



**Board Resolution No. 35
Series of 2020**

APPROVAL OF THE VAT-REGISTRATION OF KASAGANA-KA MUTUAL BENEFIT ASSOCIATION, INC.

Upon motion, duly seconded, the Board of Trustees, on November 25, 2020, in an online referendum, adopted the following resolution:

WHEREAS, Kasagana-Ka Mutual Benefit Association, Inc.'s current tax registration with the Bureau of Internal Revenue is non-VAT as reflected effectively in its Certificate of Registration;

WHEREAS, with the erection of KMBA Members' Center Building at 5 Matimpiin St. Pinyahan, Quezon City, KMBA projected benefits from the investment property in the form of rental income from lease of office spaces, seminar and conference venue and dormitories;

WHEREAS, pursuant to the National Internal Revenue Code "Tax Code" as last amended by R.A. 10963 or the Tax Reform for Acceleration and Inclusion Law, Value-Added Tax (VAT) shall be imposed upon any person who, in the course of trade or business, leases goods or properties, precisely says, videlicet;

"SEC. 105. Persons Liable. — Any person who, in the course of trade or business, sells, barter, exchanges, *leases goods or properties*, renders services, and any person who imports goods shall be subject to the value-added tax imposed in Sections 106 to 108 of this Code.

WHEREAS, the VAT is an indirect tax and the amount may be shifted or passed to the lessee as to be applied in the respective contracts of leases;

WHEREAS, KMBA management recommended this Board, in the initial year of KMBA to lease out the property, to register the same as VAT taxpayer, with good faith that such election shall be irrevocable for three years in case the threshold is not met;

WHEREAS, VAT shall apply only to the taxable receipts or for this purpose, the rental income, and non-taxable receipts remain exempt from VAT;

NOW THEREFORE, the foregoing premises considered, the Board of Trustees **RESOLVED** to approve the registration of KMBA as VAT taxpayer insofar of its leasing activity;

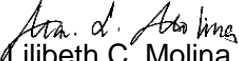
RESOLVED FURTHER, to authorize any of the following in all dealings and transactions with the BIR with the power to sign, execute and deliver document and to perform any other act as maybe necessary or appropriate to effect the foregoing:

Silvida Reyes-Antiquera	General Manager
Evelyn A. Lagmay	Finance Manager
Analyne A. Shih	Executive Assistant/Administrative Officer

Adopted this 25th of November, 2020 via online referendum, in the Philippines by the affirmative vote of the undersigned members representing a majority of the trustees of KMBA, Inc.



Enriqueta V. Navarro
President


Lilibeth C. Molina
Treasurer


Rita T. dela Cruz
Member

Atty. Maria Cleofe Gettie C. Sandoval
Independent Member

Alma D. Gilbaliga
Vice-President


Jenifer L. Abao
Member


Teresita D. Padel
Member

Philip Arnold P. Tuaño
Independent Member


Attested by: Jondino T. Andres
Board Secretary