Chinabank

IMPORTANT TAX ADVISORY

Capital Markets Efficiency Promotion Act or CMEPA (Republic Act No. 12214) is a new law that aims to boost market competitiveness, simplify investment taxes, and align the country's tax code with global standards.

Effective July 1, 2025, the new CMEPA tax rates will apply to the financial products and services listed below.

	Prior to CMEPA	Under CMEPA
Final Withholding Tax (FWT) on Interest Income from Deposits Foreign Currency Savings and Time Deposits *The 20% FWT applies to individual citizens, resident aliens, domestic corporations and resident foreign corporations. The applicable rate for non-resident individuals and corporations remains unchanged.*	15% FWT Time Deposits made before July 1, 2025 will continue to be subject to 15% FWT if held until maturity.	20% FWT
Peso Time Deposits with term of at least 5 years *This applies to individual citizen or resident alien only.*	EXEMPT Placements made before July 1, 2025 will continue to be exempt from FWT if held until maturity.*	20% FWT
Stock Transaction Tax (STT) on equities sale transactions	0.6% of gross selling price	0.1% of gross selling price

No action needed—Chinabank will apply the new rate automatically.

For inquiries, contact your Branch of Account or Relationship Manager.

**In case of pre-termination, FWT rates prior to CMEPA will apply.*