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

Certificate of Tax Exemption No.
SH30-011-2020

CERTIFICATE OF TAX EXEMPTION

issued to

SERGIA G. ESGUERRA MEMORIAL FOUNDATION, INC.
Foot of Nagtahan Bridge, Pandacan,
Brgy. 830, Zone 90, District V, Manila 1011
TIN:
SEC Company Reg. No.

This certifies that the above-named entity 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 miscellaneous school fees;**
2. **Scholarship grants;**
3. **Donations; and**
4. **Income derived from the operation of cafeterias/canteens, dormitories and bookstore located within its premises, owned and operated by SERGIA G. ESGUERRA MEMORIAL FOUNDATION, INC. to be actually, directly and exclusively used for educational purposes.**

---------- 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 JAN 2 4 2020_____.

CAESAR R. DULAY
Commissioner of Internal Revenue

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KI-FR-18-0642

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CTE No. SH30-011-2020
Date Issued: JAN 24 2020

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, which income should be returned for taxation, unless said revenues are actually, directly and exclusively used for educational purposes.

2) **VALUE-ADDED TAX (VAT)/ PERCENTAGE TAX**

If **SERGIA G. ESGUERRA MEMORIAL FOUNDATION, 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 (₱3,000,000.00[3]) or to the 3% percentage tax, if gross receipts do not exceed ₱3,000,000.00.

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**

SERGIA G. ESGUERRA MEMORIAL FOUNDATION, 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 National Internal Revenue Code of 1997, as amended, and as implemented by Revenue Regulations No. 2-98, as amended.

TAXPAYER DUTIES & RESPONSIBILITIES

1) **SERGIA G. ESGUERRA MEMORIAL FOUNDATION, 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 corporation is registered. (Revenue Memorandum Circular No. [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.

[3]Republic Act No. 10963 increased the VAT threshold from ₱1,919,500.00 to ₱3,000,000.00 effective January 1, 2018.