October 10, 2019

CERTIFICATE OF TAX EXEMPTION NO. 587-19

CERTIFICATE OF TAX EXEMPTION
issued to

NATIONAL CATHOLIC APOSTOLIC CHURCH
PUNO NG GRASYA ESPIRITU SANTO, INC.
Purok 5, Rizal, Santiago City
TIN: 000-000-000-000
SEC Company Reg. No. CN201311586

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

1. Donations.

-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 for three (3) years from the date of issuance unless earlier revoked by this Office for violation of any provisions of applicable rules and regulations of BIR, or the terms and conditions herein set forth.

This Certificate may be renewed upon filing of a subsequent application for revalidation provided under Revenue Memorandum Order (RMO) No. 20-2013. Failure to renew this Certificate shall be deemed a revocation thereof upon the expiration of the three (3)-year period.

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.

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Issued this 10th day of October, 2019.

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

ATTACHMENT

TERMS AND CONDITIONS
OF THE CERTIFICATE OF TAX EXEMPTION

TAX EXEMPTION

1) INCOME TAX. **NATIONAL CATHOLIC APOSTOLIC CHURCH PUNO NG GRASYA ESPIRITU SANTO, INC.** is only exempt from the payment of income tax on revenues and receipts enumerated on the Certificate of Tax Exemption. Moreover, to be entitled to the tax exemptions enumerated herein, the association/corporation/organization must continue to meet the requirements set forth under Revenue Memorandum Order No. 20-2013.

LIABILITY FOR INTERNAL REVENUE TAXES

1) INCOME TAX

NATIONAL CATHOLIC APOSTOLIC CHURCH PUNO NG GRASYA ESPIRITU SANTO, INC. is subject to income tax on all its income/receipts/revenues **not** expressly exempted and stated in the Certificate of Tax Exemption. Moreover, it is subject to the corresponding internal revenue taxes imposed under the National Internal Revenue Code of 1997, as amended, on its income derived from any of its properties, real or personal, or any activity conducted for profit regardless of the disposition thereof, which income should be returned for taxation.

Likewise, interest income from currency bank deposits and yield or any other monetary benefits from deposit substitute instruments and from trust funds and similar arrangements, and royalties derived from sources within the Philippines are subject to the twenty percent (20%) final withholding tax: Provided, however, that interest income derived by it from a depository bank under the expanded foreign currency deposit system shall be subject to fifteen percent (15%) [1] final withholding income tax pursuant to Section 27 (D) (1) in relation to Sec. 57 (A) both of the National Internal Revenue Code of 1997, as amended.

2) VALUE ADDED TAX/PERCENTAGE TAX

If **NATIONAL CATHOLIC APOSTOLIC CHURCH PUNO NG GRASYA ESPIRITU SANTO, INC.** is engaged in the sale of goods or services in the course of a business pursuit, including transactions incidental thereto, its revenues derived therefrom shall be subject to the 12% VAT, in case the gross receipts from such sales exceed Three Million Pesos (P3,000,000.00), [2] or to

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the 3% percentage tax, if gross receipts do not exceed P3,000,000.00.

Notwithstanding that it is a non-stock, non-profit corporation, its purchase of goods or properties or services and importation of goods shall nevertheless be subject to the 12% VAT pursuant to Sections 106 and 107 of the National Internal Revenue Code of 1997, as amended.

3) WITHHOLDING TAX

NATIONAL CATHOLIC APOSTOLIC CHURCH PUNO NG GRASYA ESPIRITU SANTO, INC. shall be constituted as withholding agent for the government if it acts as an employer and its employees receive compensation income subject to the withholding tax under Section 79 (A), Chapter XIII, Title II of the National Internal Revenue Code of 1997, as amended, as implemented by Revenue Regulations No. 2-98, as amended, or if it makes income payments to individuals or corporations subject to the withholding tax pursuant to Section 57 of the NIRC, as implemented by Revenue Regulations No. 2-98, as amended.

TAXPAYER'S DUTIES & RESPONSIBILITIES

1) **NATIONAL CATHOLIC APOSTOLIC CHURCH PUNO NG GRASYA ESPIRITU SANTO, INC.** is required to file on or before the 15th day of the fourth month following the end of the accounting period a Profit and Loss Statement and Balance Sheet with the Annual Information Return under oath, stating its gross income and expenses incurred during the preceding period and a certificate showing that there has not been any change in its By-laws, Articles of Incorporation, manner of operation and activities as well as sources and disposition of income. Copy of this Certificate of Tax Exemption shall be attached to the aforementioned Annual Information Return.

2) Under Section 235 of the National Internal Revenue Code of 1997, as amended, any provision of existing general and special law to the contrary notwithstanding, the books of accounts and other pertinent records of tax-exempt organization or grantees of tax incentives shall be subject to examination by the BIR for purposes of ascertaining compliance with the conditions under which it has been granted tax exemptions or tax incentives, and its tax liabilities, if any.

3) Further, it is also required under Section 6 (C) in relation to Section 237 of the National Internal Revenue Code of 1997, as amended, to issue duly registered receipts or sales or commercial invoices for each sale or transfer of merchandise or for services rendered which are not directly related to the activities for which the Association is registered. (Revenue Memorandum Circular [RMC] No. 76-2003)

4) Finally, it is subject to the payment of registration fee of PhP500.00 as prescribed in Section 236 (B) of the National Internal Revenue Code of 1997, as amended.

Footnotes

1. Republic Act No. 10963 increased the tax rate from 7.5% to 15% effective January 1, 2018.

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2. Republic Act No. 10963 increased the VAT threshold from P1,919,500.00 to P3,000,000.00 effective January 1, 2018.

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