August 30, 2019

CERTIFICATE OF TAX EXEMPTION NO. 470-19

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN :

This certifies that the donation under the Deed of Donation dated March 14, 2014, made and executed pursuant to Section 31 of Presidential Decree (PD) No. 957, as amended by PD No. 1216, mandating the donation by the owner or developer of roads, alleys, sidewalks, and playgrounds to Local Government Units, by and between:

Name of Donor	TIN	Address
CITIHOMES BUILDER AND DEVELOPMENT, INC.	000-000-000-000	23rd Floor, The World Center, 330 Sen. Gil Puyat Ave., Makati City 1209

in favor of:

Name of Donee	TIN	Address
CITY GOVERNMENT OF SAN JOSE DEL MONTE, BULACAN	-	City of San Jose Del Monte, Bulacan

covering the following properties:

Transfer Certificate of Title (TCT) No.	Total Area (sq. m.)	Area Donated (sq. m.)	Location
T-516072 (M)	1,294	1,294	Barrio of Sto. Cristo, City of San Jose Del Monte, Bulacan
T-516073 (M)	466	466	
T-516074 (M)	211	211	
T-516075 (M)	148	148	
T-516076 (M)	575	575	

being a gift in favor of a political subdivision of the Government, is exempt from the payment of the donor's tax pursuant to Section 101 (A) (2) [1] of the National Internal Revenue Code of 1997, as amended.

Moreover, Section 185 of Regulations No. 26, otherwise known as the Revised

Copyright 2020 CD Technologies Asia, Inc.

Documentary Stamp Tax Regulations, implementing Title VII of the Tax Code, provides that conveyances of realties not in connection with a sale, to trustees or other persons without consideration are not taxable. Accordingly, the Deed of Donation is likewise not subject to the documentary stamp tax (DST) prescribed under Section 196 of the National Internal Revenue Code of 1997, as amended, but only to the DST of P15.00 [2] imposed under Section 188 of the same Code.

However, the donation is subject to value-added tax (VAT) since the donor is a VAT-registered real estate developer and the donated properties are deemed ordinary assets. Thus, the transfer is considered as "transaction deemed sale" pursuant to Section 106 (B) (1) of the National Internal Revenue Code of 1997, as amended, as implemented by Section 4.106-7 of Revenue Regulations (RR) No. 16-2005, as amended.

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 30th day of August, 2019.

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

Footnotes

1. Now Section 101 (A) (1) of the National Internal Revenue Code of 1997, as amended by Republic Act (RA) 10963.
2. Old rate was used since the Deed of Donation was executed prior to the effectivity of RA No. 10963.

Copyright 2020 CD Technologies Asia, Inc.