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

Certificate of Tax Exemption No.
337-2017

CERTIFICATE OF TAX EXEMPTION

issued to

BANGA EVANGELICAL CHURCH ELEMENTARY SCHOOL, INC.
Poblacion Banga, South Cotabato 9511
TIN:
SEC Company Reg. No.

This certifies that the above-named corporation is a non-stock, non-profit corporation and has proven by actual operation that its primary purpose is one of those enumerated under Section 30(H) of the National Internal Revenue Code of 1997, as amended. It is exempt from INCOME TAX only on the following revenues or receipts:

1. **Tuition fees and Other School fees; and**
2. **Cafeterias/canteens and bookstores sales located within its premises, owned and operated by BANGA EVANGELICAL CHURCH ELEMENTARY SCHOOL, INC.**

----------nothing follows----------

subject to the provisions of applicable BIR rules and regulations and the tax exemptions, liabilities and responsibilities stated in the Terms and Conditions hereto attached and made an integral part hereof. It is liable, however, to all other taxes not enumerated above.

This certification shall be valid from the date of issuance until revoked by this Office for violation of any provisions of applicable rules and regulations of the BIR, or the terms and conditions herein set forth. It shall likewise be revoked if there are material changes in the character, purpose or method of operation of the corporation which are inconsistent with the basis for its income tax exemption.

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 JUL 12 2017.

CAESAR R. DULAY
Commissioner of Internal Revenue

007664

K-1

CTE No. 337-2017
Date issued 7-12-2017

TERMS AND CONDITIONS
OF THE CERTIFICATE OF TAX EXEMPTION
For Non-Stock, Non-Profit Educational Institution
under Section 30(H) of the National Internal Revenue Code of 1997, as Amended

TAX EXEMPTION

1) **INCOME TAX.** BANGA EVANGELICAL CHURCH ELEMENTARY SCHOOL, INC. is exempt from the payment of income tax **only on revenues and receipts enumerated on the Certificate of Tax Exemption.** It is understood that the school must continue to meet the following requisites as set forth under Revenue Memorandum Order (RMO) No 44-2016, to wit:

   i. It is a non-stock, non-profit educational institution; and
   ii. Its revenues are actually, directly and exclusively used for educational purposes.

   BANGA EVANGELICAL CHURCH ELEMENTARY SCHOOL, INC.'s interest income from currency bank deposits and yield from deposit substitute instruments used actually, directly and exclusively in pursuance of its purpose as an educational institution, are exempt from the 20% final tax and 7 1/2% tax on interest income under the expanded foreign currency deposit system imposed under Section 27 (D) (1) of the National Internal Revenue Code of 1997, as amended, subject to compliance with the conditions that as a tax-exempt educational institution it shall on an annual basis submit to the Revenue District Office concerned an annual information return and duly audited financial statement together with the following:

   (a) Certification from their depository banks as to the amount of interest income earned from passive investment not subject to the 20% final withholding tax and 7 1/2% tax on interest income under the expanded foreign currency deposit system imposed by Section 27 (D) (1) of the National Internal Revenue Code of 1997, as amended;

   (b) Certification of actual utilization of the said income; and

   (c) Board Resolution by the school administration on proposed projects (i.e., construction and/or improvement of school buildings and facilities, acquisition of equipment, books and the like) to be funded out of the money deposited in banks or placed in money markets, on or before the 15th day of the fourth month following the end of its taxable year (Sec. 4, Finance Department Order No. 137-87)[1].

2) **VALUE ADDED TAX (VAT) ON EDUCATIONAL SERVICES.** Pursuant to Section 109(H) of the NIRC, BANGA EVANGELICAL CHURCH ELEMENTARY SCHOOL, INC.'s gross receipts from operations as a non-stock, non-profit educational institution are exempt from VAT. Moreover, revenues derived from assets used in the operation of cafeterias/canteens and bookstores located within the premises of BANGA EVANGELICAL CHURCH ELEMENTARY SCHOOL, INC. are exempt from taxation provided they are owned and operated by it as ancillary activities.

[1] Department Order No. 149-95 dated November 24, 1995 amending Department Order No. 137-87