

CERTIFICATION

This is to certify that **PHILIPPINE PRECISION TECHNOLOGY, INC. (PPTI)** is a PEZA-registered Ecozone Export Enterprise with Registration Certificate No. 95-70 dated 09 June 1995. **PPTI** is authorized to engage in the following registered activities:

Registered Activity	Reference	Status
Original Project: Manufacture of precision toolings and assembly of machine parts such as fax cutter assembly at Carmelray Industrial Park I – SEZ	RA dd. 09 June 1995	Non-Pioneer
Amendment: Assembly of various kinds of transformers at Carmelray Industrial Park I – SEZ	SA dd. 19 November 1997	
Amendment: Manufacture of plate size metal material at Carmelray Industrial Park I – SEZ	SA dd. 21 September 1998	
Expansion Project: Manufacture of processed round steel material (PRSM) at Carmelray Industrial Park I – SEZ	SA dd. 03 June 2005	-

This is to further certify that effective 11 April 2021, **PPTI** shall be allowed to continue availing the following incentives as provided in the Implementing Rules and Regulations of R.A. No. 11534 otherwise known as the Corporate Recovery and Tax Incentives Act or the CREATE Law, and Sec. 311 of the said law:

1. Special Corporate Income Tax (SCIT)

As provided in Rule 2 Section 2 “The SCIT shall be equivalent to a tax rate of five percent (5%) based on the gross income earned (GIE), in lieu of all national and local taxes. For the purpose of the 5% tax on GIE, local taxes shall not include fees and charges as defined under Section 131 (l) and (g), respectively, of the Local Government Code of 1991.”

Rule 18 Section 3. *Registered business enterprises currently availing of the five percent (5%) tax on gross income earned.* – “Registered business enterprises currently availing of the five percent (5%) tax on gross income earned granted prior to the effectivity of this Act shall be allowed to continue availing the said tax incentive at the rate of five percent (5%) for ten (10) years.”

2. Customs Duty Exemption on Importation of Capital Equipment, Raw Materials, Spare Parts or Accessories

The importation of capital equipment, raw materials, spare parts, and accessories made by RBEs shall be exempt from customs duties subject to the provisions of Rule 2, Section 4 of the amended IRR of the CREATE Law.

3. Value-added Tax (VAT) zero-rating and exemption

The enjoyment of this incentive shall be subject to the provisions of Rule 2, Section 5 of the amended IRR of the CREATE Law and BIR Revenue Regulation (RR) No. 21-2021 dated 03 December 2021.



Pursuant also to BIR RR No. 14-2002 [Amending Further Pertinent Provisions of Revenue Regulations No. 2-98, as amended], income payments to PEZA registered enterprises under the ITH and 5% GIT incentives are exempt from expanded withholding tax.

Availment of the foregoing incentives by **PPTI** is subject to all evaluation and/or processing requirements and procedures prescribed under PEZA Rules and Regulations, pertinent circulars and directives, including all applicable requirements and procedures provided in the rules and regulations in the implementation of SEC. 311 of R.A. 11534, the CREATE Act, in relation to continued enjoyment of the above-listed incentives during the transition period provided in the said Act, effective 11 April 2021. **PPTI**'s entitlement to incentives shall continue as long as it remains in good standing, commit no violation of PEZA Rules and Regulations, pertinent circulars and directives, or the terms and conditions of its Registration Agreement with PEZA.

This certification is issued upon the request of **PPTI** for whatever legal purpose it may serve, and is valid for the year 2022, unless otherwise revoked or suspended by PEZA prior to the expiration of said period. This certification is automatically revoked in the event of cancellation of **PPTI**'s PEZA registration, effective on the date of the said cancellation.

A handwritten signature in blue ink, appearing to read 'Norma B. Tañag', positioned above the typed name.

ATTY. NORMA B. TAÑAG

Officer-in-Charge

Office of the Deputy Director General for Operations

10 January 2022

RVSS/cvc/ssa/mct