March 8, 2018

CERTIFICATE OF TAX EXEMPTION NO. 362-18

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN :

This certifies that the Deed of Absolute Sale (DOAS) executed by AAA in favor of Tibungco Friendly Homeowner's Association, Inc. over a parcel of land described below, to wit:

Date of DOAS	Name of Landowner	Transfer Certificate of Title	Aggregate Area (sq. m.)	Area Transferred (sq. m.)	Location
December 02, 2013	AAA	T-429078	21,987	21,987	Brgy. Tibungco, Davao City
		T-429076	14,321	14,321	

which shall be used for the establishment of a socialized housing project [1] under the Urban Land Reform Program (ULRP) of the City Government of Davao for the members [2] of the Tibungco Friendly Homeowner's Association, Inc., a project beneficiary of the ULRP who has availed a financial assistance thru a loan under the ULRP which was financed by the City Government of Davao, is not subject to capital gains tax (CGT) pursuant to Section 20 of Republic Act (RA) No. 7279.

However, the sale is subject to documentary stamp tax (DST) imposed under Section 196 of the National Internal Revenue Code of 1997, as amended, based on the consideration contracted to be paid for such realty or its fair market value determined in accordance with Section 6 (E) of the same Code, whichever is higher.

It is understood that this Certificate of Tax Exemption (CTE) is never intended and shall not be construed as giving authority to the concerned Register of Deeds to effect transfer of the land title in the name of Tibungco Friendly Homeowner's Association, Inc. without the Certificate Authorizing Registration (CAR) issued by this Bureau. In this regard, this CTE, together with the documentary requirements provided under RMO No. 15-2003, shall be presented to the Revenue District Office (RDO) concerned in order for the latter to issue the CAR.

Upon application for exemption, a lien on the title of the land shall be annotated by

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the Register of Deeds having jurisdiction over the property, to the effect that the same is to be applied or is being applied to a socialized housing project pursuant to RA No. 7279.

Notwithstanding the foregoing, the Bureau of Internal Revenue shall conduct verification and post-audit that the actual occupants of the property transferred under the ULRP are qualified members-beneficiaries and therefore, the sellers are entitled to exemption from capital gains tax or income tax imposed under the National Internal Revenue Code of 1997, as amended.

This CTE 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 8th day of March, 2018.

(SGD.) CAESAR R. DULAY
Commissioner of Internal Revenue

Footnotes

1. Pursuant to a Certification dated March 23, 2011 issued by the Office of the City Mayor, City of Davao, Sangguniang Panlungsod No. 0424-10, series of 2010, approved the purchase of the said property.
2. Please see Annex "A" for the list of beneficiaries consisting of 2 pages.

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