



**Enagic Philippines, Inc.**  
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Dear Distributors,

Cheers for year 2020! More success and more opportunities to continue sharing Enagic with others!

Let us start the year with statutory compliance so we do not stress over tax issues/ challenges. Some of the items to comply in taxable year 2020 are the following:

- 1) Submission of Income Payee's Sworn Declaration of Gross Receipts/ Sales for taxable year 2020 not later than **15 Jan2020** together with a copy of an updated Certificate of Registration with the BIR. Failure to submit on the said date will enable Enagic to withhold tax from commission using the higher rate as indicated in the BIR rule. Applicable withholding tax rate will only take effect upon receipt by the BIR of submitted sworn.

Withholding tax rate is very important when it comes to processing commission income as this takes up automatically the applicable rate, usually the highest rate and this is not adjustable when sworn declaration of gross receipts/sales is submitted to Enagic and received by the BIR. Submission of sworn declaration of income should be done before receiving your first commission of the year. There will be no tax deduction from your commission until it exceeded the P250k threshold of the BIR. The excess of P 250K will be the basis of 5% withholding tax rate.

- 2) **Official Receipt (OR) should match the name registered in Enagic.** Company OR is not allowed for commission income received by an individual distributor. An individual distributor should have an OR under his name not in the name of the company. Commission dues of distributors affected will be put on hold until compliance is done.

Matching exposures will arise due to matching procedure of the BIR. There will be a reporting discrepancy between Enagic and records of the distributor as far as BIR is concerned which may lead to tax deficiency assessment.

We have attached related BIR ruling and forms for guidance.

Thank you.

By: Enagic Philippines Inc.