

09 Jun 2022

Circular No. GM/104/2022

Collection, Withholding, Remittance and Reporting of Stock Transaction Tax for Emperador Inc.

SGX-ST has granted a conditional Eligibility-To-List (“ETL”) to Emperador Inc. (the “**Company**”) for its proposed secondary listing by way of introduction of the ordinary shares of the Company on the Mainboard of SGX-ST (“**Proposed Listing**”), as announced by the Company on 13 April 2022. The Company is an integrated, global, manufacturer, bottler and distributor of brandy, Scotch whisky and other alcoholic beverages, and is primary-listed on the Philippine Stock Exchange. Please note that the grant of the ETL is not to be taken as an indication of the merits of the Proposed Listing.

In conjunction with the Proposed Listing, any sale of the Company’s shares to be transacted on SGX-ST will be subject to a Stock Transaction Tax (“STT”) in accordance with Section 127 of the Philippine Tax Code (the “Code”). The STT payable to the Philippines Bureau of Internal Revenue (the “BIR”) pursuant to the Code is currently set at 0.6% of the gross selling price or gross value in money of the shares sold. The term gross selling price or gross value in money refers to the total amount of money or its equivalent which the purchaser pays the selling shareholder as consideration for the shares.

STT collection, withholding, remittance and reporting mechanism

The STT payable by the selling shareholder of the Company’s shares traded on SGX-ST shall be collected and withheld by SGX Members at the date of settlement of the trade. SGX Members may remit the collected STT to the BIR via BDO Securities Corporation, which has been appointed by the Company on a non-exclusive basis as the receiving and remitting agent (the “**Receiving Agent**”) for the STT payable on the sale of the Company’s shares traded on SGX-ST. However, SGX Members can also choose to remit the collected STT to the BIR via other avenues, such as through their Philippines affiliated brokers.

Should the SGX Member engage the services of the Receiving Agent, it is envisaged that the SGX Member will remit the total amount of STT collected and withheld, to a nominated Singapore bank account maintained by the Receiving Agent (the “**Received STT Amount**”). The Receiving Agent will remit the Received STT Amount to a Philippines bank account maintained by the Receiving Agent, and if necessary, convert such amount into the Philippine Pesos equivalent valued at the date of receipt of funds, remit the Received STT Amount to the BIR’s authorised agent bank and file the corresponding STT reports in the forms as prescribed by the BIR within the prescribed time period. It is also envisaged that on a weekly basis, the Receiving Agent shall report and submit to the Corporate Secretary of the Company (“**EMP CorSec**”) the relevant records and sworn declaration indicating transactions related to the STT received and remitted to the BIR in relation to the Company’s shares traded on SGX-ST by SGX Members which utilise the Receiving Agent’s services for that week.

SGX Members who choose not to utilise the services of the Receiving Agent will need to provide alternative modes of STT payment to comply with the applicable regulations (including having in place the necessary procedures and controls for the collection, withholding, remittance and reporting requirements of the STT for the sale of the

Company's shares on SGX-ST), and establish arrangements to report and submit the weekly report mentioned in the immediately preceding paragraph to the EMP CorSec.

The EMP CorSec shall in turn keep and compile the submissions of the Receiving Agent and the SGX Members (as the case may be), file a reconciliation statement of the trades of the SGX Members with the reports received from either the Receiving Agent or directly from SGX Members, and file and transmit to the BIR a consolidated return of all transactions by the Receiving Agent and SGX Members on a monthly basis.

Potential liabilities/ penalties arising from the failure to pay, collect, withhold, remit and report the STT

In the event that a selling shareholder does not pay the STT, or an SGX Member collects and withholds the STT from the selling shareholder but fails to remit such STT amounts onward to the BIR or the Receiving Agent, or the SGX Member fails to provide the requisite STT reports, this may result in a breach of law on the part of the selling shareholder or (as the case may be) the SGX Member which may attract interest charges, fines and civil and/or criminal liability.

Adequate systems and processes to collect, withhold, remit and report the STT

SGX Members who wish to offer trading in the shares of the Company on SGX-ST are reminded to put in place adequate systems, processes, controls and arrangements (including where appropriate, arrangements with the Receiving Agent or SGX Member's appointed agent) for the collection, withholding, remittance and reporting of the STT. SGX Members who choose not to utilise the services of the Receiving Agent are advised to inform the EMP CorSec accordingly. For the purpose of the STT remittance and reporting requirements, SGX Members should establish the information to be reported with the Receiving Agent or Emp CorSec as applicable.

SGX Members should clearly disclose the nature and quantum of the STT payable by selling shareholders on your respective websites and contract statements. Any additional charges relating to the transaction should be separately reflected in the contract statements.

Prior to the commencement of trading of the Company's shares on SGX-ST, SGX Members must provide the attached written attestation to SGX RegCo Member Supervision. SGX RegCo reserves the right to carry out inspections of SGX Members' systems and processes to assure that the necessary measures have been instituted for the collection, withholding, remittance and reporting of the STT.

Please refer to the introductory document to be published by the Company in connection with the Proposed Listing for further updates, amendments and details in relation to the STT.

To enable market participants to identify the shares of counters subject to the STT, SGX-ST will disseminate a "TT" indicator at the instrument level. Details will follow in due course.

Please contact your Member Supervision Officer-in-Charge for any queries.

Grace Mok
Head, Member Supervision
Singapore Exchange Regulation

Attachment(s) :

1. Attestation on STT for Emperor Inc.docx

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