



Enagic Philippines, Inc.

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Date : 30 October 2019
To : Distributors of Enagic Philippines, Inc.
Re : Issuance of Official Receipts

This is to reiterate our previous advisories, and e-mails which required that Distributors who earn commission and other related commission income exceeding Three Million Pesos (₱3,000,000.00) a year must be Value-Added Tax ("VAT")-registered and must provide VAT official receipts.

Section 236 of the Tax Code, as amended by the TRAIN Law, provides that the following persons are required to **update registration with the BIR and secure VAT official receipts**:

- (a) If his gross sales or receipts for the past twelve (12) months, other than the exempt transactions provided by Section 109 of the Tax Code, have exceeded Three Million Pesos (₱3,000,000.00); or
- (b) There are reasonable grounds to believe that his gross sales or receipts for the next twelve (12) months, other than the exempt transactions, will exceed Three Million Pesos (₱3,000,000.00).

Enagic Philippines, Inc. ("**Company**") has consistently reminded its Distributors to comply with the aforesaid requirement of the Tax Code. This shall serve as the final notice and warning to the Distributors of the Company. Should erring Distributors still fail to comply with the above requirements, the Company shall withhold their future commissions and bonuses, and may take the requisite legal action against said distributors, if warranted.

Lastly, the Company, including its officers, stockholders, directors, employees, legal representatives, and assigns, must be indemnified from any and all liabilities, claims, causes of action, losses or damages, whatsoever, by reason of, based upon, or arising out of the distributors' failure to comply with their duties as distributors, including the issuance of official receipts.

Thank you for your continued support and cooperation.

