

In accordance with the provisions of the Capital Markets Efficiency Promotion Act (CMEPA) or Republic Act No. 12214 signed into law last May 29, 2025, please be informed of the following adjustments in tax rates which took effect starting July 1, 2025:

Tax Type	Transaction	From	To
Final Withholding Tax	Interest income from foreign currency savings and time deposits, deposit substitutes, trust funds, and similar financial instruments owned by resident individuals, citizens, nonresident aliens engaged in business in the Philippines, and domestic corporations	15%	20%
	Interest income from long term deposits	5 yrs or more - 0% 4 years to less than 5 years – 5% 3 years to less than 4 years – 12%	20%
Documentary Stamp Tax	Original issuance of shares	1%	0.75%
Stock Transaction Tax	Sale of listed shares of domestic corporations in both the local and foreign stock exchanges	0.6% of gross selling price or gross money in value	0.1% of gross selling price or gross money in value
Capital Gains Tax	Net gains from the sale, exchange, or transfer of shares in foreign corporations	Part of taxable income subject to 25% corporate income tax	15% final capital gains tax

Transitory provisions: Any tax exemption and preferential rate on financial instruments issued or transacted prior to July 1, 2025 shall be subject to the prevailing tax rate at the time of its issuance for the remaining maturity of the relevant agreement.

Further details on the revised rates and their corresponding implications will be communicated once the implementing guidelines are issued by the Bureau of Internal Revenue.