39
143	MERCADO	REYNOSO	PA	11	3	47.67
144	EDULLANTES	DINDO	TENEBRO	11	4	26.68
145	SAGUT	RENE	RESERBA	11	5	42.50
146	LOPEZ	JESUSA	LERIN	11	6	41.54
147	TUCONG	ALEX	VILLAZON	11	7	41.72
148	PAZ	ARNOLD	MENDOZA	11	8	41.91
149	APOLINARIO	JOCELYN	PANAGA	11	9	41.34
150	APOLINARIO	GINALYN	PANAGA	11	10	41.51
151	APOLINARIO	MICHELLE	PANAGA	11	11	41.62
152	DELOS SANTOS	RODOLFO	BIEN	11	12	38.14
153	BIEN	MIA ROCEL	MENIL	11	13	38.62
154	PERNITEZ	DIANA ROSE	MONZON	11	14	30.49
155	DURANO	CECILIO JR.	LUCERO	11	15	44.76
156	BOMBEO	EDWELO	COSARE	12	1	40.70
157	BOMBEO	ARTEMIO	COSARE	12	2	39.84
158	LERIN	MAXIMO JR.	CERVANTES	12	3	32.60
159	GRANADA	ALLAN	TOMBOC	12	4	51.09
160	COSARE	CRESANTA	DAGOC	12	5	56.14
161	COSARE	EVELYN	CASCABEL	12	6	54.62
162	AGADO	RODELIA	PADERNAL	12	7	66.84
163	OLOYA	RICHARD	LIBUNAO	12	8	62.75
164	CERVANTES	GEMMA	TUMABANG	12	9	69.12
165	OLOYA	ROMMEL	LIBUNAO	12	10	23.85
166	VILLOJAN	HAROLD	MONOTILLA	12	11	37.08
167	VILLOJAN	EDUARDO	DOLATRE	12	12	35.63
168	DIZON	ROCHE	SIAZAT	12	13	60.09
169	CARAMPATANA	MA. LUISA	LARA	13	1	45.03
170	CARAMPATANA	EDILBERTO JR.	LARA	13	2	45.71
171	CARAMPATANA	MA. CRISANTA	LARA	13	3	46.07
172	VISDA	ANNIE	SINGGIT	13	4	36.22
173	QUIMNO	ARCHER	CENAS	13	5	28.61
174	CIDRO	HONORIO	AMOYAN	13	6	25.96
175	LAYRON	GERALD	PACE	13	7	54.54
176	LAYRON	JOSEPH	PACE	13	8	55.60
177	LIMPIOSO	CARMEN	MANGANOHOY	13	9	33.94
178	MORAN	ELMER	SAN ANTONIO	14	2	51.13
179	CARACAS	ALVIN	CAMBA	14	3	31.43
180	CALLAO	LENY	AMAD	14	4	26.30
181	AUM	CHARLES	ROMANO	14	5	28.82
182	LEGAL	ANNALIZA	TORZAR	14	6	53.36
183	PALOMATA	SUSANA	LEGAL	14	7	40.41
184	DUALLO	RIC	EULOGIO	15	1	62.17
185	SUELLO	NOEMI	ORBIGOSO	15	2	46.20

038282

186	LLABORE	BELEN	MARIANO	15	3	43.29
187	COSARE	JULITO	PIZARRAS	16	1	46.80
188	DELOS REYES	GLENDA	PEDRO	16	2	45.90
189	CORTERO	GERARDO	VALENZUELA	16	3	36.86
190	BRILLANTE	LEGARIO	PORTUGISA	16	4	40.70
191	DELANTE	MERCY	BALDOZA	16	5	39.42
192	VILLAGRACIA	ELIAS	PALCON	16	6	73.09
193	ESPEJO	PURISIMA	ZAMORA	16	7	98.77
194	IGHARAS	ARIEL	BERNARDO	16	8	29.55
195	MENDOZA	DIEZA	PERION	16	9	40.55
196	ICOTANIM	JAYSON	OBALO	16	10	42.77
197	RED	CHERRY	TALLER	16	11	34.53
198	PABIA	RICKY	MORENTE	16	12	27.25
199	LANGREO	MYLYN	PABLO	16	13	23.95
200	CABUBAS	IMELDA	LABONG	16	14	34.61
201	DE GUZMAN	ROLANDO	DE VERA	16	15	32.66
202	SOLOMON	MARGIEROSE	GAMBOT	16	16	38.54
203	GAMBOT	MARVIN	SINDAYEN	16	17	62.50
204	LERIN	ROMMEL	SAGUT	16	18	46.69
205	ESCALONA	HELENA	ZAUSA	16	19	64.64
206	NOVENARIO	BONABEL	POLLERO	17	1	80.38
207	VERGARA	SONIFO JR.	DE VERA	17	2	91.91
208	ADARAYAN	REYNALDO	PINCA	17	3	72.22
209	TABALOC	DANTE	QUINIONES	17	4	60.28
210	PONSICA	JEFFREY	ISIK	17	5	57.83

038282