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
#042-2016
1-21-2016

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

Attention: **EDUARDO Q. CELORICO, JR.**
President

Gentlemen:

This refers to the letter of Eduardo T. Manicio, Executive Vice President of the Social Housing Finance Corporation (SHFC) dated May 29, 2015, endorsing the sale transaction between Philippine Veterans Bank and United Libis Homeowners Association, Inc. Phase II 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 a parcel of land, identified as Lot No. 1 of the cons. Subd. plan (LRA) Pcs-32771, approved as a non-subd. project. being a portion of the cons. of Lots (LRC) Psd- & Lot (LRC) Psd- L.R.A. Record No. covered by Transfer Certificate or Title (TCT) No. issued by the Registry of Deeds for the Metro Manila District II. The aforesaid property is situated at D. Bonifacio St., Canumay East, Valenzuela City with an area of Five Thousand Eight Hundred Sixty Two square meters (5,862 sq.m.), more or less. United Libis Homeowners Association, Inc. Phase II (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 II at an agreed price of and Pesos (P . Pursuant to the certification issued by SHFC, 5,130.30 sq.m. out of 5,862 sq.m. covered by TCT No. 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 II 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.

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[1] see Annex for the masterlist of qualified beneficiaries

In support of its request, United Libis Homeowners Association, Inc. Phase II 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 5,130.30 sq.m. portion of the subject properties qualify and is actually a CMP project;
3) SHFC Letter-Guaranty No. 1025;
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 II of the 5,130.30 sq.m. out of 5,862 sq.m. covered by TCT No. 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)

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

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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 5,130.30 sq.m. out of 5,862 sq.m. covered by TCT No. V-59872 by the landowner to United Libis Homeowners Association, Inc. Phase II is exempt from the imposition of VAT. (BIR Ruling No. 304-2013 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

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JAN 20 2016

UNITED LIBIS HOMEOWNERS ASSOCIATION, INC. PHASE II

D. Bonifacio St., Canumay East, Valenzuela City

1	REUBAL	MA. THERESA	LIBORES	1	1	31.95
2	PASAYLO	EDISON	BUCADO	1	2	30.47
3	LAJOT	MARLO	JASUELAS	1	3	48.53
4	SARIBA	MARICEL	AZUR	1	4	56.79
5	MARAÑO	JOHNEL	RED	1	5	23.57
6	RESURRECCION	ROY	BACANI	1	6	30.47
7	AREVALO	MARIVIC	MERCADO	1	7	34.93
8	URI	RODERICK	MAKASADYA	1	8	40.17
9	TERANA	SUSAN	LABRADOR	1	9	40.17
10	PITALBO	JESUS	MADULID	1	10	33.64
11	HONRALES	ROWENA	ERBIOLA	1	11	22.52
12	IGLESIA	IRENEA	CAÑO	1	12	27.70
13	ROSALES	ROBERTO	LLABRES	1	13	18.01
14	INVINA	MARVIN	NAPAY	2	1	40.17
15	SENTELICES	JANE	MOLINA	2	2	41.55
16	PLUMA	JINKY	DOROL	2	3	59.56
17	NALLA	ESTERIO	SALISE	2	4	19.54
18	TESIO	ELLY	CLAVITE	2	5	36.41
19	BUTCON	SHENIRYL	CURAN	2	6	41.55
20	YUSON	ANICOR	ECOT	2	7	36.01
21	LUBIANO	GEMMA	VIOVICENTE	3	1	32.67
22	DUALLO	CHARISMA	TEOXON	3	2	32.58
23	RIMONTE	ALVIN	DUBAS	3	3	32.56
24	GURO	ELVIRA	EGCALINOS	3	4	32.55
25	TUMBIGA	FLORO JR	BRONSAL	4	1	19.63
26	BUTCON	ROMANO	ALMERODA	4	2	56.86
27	TROPA	ANALYN	GOMEZ	4	3	29.23
28	MANANTAN	TEDDY	GOMEZ	4	4	48.48
29	AÑORA	JOHN ELMER	ASIDO	4	5	22.16
30	MORENO	MILRY	JARMINAN	4	6	29.27
31	AÑORA	MA.CRISTINA	ASIDO	4	7	24.93
32	RAFAEL	JOSEPH	ECLARINAL	4	8	62.33
33	MARIÑO	PATRICIA	SAGAYAP	4	9	34.63
34	ATUP	ARJAY	MENDOZA	4	10	34.63
35	DEPALOMA	BERNARD	SECULA	4	11	18.01
36	OROGO	DENNIS	OLAYTA	4	12	40.74
37	CARACAS	SAMSON	REOMALES	4	13	18.01
38	HERRERA	CRESITO	FAALA	4	14	16.91
39	ADORICO	MARY GRACE	LUAYON	5	1	27.70
40	CAHAPONON	ROMY	SUPILANAS	5	2	25.36
41	ADORICO	REYNALDO	LUAYON	5	3	47.09
42	OBIA	MARLON	ARCILLA	5	4	37.40
43	LLANTO	ROLANDO	SOCOREN	5	5	18.53

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44	ALARCON	JOHN	JUEVES	5	6	65.10
45	SALDO	OLIVER	DAVID	5	7	59.56
46	PINTOR	MARIO	VILLADAL	5	8	15.85
47	BELTRAN	RODOLFO	RUZ	5	9	29.09
48	BINABAN	SANCHO	ROXAS	5	10	28.13
49	BINABAN	JASON	HERNANDEZ	5	11	23.88
50	LAPICEROS	ERWIN	GUIYAB	5	12	39.23
51	LAPICEROS	MICHELLE	CALUMBA	5	13	36.68
52	FELICIERTA	REYNANTE	VERNAULA	5	14	22.69
53	FELICIERTA	O	CAPILI	5	15	22.38
54	FLORES	EDGAR	MARAYA	6	1	22.19
55	RUBIO	MARY JEAN	LIM	6	2	24.05
56	ISAGAN	RIZALYN	INVINA	6	3	29.09
57	LANCERO	ALEXANDER	BELARMINO	6	4	58.17
58	GUMAPAC	ARTEMIO	SOLUPAN	6	5	38.78
59	GADINGAN	MILDRED	CIOCO	6	6	38.23
60	PEDRAJETA	ANGELO	PLACENCIA	6	7	31.14
61	IGONIA	MARICEL	CATAYLO	6	8	25.98
62	LACTAWAN	JOSELITO	PAGATPATAN	6	9	37.61
63	AÑOL	RUDINA	QUILATAN	6	10	25.78
64	MONIDO	ISAGANI	SASANA	6	11	35.68
65	GUIANAN	DEONITO	PITALBO	6	12	39.23
66	PEDRAJETA	BERNARDINO	PRIA	6	13	25.98
67	TUPAS	MARIO	ANGOY	6	14	48.99
68	REPORTOSO	ARTEMIO	LIABRES	6	15	23.91
69	REPANA	VIRGINIA	QUILATAN	6	16	37.87
70	DE FELIX	ERLINDA	SARCIA	6	17	36.54
71	DE FELIX	CHRISTOPHER	SARCIA	6	18	46.79
72	VILLOJAN	EDISON	MONOTILLA	6	19	24.68
73	PITALBO	ZALDY JR	BARRIDA	7	1	65.85
74	MERCADO	MELODY ANN	OLAYTA	7	2	53.24
75	SANCHEZ	RONALD	CORDOVA	7	5	51.35
76	SANCHEZ	LEONARDO JR.	CORDOVA	7	6	51.25
77	DE JUAN	SHERLITO	EBACUADO	7	7	33.77
78	CARDOZA	MARY JOY	PEGARIDO	7	8	34.50
79	PACULTAD	REY	DELA CRUZ	7	9	33.02
80	GALLEGO	ADRIAN	PONGASE	7	10	37.59
81	GALLEGO	JOSE ADRIANO	QUIMCO	7	11	37.99
82	RAMOYA	MYRNA	ANDES	7	12	70.54
83	NAPULI	MARKCRIS	PANERIO	7	13	37.69
84	NAPULI	MARILOU	PANERIO	7	14	37.09
85	CELORICO	EDELYN	QUINTO	7	15	35.28
86	POLICARPIO	DANILO JR	BAUTISTA	8	1	29.84
87	DELA CRUZ	JOMMEL	DEL CASTELIO	8	2	27.99
88	MARTISANO	TEODORA	CLAVERIA	8	3	57.98
89	CELORICO	EDUARDO JR.	QUINTO	8	4	33.69

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90	CELORICO	JUANITA	QUINTO	8	5	33.15
91	LERIN	ARSENIO	TARLE	8	6	47.41
92	PACULTAD	BEVERLY	ALACYANG	8	7	38.20
93	DACUTANAN	JOEY	REYES	8	8	34.63
94	MORALLOS	RACHELL	MANLAPAZ	8	9	51.00
95	BAÑARES	RUTCHEL	CARDOZA	8	10	32.85
96	MABITADO	MARVIN	OSABEL	8	11	34.02
97	MILLENA	SALVADOR	DE LEON	8	12	34.88
98	LEONG	RODEL	HAIL	9	1	23.60
99	PABIA	ARIEL	LAMPERA	9	2	30.47
100	REBELLO	JOFFREY	RETAMAR	9	3	48.77
101	BATALLONES	JOEL	ALEJANDRO	9	4	48.08
102	FUENTES	CHRISTENE	LESTINO	9	5	35.38
103	DIEGO	GUIDO	CASTILLO	9	6	19.17
104	EJORCADAS	RICKY	TOLIROSO	9	7	27.88
105	RIMONTE	MARVIN	DUBAS	9	8	27.45
106	DUBAS	RAMON	RAMOS	9	9	39.92
107	FUENTES	MARY ANN	GRAFIL	9	10	28.49
108	VILLAVERDE	ORLANDO SR.	REPEQUE	10	1	62.65
109	VILLAVERDE	ORLANDO JR.	AGNO	10	2	39.67
110	VILLAVERDE	MANILYN	AGNO	10	3	36.76
111	NOTO	EDIFER	DELA VEGA	10	4	32.38
112	CANALES	JONAR	PANCITO	10	5	31.76
113	SOLANA	MARY ANN	MAGSUBAR	10	6	34.70
114	MACEDA	JONEL	MADERA	10	7	63.37
115	SAROL	JEJUN	MALONG	10	8	31.79
116	SAROL	ARNALDO	PINTOY	10	9	38.30
117	REBELLO	JOSEPHINE	RETAMAR	10	10	33.37
118	BATALLONES	ROWENA	ANTONIO	10	11	29.36
119	SALABAO	EDUARDO	APOYAN	10	12	46.66
120	CABANSAG	CRISTINA	BRILLANTE	11	1	36.90
121	LUMAGDONG	LEONORA	ARMENIO	11	2	44.93
122	ESPINA	ROSALINO	CABUG OS	11	3	29.61
123	HUNDANGAN	MARY JANE	ESPINA	11	4	37.77
124	SERNECHEZ	ACMAN	BELANTE	11	5	42.19
125	OLAYTA	FREDDERICK	0	12	1	35.39
126	ILASIN	LEONARDO	BENDIOLA	12	2	31.62
127	DELA PENA	RENELYN JOY	CARDOZA	12	3	32.19
128	MARTIN	RENATO	SAN DIEGO	12	4	37.94
129	AGUINALDO	ALEJANDRO	LEGASPI	12	5	53.17
130	CAMBA	EDITHA	BELTRAN	12	6	71.36
131	CAMBA	EDELVON	BELTRAN	12	7	46.61
132	CLAVERIA	LUCENO	ZAMORA	12	8	44.14
133	ENANO	OSCAR	DAZER	12	9	58.01
134	RICO	CELESTE	OJANO	12	10	67.87
135	OJANO	MYRAVI	NOCILLADO	12	11	27.58
136	PAJAGANAS	REY	TABAR	12	12	24.20

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137	SALSE	RAUL	FABRE	12	13	22.48
138	CASIBANG	RODANTE	LINGAN	12	14	19.68
139	TAMAYO	DAISY	GABREZA	12	15	22.04
140	CERVANTES	PERCIVAL	BRAZIL	12	16	50.58

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