August 6, 2019

CERTIFICATE OF TAX EXEMPTION NO. 439-19

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN :

This certifies that **PHINMA PROPERTY HOLDINGS CORPORATION** with Taxpayers Identification Number (TIN) 000-000-000-000, is exempt from income tax and creditable withholding tax (CWT) pursuant to Section 20 (d) (1) of Republic Act (RA) No. 7279, as amended by RA No. 10884 (Balanced Housing Development Program Amendments) dated July 17, 2016, on its income received directly in connection with its sale of socialized housing units to qualified beneficiaries in **L'oasis Malabon**, consisting of **120 socialized units**, [1] located at Gov. Pascual Ave., and A. Reyes St., Brgy. Baritan, Malabon City, a project duly registered with the Housing and Land Use Regulatory Board (HLURB) under Certificate of Registration No. 028022 and License to Sell Nos. 032463 and 032314, provided that the selling price of said units does not exceed P400,000.00 [2] per house and lot.

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 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 P2,000,000.00.

It is observed, however, that documentary stamp tax (DST) is not one of the taxes covered by the tax exemption clause in Section 20 of RA No. 7279, as amended. Thus, the documents conveying the properties shall be subject to 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 realties or on their fair market value determined in accordance with Section 6 (E) of the same Code, whichever is higher. Likewise, the sale of the **554 lots/units** [4] classified as Economic Housing as well as the **85 parking slots**, [5] not being covered by RA No. 7279, shall be subject to the payment of appropriate taxes.

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 in Annex "A"

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hereof. The Company is liable, however, for 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 6th day of August, 2019.

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

ANNEX A

TERMS AND CONDITIONS
OF THE CERTIFICATE OF TAX EXEMPTION

1. The exemption from income, creditable withholding taxes and VAT covers only income directly attributable to the revenues generated from the **120** socialized housing units in **L'oasis Malabon** located at Gov. Pascual Ave., and A. Reyes St., Brgy. Baritan, Malabon City.

2. The developer shall submit the sworn statement of the buyer that he is eligible as a socialized housing beneficiary under Section 5 (A) of Revenue Regulations (RR) No. 11-97 to the BIR during the processing of the Certificate Authorizing Registration (CAR) for the transfer of the title of the socialized housing unit.

3. It is understood that the Certificate Authorizing Registration (CAR) shall only be issued after it is established upon proper verification by the Revenue District Officer (RDO) concerned that, considering the rules on valuation of real property, the actual selling price per sale transaction of the socialized house and lot packages in this case does not really exceed P400,000.00.

Footnotes

1.

License to Sell No. 032314	:	Building 1	=	24 Residential Units (Socialized) at 5th Floor
		Building 2	=	24 Residential Units (Socialized) at 5th Floor
License to Sell No. 032463	:	Building 3	=	24 Residential Units (Socialized) at 5th Floor
		Building 4	=	24 Residential Units (Socialized) at 5th Floor
		Building 6	=	24 Residential Units (Socialized) at 5th Floor
Total				**120 Residential Units (Socialized)**

2. Per HLURB License to Sell No. 032463 dated Sept. 19, 2017 and License to Sell No. 032314 dated Dec. 29, 2016.
3. Sale of lot only, regardless of the price, shall be subject to VAT starting Jan. 01, 2021

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pursuant to RA No. 10963.

4.

License to Sell No. 032314	:	Building 1	=	95 Residential units (Economic) at 1st to 4th Floor
		Building 2	=	95 Residential units (Economic) at 1st to 4th Floor
License to Sell No. 032463	:	Building 3	=	95 Residential units (Economic) at 1st to 4th Floor
		Building 4	=	95 Residential units (Economic) at 1st to 4th Floor
		Building 5	=	79 Residential units (Economic)
		Building 6	=	95 Residential units (Economic) at 1st to 4th Floor
Total				**554 Residential units (Economic)**

5.

License to Sell No. 032314	:	Buildings 1 and 2	=	32 Parking slots	-	Slot Nos. 25 to 39, 53 to 58, and 66 to 76
License to Sell No. 032463	:	Buildings 3, 4, 5, and 6	=	53 Parking slots	-	Slot Nos. 1 to 24, 40 to 52, 59 to 65, and 77 to 85
Total				**85 Parking slots**		

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