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

Certificate of Tax Exemption No:
0807-2019

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **SM DEVELOPMENT CORPORATION**, with Taxpayers Identification Number (TIN) , is exempt from income tax and creditable withholding tax on its income received directly in connection with its low-cost mass housing project (vertical), **Field Residences Building 4 – Barangay Manuyo Uno, Las Piñas City,** consisting of **600** housing units used solely for family home or dwelling purposes, located at Barangay Manuyo Uno, Las Piñas City[1], a project duly registered with the Board of Investments (BOI) under Registration No. dated March 5, 2014, for a period of **three (3) years** beginning from **December 2014** or actual start of commercial operations/selling, whichever is earlier, but in no case earlier than the date of registration of the project with the BOI, pursuant to Executive Order No. 226, otherwise known as the "Omnibus Investments Code of 1987" and Section 2.57.5 (B) (2) of Revenue Regulations (RR) No. 2-98, as amended.

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[2] with selling price of not more than P2.000,000.00.

However, the sale of housing units in excess of the **600** housing units registered with the BOI (per HLURB License to Sell No. , the excess is 2 residential housing units), as well as the 21 commercial (storage) and 106 parking slots, including those other units used for commercial purposes such as leasing of retail stores, offices, etc., shall be subject to the payment of appropriate taxes under the National Internal Revenue Code of 1997, as amended.

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 at the back hereof. The Company is liable, however, for all other applicable taxes not discussed above.

This Certificate of Tax Exemption is being issued on the basis of the facts and documents as presented 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 27 day of DEC 2019.

CAESAR R. DULAY
Commissioner of Internal Revenue

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[1] Per Certificate of Registration No. 028044 and License to Sell No. both issued by the Housing and Land Use Regulatory Board (HLURB) dated February 22, 2017 and June 27, 2017 respectively, Field Residences Building 4 is located at Dr. A. Santos Avenue, Brgy. San Dionisio, Parañaque City / Barangay Manuyo Uno, Las Piñas City.

[2] Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to Republic Act (RA) No. 10963.