**REVENUE REGULATIONS NO. 10-98** issued September 2, 1998 prescribes the regulations to implement RA No. 8424 relative to the imposition of income taxes on income derived under the Foreign Currency Deposit and Offshore Banking Systems. Specifically, interest income which is actually or constructively received by a resident citizen of the Philippines or by a resident alien individual from a foreign currency bank deposit will be subject to a final withholding tax of 7.5%. The depository bank will withhold and remit the tax. If a bank account is jointly in the name of a non-resident citizen, 50% of the interest income from such bank deposit will be treated as exempt while the other 50% will be subject to a final withholding tax of 7.5%. The Regulations will apply on taxable income derived beginning January 1, 1998 pursuant to the provisions of Section 8 of RA 8424. In case of deposits which were made in 1997, only that portion of interest which was actually or constructively received by a depositor starting January 1, 1998 is taxable.