

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

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

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