

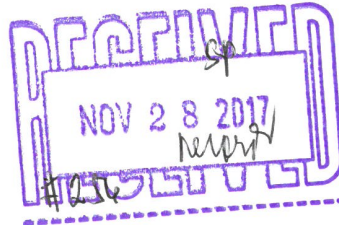
CENTURY HUA GUANG SMELTING INCORPORATED

14/F Equitable Bank Tower Condominium, 8751 Paseo de Roxas, Salcedo Village, Makati City

13 November 2017

HON. LEOPOLDO DOMINCO L. PETILLA
Governor
Province of Leyte

Thru: THE HONORABLE MEMBERS OF
THE SANGGUNIANG PANLALAWIGAN
Province of Leyte



Re: Letter dated 16 June 2017
of the Office of the Municipal Treasurer
Isabel, Leyte

Hon. Governor Petilla,

We write for and on behalf of CENTURY HUA GUANG SMELTING INC. (the "Company" for brevity).

Pursuant to Provincial Ordinance No. 2016-03 of the Province of Leyte, entitled: "An Ordinance Amending the Leyte Province Investment Code and For Other Purposes," the Company applied for Real Property Tax Holiday and the Sangguniang Panlalawigan has confirmed the approval of the Honorable Governor upon the recommendation of the Leyte Investment Committee.

The said Ordinance granted Real Property Tax Holiday for Enterprises affected by Typhoon "Haiyan" or "Yolanda". However, the Municipal Treasurer of Isabel, in a Letter dated 16 June 2017 (copy of the letter is hereto attached), still demands and collects payment and penalties for the years covered by the Real Property Tax Holiday in the said Ordinance, particularly for years 2014 to 2017.

Under Section 232 of .R.A. 7160 otherwise known as "The Local Government Code," the power to impose real property tax has been given to provinces, cities and municipal governments within Metropolitan Manila Area only. Therefore, Municipalities outside of Metro Manila may not impose Real Property Taxes.

Consequently, Municipalities like Isabel merely act as collecting agents of the Province. They only have the obligation TO COLLECT as agents deputized by the Province but, NOT TO IMPOSE Real Property Tax, pursuant to Section 247 of the Local Government Code.

As such, the Municipality of Isabel has no authority to demand and collect payment of Real Property Tax considering that the Province of Leyte through the Governor, has approved Real Property Tax Holiday in favor of the Company. Simply stated, IF THE PROVINCE HAS GRANTED FULL, ABSOLUTE AND UNCONDITIONAL EXEMPTION TO THE COMPANY, THE MUNICIPALITY, WHOSE AUTHORITY MERELY EMANATES FROM THE POWER DELEGATED BY THE PROVINCE, CANNOT IN ITS OWN DISCRETION, PARTIALLY COLLECT ITS SHARE FROM THE PAYMENT OF REAL PROPERTY TAX.

In view of the foregoing, the Company respectfully requests for assistance to enlighten the matter with the Office of the Municipal Treasurer of Isabel, Leyte so that it may finally settle its obligations with the Province and start anew its business operation.

With assurances of our highest esteem.

Very truly yours


Katrina C. Keeg
Treasury Head