

wts



Assignments to Asia Pacific - 2016

Australia | China | Hong Kong | India | Indonesia |
Philippines | Singapore | Taiwan | Thailand | Vietnam

In times of globalisation, the importance of international employee deployment is growing. As a global company, you are therefore faced with the ever increasing complexity of managing your expatriates' cross border **taxation, social security, legal** and **immigration** related matters. The legal regulations in these fields are not only subject to constant change but, they are also becoming more and more complex when applying in different jurisdictions at the same time. Incorrect decisions can be both difficult and costly to rectify.

At WTS we can help you to identify assignment related risks at an early stage and optimize tax and social security payments for you and your employees while keeping the administrative burden to a minimum. Our expertise helps you to strategically plan and manage your intercompany assignment cost and compliance. Our Global Expatriate Services specialists guide you smoothly through the planning, structuring and implementation of every international assignment. Jointly with our international network, WTS can assist you in close to 100 locations worldwide. We provide local expertise by international professionals wherever you are.

With this booklet we offer you a brief overview of tax, social security and immigration related matters you might consider for your assignments to and within Asia.

Editorial team

WTS Global

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Australia



Personal Income Tax

- Individuals are taxed on income and capital gains, depending on source / residency status.
- Tax rate is progressive and for residents / temporary residents ranges 19% to 45%, with a tax free threshold up to AUD 18,200.
- The income tax year runs from 1 July to 30 June of the following year.
- Employment income is subject to withholding (PAYG) system, and is remitted by the employer to the Australian Taxation Office (ATO). Remittance of PAYG is dependent upon the size classification of the employer, which varies from quarterly, monthly to twice weekly remittance.
- Tax year ends 30 June and filing is generally due by 31 October. Deferral may apply to 15 May of following year.
- Temporary Budget Repair Levy is imposed on taxable income exceeding AUD 180,000 at the rate of 2% commencing from 1 July 2014 year to 30 June 2017.

Social Security

Employee

- An employee is required to pay Medicare Levy (currently 2% of taxable income),

and Medicare Levy Surcharge (MLS) (varies between 1% and 1.5% depending on income and age) where employee does not hold approved private health insurance.

- An exemption from Medicare Levy/MLS may apply if the employee is from a country that has not entered into a Reciprocal Health Care Agreement with Australia.

Employer

- An employer must pay compulsory superannuation for employee at minimum rate of 9.5% of the employee's ordinary time earnings (OTE) base (broadly, salary and wages, and most cash compensation). The maximum contributions are capped at AUD 19,307.80 per annum for 2015/2016 tax year.
- The employer can keep the employee in his home country social security system (if that country has a bilateral agreement with Australia) and obtain a Certificate of Coverage (COC) to remove the obligation to make the Australian superannuation contributions.

Immigration

- An individual who wants to enter Australia for employment reasons may apply for:

- Temporary (short stay activity) visa – subclass 400 visa, granted for a period of up to three months.
- Temporary (long stay activity) visa – subclass 401 visa, granted for a maximum for a period of two years.
- Temporary (skilled) visa - subclass 457 visa, granted for a period up to four years.

Employer's Obligations

Start of employment

- Obtain correct working visa type for an employee.
- Request an Australian Tax File Number from an employee.
- Obtain Tax File Number Declaration from an employee.

During employment

- Remit PAYG withholding to the ATO.
- Make compulsory employer superannuation contributions into the employee's Australian superannuation fund, should they not be covered by the COC.
- Ensure that the company complies with Australian employment tax obligations:
 - PAYG Withholding on salaries and wages;
 - Fringe Benefits Tax;
 - Superannuation Guarantee;
 - Payroll Tax; and
 - Workers Compensation Insurance.

Termination of employment

- Advise Dept of Immigration and Border Protection if visa is to be cancelled and employee on Departing Australia Superannuation payment upon departure.
- Provide employee with Annual Payment Summary/Employee Share Scheme Statement after year end.

Comparisons

Taxation of Fringe Benefits³

Housing	✗
Home Flights	✗
Education for Children	✗

Tax Rates

Single no children Employment Gross Income ² 100,000 EUR p.a.	26.69%
Married 2 children Employment Gross Income ¹ 100,000 EUR p.a.	26.69%

Maximum Effective Personal Income Tax Rates for the past 3 years²

2014	2015	2016
45%	45%	45%

Social Security Rates

Employment Gross Income¹ 100,000 EUR p.a.

Employee	2%
Employer	9.5%

Social Security Agreements (SSA)

Austria	✓
Germany	✓
United Kingdom	✗
United States	✓
Switzerland	✓

¹ Excluding fringe benefits such as housing.

² does not include an additional Medicare Levy of 2%, Medicare Levy Surcharge of 1-1.5% (applied in the absence of an appropriate Private Health Insurance Cover) and Temporary Budget Repair Levy of 2%.

³ Some exemptions apply. Otherwise, subject to Fringe Benefits Tax (FBT) of 49%.

✓ Tax exempt / SSA available

✗ Taxable / SSA not available

○ Special regulations applicable / SSA under negotiation



China



Personal Income Tax

- Tax rate is progressive and ranges from 3% to 45%.
- The tax year is the calendar year.
- Employment income is subject to a monthly withholding. The tax is withheld by the employer and must be paid to the local tax bureau within the first 15 days after the month of payment.

Social Security

- The contributions for Employee and Employer vary depending on the location but are generally capped at RMB 8,301.49 per month at the current stage.
- Employers are required to withhold the monthly employee contribution and have the funds covering both the monthly employer and employee contributions available for settlement to the local social security bureau.
- **Exemptions for foreigners**
Although there are social security requirements in China, the implementation for foreigners to contribute differs from region to region. Contribution rates shall be adjusted on yearly basis. Foreigners are required to contribute, although German, Danish and Korean nationals

can be exempt in certain insurance categories thanks to social security agreements between these countries and China.

Immigration

- In order for a foreigner to be granted an employment visa in China, the post must be of a special need that cannot be filled by any domestic candidates at the current time, in addition to fulfilling other requirements.
- There are three main types of visas in relation to business/employment activities for foreigners:
 - M: Foreigners engaged in commercial or trade activities
 - R: Experienced and skilled foreign workers who are urgently needed in China
 - Z (employment visa): Foreigners apply to work in the territory of China. Foreigners enter into China for following reasons for 90 days or less shall apply for short-term Z visa:
 - a) Working with China business partners for delivery of technical knowhow, scientific research, project management and supervisory duty
 - b) Conducting training for sports organization (including coaches and athletes)

- c) Filming (including advertisements and documentaries)
 - d) Performing in fashion shows (including car exhibition, photographing for commercials & etc.)
 - e) Participating in commercial performances, and
 - f) Other situations as identified by the Ministry of Human Resources and Social Security
- The application process of an employment visa takes usually 5-8 weeks once all requested documents are submitted.

Employer's Obligations

Start of employment

- Apply for work permit and residence permit for the employee.
- Register the employee for individual income tax purpose with in-charge tax authority.
- Register the employee for social security purpose with in-charge authority of social security.

During employment

- Withhold individual income tax for the employee by 15th of the following month.
- Withhold social security for the employee by 15th of the following month.
- Proceed with the work permit & residence permit extension for the employee.

Termination of employment

- De-register the employee for individual income tax purpose with in-charge tax authority if necessary.
- De-register the employee for social security purpose with in-charge authority of social security.
- Cancel the work permit for the employee.

Comparisons

Taxation of Fringe Benefits

Housing	✓
Home Flights	✓
Education for Children	✓

Tax Rates

Single no children Employment Gross Income ¹ 100,000 EUR p.a.	23%
Married 2 children Employment Gross Income ¹ 100,000 EUR p.a.	23%

Maximum Effective Personal Income Tax Rates for the past 3 years

2014	2015	2016
45%	45%	45%

Social Security Rates

Employment Gross Income ¹ 100,000 EUR p.a.	
Employee	3%
Employer	11%

Social Security Agreements (SSA)

Austria	✗
Germany	✓
United Kingdom	✗
United States	✗
Switzerland	✓

¹ Excluding fringe benefits such as housing. The rates in different cities vary. For the comparison above the rates of Beijing were considered.

✓ Tax exempt / SSA available

✗ Taxable / SSA not available

○ Special regulations applicable / SSA under negotiation



Hong Kong



Personal Income Tax

- The personal income tax is known as Salaries Tax and the rate is either progressive, ranging from 2% to 17%, or flat at 15%.
- The tax year begins April 1 and ends March 31 of the following calendar year.
- Hong Kong has no monthly withholding of wage tax. Salaries Tax is payable in two instalments generally to be made in January and April of the calendar year following the current tax year.
- Salaries Tax Return forms are sent out by the Inland Revenue Department (IRD) in early May each year. Taxpayers are then required to complete and submit the Tax Return within 1 month from the date of issue. Taxpayer who do not receive a Salaries Tax Return need to inform the IRD.

Social Security

Employee

- Every employee who makes more than HKD 7,100 a month must contribute 5% of their salary to the Mandatory Provident Fund (MPF) scheme. However, the monthly contribution is capped at HKD 1,500.

Employer

- An employer must always contribute 5% of the employee's salary to the MPF scheme, even if the employee makes less than HKD 7,100 per month. However, the monthly contribution is capped at HKD 1,500.

Foreigners can be exempt if their Hong Kong working visa is valid for less than 13 months or if they are covered by a foreign pension scheme. The exemption does not apply to persons staying in Hong Kong on dependant visa.

Immigration

- In order for a foreigner to be granted an employment visa in Hong Kong, the post must be of a special need that cannot be filled by any domestic candidates at the current time, in addition to fulfilling other requirements.
- The application process of an employment visa takes usually 4-6 weeks once all requested documents are submitted.
- Employment Visa are usually granted for 2 years (unless the employment contract is shorter). Thereafter, extensions must be applied and may be granted two times

for 3 years or once for 6 years for top-tier stream candidates.

Employer's Obligations

Start of employment

- Sponsor the correct visa type.
- Register the employee within 3 months from the date of commencement with the IRD.
- Enroll the employee within 60 days after the date of commencement in an MPF Scheme.

During employment

- Track necessary visa extensions for the employee.
- Submit annually the Employers' Return and report overseas payments, the refund of Salaries Tax and other specific Allowances correctly and in time.
- Allocate the employees remuneration to the right entity to be tax compliant.
- Report on a monthly basis the employee's "relevant income" and pay MPF contributions by the 10th day of each month.

Termination of employment

- Inform the Immigration Department.
- De-register the employee at least 1 month in advance to the cassation date and check if you are obliged to withhold the last month's remuneration.
- De-register the employee from the MPF Scheme.

Comparisons

Taxation of Fringe Benefits

Housing	○
Home Flights	✗
Education for Children	✗

Tax Rates

Single no children	13.17%
Employment Gross Income ¹ 100,000 EUR p.a.	
Married 2 children	7.94% ²
Employment Gross Income ¹ 100,000 EUR p.a.	

Maximum Effective Personal Income Tax Rates for the past 3 years

2014	2015	2016
15%	15%	15%

Social Security Rates

Employment Gross Income ¹ 100,000 EUR p.a.	
Employee	2.13%
Employer	2.13%

Social Security Agreements (SSA)

Austria	✗
Germany	✗
United Kingdom	✗
United States	✗
Switzerland	✗

¹ Excluding fringe benefits such as housing.

² Spouse does not receive taxable income.

✓ Tax exempt / SSA available

✗ Taxable / SSA not available

○ Special regulations applicable / SSA under negotiation



India



Personal Income Tax

- Tax rate is progressive and ranges from Nil to 30%.
- In addition to tax, surcharge at the rate of 12% is added where total income exceeds INR 10 million.
- The tax and surcharge (if applicable) so calculated is further increased by an additional Education Cess at the rate of 2% and Higher education cess at the rate of 1%. The effective tax rate becomes 34.608%.
- The tax year begins from 1 April and ends on 31 March of the following calendar year.
- A tax return must be filed by 31 July of the assessment year with tax being computed on a preceding year basis.
- The employer has the responsibility to withhold taxes (WHT) while making monthly salary payments to the individual. In case the employer has not deducted taxes on salary paid to employee, then employee has to pay advance taxes in the following installments:
- An advance tax liability arises when the estimated tax liability (after considering WHT) to be INR 10,000 or more.
 - not less than 30% of estimated taxes by 15 September of the fiscal year,

- not less than 60% of estimated taxes by 15 December of the fiscal year; and
- not less than 100% of estimated tax by 15 March of the fiscal year.

Social Security (Provident Fund)

- The Indian social security regulations generally apply to all international workers.
- Social Security contribution in case of Employee:
 - Provident fund: 12%
- Employer:
 - Pension fund: 8.33%
 - Provident fund: 3.67%
- Where an international worker has joined a covered establishment in India and drawing a salary of more than INR 15,000 per month. In such case, the employer's entire contribution will go to the international worker's provident fund and bifurcation towards Pension fund and Provident fund is not required.

Immigration

Visa (before arrival into India)

- In order for a foreigner to be granted an employment visa in India, the post must be

of a special need (highly skilled/qualified professional) that cannot be filled by any domestic candidate at the current time.

- In addition to fulfilling other requirements and the minimum salary per year should be USD 25,000.
- The application process of an employment visa takes usually 4-6 weeks once all requested documents are submitted.

Foreign Regional Registration office (after arrival into India)

- Employees coming to India for employment are required to get themselves registered with the concerned FRRO office having jurisdiction over the place where the employee is intending to stay.
- The registration process needs to be completed within 14 day from the date of arrival into India.

Tax Clearance Certificate

- An expatriate before leaving the territory of India is required to obtain a tax clearance certificate from Income tax authority stating that the employee does not have any outstanding tax liability.

Employer's Obligations

- The employer has the responsibility to withhold taxes while making monthly salary payments to the individual. The employer is required to WHT and the amount is calculated by dividing the whole year's tax liability of the individual by the number of months for which salary is paid to that individual in the financial year.
- Employers require to deduct the contribution from the employee's monthly pay and pay the amount to the social security authorities.

Comparisons

Taxation of Fringe Benefits

Housing	✘
Home Flights	✘
Education for Children	✘

Tax Rates^{2 3}

Single no children Employment Gross Income ² 100,000 EUR p.a.	27.50%
Married 2 children Employment Gross Income ¹ 100,000 EUR p.a.	27.50%

Maximum Effective Personal Income Tax Rates for the past 3 years⁴

2014	2015	2016
33.99%	33.99%	34.61%

Social Security Rates

Employment Gross Income ¹ 100,000 EUR p.a. (8,333.33 per month)	
Employee	12%
Employer	12%

Social Security Agreements (SSA)

Austria	✓
Germany	✓
United Kingdom	✘
United States	✘
Switzerland	✓

¹ Excluding fringe benefits such as housing.

² The INR equivalent of Euro 100,000 does not exceed INR 10 million. Accordingly, surcharge is not considered while computing the above mentioned tax rate. The above rate needs to be further increased by 3% on account of Education cess.

³ Marital status does not have any impact on taxability. Each individual is required to comply with regulations separately.

⁴ Only higher tax rate is considered and benefit of slab rates is not considered here.

✓ Tax exempt / SSA available

✘ Taxable / SSA not available

○ Special regulations applicable / SSA under negotiation



Indonesia



Personal Income Tax

- For a resident taxpayer, the tax rate is progressive and ranges from 5% to 30%.
- For a non-resident taxpayer, the tax rate is a single rate of 20% imposed on gross Indonesia-sourced income.
- The tax year is the calendar year.
- Personal deductions: Since July 2015, the following personal deductions are available for a resident individual taxpayer:
 - Taxpayer: IDR 36,000,000
 - Spouse: IDR 3,000,000 or IDR 36,000,000 for a wife whose income is combined with her husband's
 - Dependents: IDR 3,000,000 (up to a maximum of 3 individuals related by blood or marriage)
 - Occupational support (5% of gross income up to a maximum of IDR 6,000,000)
- Employee income tax (Article 21 Income Tax) should be withheld on a monthly basis. The employer will withhold the income tax and pay the withholding tax withheld to the state treasury by the 10th of the following month and report the return to the tax office where the company is registered by the 20th of the following month.

- The individual tax return should be filed to the tax office where the individual taxpayer is registered at the latest 3 months after the end of the calendar year (31 March).

Social Security

This membership is compulsory. Wage basis is monthly wages, which consist of basic salary and fixed allowances.

Old Age Security Program

- Total contribution is 5.7% of the salary, with details as follows:
 - Employee contribution: 2%
 - Employer contribution: 3.7%

Accident Insurance Program (JKK)

- Classified in 5 (five) working group levels of environmental risks, as follows:
 - very low risk level: 0.24%;
 - low risk level: 0.54%;
 - medium risk level: 0.89%;
 - high risk level: 1.27%; and
 - very high risk level: 1.74% of the monthly wage.

Death Insurance Program (JKM)

→ Provides cash benefits given to heirs when a participant dies not as a result of an accident at the workplace.

JKM dues:

- For a participant who receives salary or wages, the contribution is 0.30% of the monthly salary or wages.
- For a participant who is not a wage earner, the contribution is IDR 6,800 per month.

Pension Program

→ Dues are set at 3% (employee's portion 1% and employer's portion 2%) with a wage ceiling of IDR 7 million.

The maximum wage (wage ceiling) is set at IDR 7,000,000.

Immigration

→ To work in Indonesia, a foreign worker shall be granted a work permit and a stay permit. A limited stay permit is granted for maximum of 2 years period and can be extended for 2 times. When the Limited Stay Permit has been extended 2 times, the foreign worker may apply to the Immigration Office for a Permanent Stay Permit.

→ The whole application process for work permit documents (general circumstances, not applied for temporary work and/or urgent work) takes at least two months.

Comparisons

Taxation of Fringe Benefits

Housing	✘
Home Flights	✘
Education for Children	✘

Tax Rates

Single no children Employment Gross Income ¹ 100,000 EUR p.a.	30%
Married 2 children Employment Gross Income ¹ 100,000 EUR p.a.	30%

Maximum Effective Personal Income Tax Rates for the past 3 years

2014	2015	2016
30%	30%	30%

Social Security Rates

Employment Gross Income ¹ 100,000 EUR p.a.	
Employee	2%
Employer	4.24% - 4.89%

Social Security Agreements (SSA)

Austria	✘
Germany	✘
United Kingdom	✘
United States	✘
Switzerland	✓

¹ Excluding fringe benefits such as housing.

✓ Tax exempt / SSA available

✘ Taxable / SSA not available

○ Special regulations applicable / SSA under negotiation



Philippines



Personal Income Tax

- Tax rate is progressive and ranges from 5% to 32%; a 15% flat tax rate on income of alien individuals employed by regional or area headquarters, regional operating headquarters, offshore banking units, or petroleum service contractors and subcontractors.
- The tax year is the calendar year.
- Taxes are withheld upon payment of compensation, either on a daily, weekly, semi-monthly, or monthly basis and paid to the tax office on a monthly basis.
- Individuals who have chargeable income in a year of assessment are required to complete and file a tax return by 15 April of the each year.

Social Security

Employee

- Social security and employee's compensation program: PHP 581.30 per month or 6,975.60 per year capped at salary of PHP 189,000 per year.
- Medicare: PHP 437.50 per month or PHP 5,250 per year capped at salary of PHP 420,000 per year.

- Home Development Mutual Fund: PHP 100 per month capped at PHP 5,000 per month or PHP 60,000 per year.

Employer

- Social security and employee's compensation program: PHP 1,208.70 per month or 14,504.40 per year capped at salary of PHP 189,000 per year.
- Medicare: PHP 437.50 per month or PHP 5,250 per year capped at salary of PHP 420,000 per year.
- Home Development Mutual Fund: PHP 100 per month capped at PHP 5,000 per month or PHP 60,000 per year.

Exemptions for foreigners

- **Expatriates** are under compulsory social security coverage, except citizens of the countries with whom the Philippines has social security agreement, such as, United Kingdom, Austria, France, and Switzerland.

Immigration

- Aliens proceeding to the Philippines to engage in any lawful occupation are required to secure Non-Immigrant Visa for Pre-Arranged Employment or 9(g) visa. A petition must be filed establishing that no person can be found

in the Philippines willing and competent to perform the labor or service for which the non-immigrant is desired and that the non-immigrant's admission would be beneficial to the public interest.

- Aliens employed as executives, supervisors, or those performing technical and advisory positions at enterprises registered with Special Economic Processing Zones, Philippine Economic zone Authority, Board of Investments, or Freeport Areas are eligible to secure Special Non-Immigrant or 47 (a)(2) visa.
- The application process for employment visas usually take 4 - 8 weeks from submission of required documents.

Employer's Obligations

Start of employment

- Apply for the correct visa type with the Bureau of Immigration.
- Apply for an alien employment permit with the Department of Labor and Employment.
- Register foreign employee with the BIR, SSS, Philhealth, and HDMF and obtain permanent Identification Numbers from those agencies.

During employment

- Track necessary visa extensions and/or conversions for the employee.
- Report on a monthly basis the employee's relevant income and taxes withheld with the BIR.
- Remit monthly the social security contributions.

Termination of employment

- Inform the BIR, Department of Labor, SSS, Philhealth and HDMF.
- Apply for an Emigration Clearance Certificate with the Bureau of Immigration at least 72 hours prior to foreign employee's departure from the Philippines.

Comparisons

Taxation of Fringe Benefits

Housing	✘
Home Flights	✘
Education for Children	✘

Tax Rates

Single no children Employment Gross Income ¹ 100,000 EUR p.a.	31.01%
Married 2 children Employment Gross Income ¹ 100,000 EUR p.a.	30.70%

Maximum Effective Personal Income Tax Rates for the past 3 years

2014	2015	2016
32%	32%	32%

Social Security Rates

Employment Gross Income ¹ 100,000 EUR p.a.	
Employee	0.26%
Employer	0.41%

Social Security Agreements (SSA)

Austria	✓
Germany	✓
United Kingdom	✓
United States	✘
Switzerland	✓

¹ Excluding fringe benefits such as housing.

✓ Tax exempt / SSA available

✘ Taxable / SSA not available

○ Special regulations applicable / SSA under negotiation



Singapore



Personal Income Tax

- The tax rate is progressive, ranging from 0% to 20%. The marginal rate will increase to 22% as of 1 January 2016.
- The tax year operates on a calendar year basis.
- Singapore has no monthly withholding of Income tax. Income tax is payable once the taxpayer receives his or her Notice of Assessment. Under GIRO, taxpayers may enjoy up to 12 monthly interest-free installments or opt for an annual GIRO deduction.
- Income Tax returns are due for filing by 15 April each of the following calendar year. A bulk extension of time is available for tax agents to file tax returns of taxpayers (both local and foreigners) by 30 June each year. The list of clients must be provided by 31 March of that year.

Social Security

Employee

- Central Provident Fund (CPF) contributions are mandatory for Singapore citizens and for Singapore Permanent Residents (SPR). There are reduced rates of contribution for SPRs in the first and second year. Employees (aged 50

years and below) are required to contribute at 20%, subject to a CPF monthly salary ceiling of SGD 5,000. The ceiling has been increased to SGD 6,000 by 1 January 2016.

Employer

- For these employees, employers must contribute at 17% subject to the same ceiling.

Foreigners are exempt unless they become Singapore Permanent Residents or Singapore citizens.

Immigration

- In order for a foreigner to be employed in Singapore, he or she must obtain an Employment Pass. The foreigner should be working in a managerial, executive or specialized job, earn a fixed monthly salary of at least SGD 3,300 (more experienced candidates need higher salaries) and have acceptable qualifications, usually a good university degree, professional qualifications to be eligible.
- The application process of an Employment Pass takes usually 1 week once all requested documents are submitted.

Employer's Obligations

Start of employment

- Sponsor the correct Employment Pass type.

During employment

- Track necessary Employment Pass extensions for the employee.
- Report the employee's earnings (including benefits-in-kind) to the Singapore tax authorities correctly and in time.
- Allocate the employees remuneration to the right entity to be tax compliant.
- Report on a monthly basis the employee's ordinary/additional wages and pay CPF contributions by the 14th day of each month.

Termination of employment

- Inform the Ministry of Manpower
- Information the tax authorities if a foreign employee is terminated at least 1 month in advance to the cessation date and withhold the last month's remuneration until tax clearance has been completed.

Comparisons

Taxation of Fringe Benefits

Housing	✘
Home Flights	✘
Education for Children	✘

Tax Rates²

Single no children	8%
Employment Gross Income ¹ 100,000 EUR p.a.	
Married 2 children	7.06%
Employment Gross Income ¹ 100,000 EUR p.a.	

Maximum Effective Personal Income Tax Rates for the past 3 years

2014	2015	2016
22%	20%	20%

Social Security Rates

Employment Gross Income ¹ 100,000 EUR p.a.	
Employee	7.50%
Employer	6.38%

Social Security Agreements (SSA)

Austria	✘
Germany	✘
United Kingdom	✘
United States	✘
Switzerland	✘

¹ Excluding fringe benefits such as housing.

² Spouse does not receive taxable income of more than S\$4,000 in the tax year

✓ Tax exempt / SSA available

✘ Taxable / SSA not available

○ Special regulations applicable / SSA under negotiation



Taiwan



Personal Income Tax

- Tax rate is progressive and ranges from 5% to 45% in 2015.
- The tax year in Taiwan is the calendar year.
- Tax on salaries and wages must be withheld either in accordance with the annual regulations governing, or, alternatively, at the employer's option, a flat rate tax may be withheld at 5% on the gross monthly salary or wages paid to residents.
- Taxpayers must file an income tax return and pay the tax between 1 May and 31 May of the following year.

Social Security

Employee

- Labour insurance – Ordinary accident insurance: 8% capped at salary of TWD 43,900 per month or TWD 526,800 per year + employment insurance: 1% capped at salary of TWD 43,900 per month or TWD 526,800 per year.
 - Employee responsible for 20% of this scheme.
- Health insurance: (Salary) * 4.91% * 30%. Capped at maximum monthly salary of TWD 182,000.

- Pension fund – voluntarily contribution of up to 6% of employee's monthly wages (new pension system), or one month's salary for every year worked (old Labor Standards Act pension).
- NH2 payment - 2% for any additional income, next to the employment.

Employer

- Labour insurance – Ordinary accident insurance: 8% capped at salary of TWD 43,900 per month or TWD 526,800 per year + employment insurance: 1% capped at salary of TWD 43,900 per month or TWD 526,800 per year.
 - Employer responsible for 70% of this scheme (government responsible for 10%).
- Pension fund – current 6% of employee's monthly wages.
- Health insurance – (Salary) * 4.91% * 60%. Capped at maximum monthly salary of TWD 182,000.
- NH2 payment – 2% on additional payments next to monthly salary/remuneration, e.g. on bonuses.

Exemptions for foreigners

- No participation in new pension system
- In general no participation in unemployment coverage

Immigration

- Foreign professional, not married to a Taiwanese or having an APRC (Alien Permanent Residence Certificate) need in general a work permit for working legally in Taiwan and can either obtain employment visas or a residence visas, plus an ARC (Alien Residence Certificates) depending on the length of stay.
- Foreigners have lived in Taiwan for five years in a row, may apply for permanent residency, APRC, if they meet certain requirements.

Employer's Obligations

Start of employment

- Registration of employees in labour insurance and National Health Insurance system, if applicable.

During employment

- Providing annual withholding/non/withholding statement to employee for employee's annual personal income declaration, if employee is on payroll of employer.
- Withhold withholding amount of salary, if employee is on payroll of employer.

Termination of employment

- Withdrawal of work permit.
- De/registration of employee from Labour and National Health Insurance, if applicable
- Payment of severance compensation, if applicable.

Comparisons

Taxation of Fringe Benefits

Housing	○
Home Flights	○
Education for Children ²	○

Tax Rates

Single no children Employment Gross Income ¹ 100,000 EUR p.a.	30%
Married 2 children Employment Gross Income ¹ 100,000 EUR p.a.	30%

Maximum Effective Personal Income Tax Rates for the past 3 years

2014	2015	2016
40%	45%	45%

Social Security Rates

Employment Gross Income ¹ 100,000 EUR p.a.	
Employee	3.35%
Employer	14.56%

Social Security Agreements (SSA)

Austria	✗
Germany	✗
United Kingdom	✗
United States	✗
Switzerland	✗

¹ Excluding fringe benefits such as housing.

² if scholarship

✓ Tax exempt / SSA available

✗ Taxable / SSA not available

○ Special regulations applicable / SSA under negotiation



Thailand



Personal Income Tax

- Tax rate is progressive and ranges from 0% to 35%.
- Top tax bracket starts at THB 4 million.
- The tax year is the calendar year.
- Tax is withheld from employment income on the basis that the income will continue for the rest of the year. The tax due is then divided by the number of times the payment will be received during the year, and the resulting monthly tax payable is withheld by the employer from each monthly payment. The amount withheld is due within 7 days of the following month from the date the payment is made. The balance of tax due shall be payable at the time of the filing of the annual return.

Social Security

Employee

- Social security: 5% capped at THB 750 per month or THB 9,000 per year
- Provident fund: 2-15%

Employer

- Social security: 5% capped at THB 750 per month or THB 9,000 per year
- Provident fund: 2-15%

- Death, illness/injury, disability and delivery of a child: 1.5% of wages up to a monthly salary of THB 15,000 or THB 180,000 per year
- There are no exemptions for foreigners, but exemptions apply to employees over the age of 60.

Immigration

- Visa issued to foreigners for business purposes are Non-B visa (Non-immigration Business visa).
- In order to obtain the above mentioned visa, the application must be submitted to the Thai Embassy or Consulate with the following supporting documents:
 - Invitation letter from the Thai company
 - Copy of corporate documents of the Thai company certified by the director (affidavit, shareholder list and VAT certificate). Please note that the Thai Embassy in some countries may require additional documents to support the application.
- Generally, the Non-B visa will be issued for a period of 3 months valid for a single entry. However, the Thai Embassies and Consulates in certain countries also issue multiple entry

visa based on the period of stay and reason as stated in the invitation letter.

- The application process of a Non-B visa usually takes 1-2 working days depending on the administrative process of each Embassy/ Consulate.
- Upon arrival in the Kingdom, the foreigner is required to apply for a work permit in order to legally work in Thailand.

Employer's Obligations

Start of employment

- Apply for the employee's work permit.
- Enroll the employee within 30 days after the date of commencement with the Social Security office.

During employment

- Withhold and submit the employee's personal income tax to the Revenue Department within 7 days after the end of the month in which the salary was paid (Cash Basis). Additionally, submit annual payroll tax report until the end of February of the following year and deliver withholding tax certificate to the employee.
- Withhold the employee's social security contribution and submit together with the employer's social security contribution to the Social Security Fund within 15 days after the end of the month, even though the salary was not paid (Accrual Basis). Additionally, submit annual report to the Social Security office until the end of February of the following year.

Termination of employment

- De-register the employee from the Social Security Fund within 15 days of the following month.

Comparisons

Taxation of Fringe Benefits

Housing	✘
Home Flights	✘
Education for Children	✘

Tax Rates

Single no children	23.38%
Employment Gross Income ¹ 100,000 EUR p.a.	
Married 2 children	22.90%
Employment Gross Income ¹ 100,000 EUR p.a.	

Maximum Effective Personal Income Tax Rates for the past 3 years

2014	2015	2016
35%	35%	35%

Social Security Rates

Employment Gross Income ¹ 100,000 EUR p.a.	
Employee	0.22%
Employer	0.22%

Social Security Agreements (SSA)

Austria	✘
Germany	✘
United Kingdom	✘
United States	✘
Switzerland	✘

¹ Excluding fringe benefits such as housing.

✓ Tax exempt / SSA available

✘ Taxable / SSA not available

○ Special regulations applicable / SSA under negotiation



Vietnam



Personal Income Tax

- Tax rate is progressive and ranges from 5% to 35% for residents. For non-residents it is 20% flat. Business income of individuals is taxed separately at flat rates from 0.5% to 5%.
- The tax year is the calendar year applied on business income and income being salaries and wages of resident individuals. For non-resident individuals, business income from residents which is from outside Vietnam, residents doing irregular business without a fixed place of business, and other income of resident individual, the tax must be calculated and paid on each occasion income arises.
- Although the tax on employment income is finalized annually, a provisional tax on monthly income is withheld.
- The tax return must be filed within 90 days after the end of the tax year, along with whatever payment has not yet been made. In case the tax paid upon the tax obligation arising, declaration files must be submitted within 10 days from the day on which the tax obligation arises.

Social Security

Employee

- Social insurance: 8% capped at salary of VND 23,000,000

- Health insurance: 1.5% capped at salary of VND 23,000,000
- Unemployment insurance: 1% capped at salary of VND 70,000,000

Employer

- Social insurance: 18% capped at salary of VND 23,000,000
- Health insurance: 3% capped at salary of VND 23,000,000
- Unemployment insurance: 1% capped at salary of VND 70,000,000

Exemptions for foreigners

- Exemptions in Social Insurance and Unemployment insurance.
- Foreign students granted by Vietnam's Budget: Health insurance shall be contributed by Vietnam's Budget.

Immigration

- No Work Permit and no application for an exemption from a Work Permit is needed from 01.04.2016 on if:
 - an expert, managing person or technician works under 30 days at one time and not more than 90 days within 1 year in Vietnam,
 - a person comes to Vietnam to resolve a technical breakdown or a

technologically complex situation for up to 3 months,

- a person comes to Vietnam for offering services for up to 3 months.
- In other cases a foreigner working in Vietnam needs a Work Permit and a Visa.
- A Work Permit will only be granted for foreigners having a high qualification and working on an employment that cannot be fulfilled by Vietnamese citizens.
- The Temporary Resident Card is optional (and will replace the Visa) if the term of Work Permit or other equivalent papers (e.g. Practicing Certificate of Foreign Lawyer, etc.) proving purpose to stay in Vietnam is more than one year.
- The Visa and the Temporary Resident Card can be granted only after the Work Permit or the exemption or the equivalent paper has been issued.

Employer's Obligations

Start of employment

- Apply for issuance of a Work Permit before employees come to Vietnam.
- Be responsible for sponsoring the employees to enter and reside in Vietnam.

During employment

- Apply for re-issuance of a Work Permit when it expires.
- Send notification of signing a labour contract (enclosing a copy of it) to the Department of Labor, Authority of Social Insurance.
- Provide bi-annual report on the status of employment of foreigners to the Department of Labour.

Termination of employment

- Return the Work Permit to the Department of Labour.
- Return the Temporary Resident Card (if any) or inform the termination on labor contract to the Immigration Department.

Comparisons

Taxation of Fringe Benefits

Housing	✘
Home Flights	✔
Education for Children	✔

Tax Rates

Single no children Employment Gross Income ¹ 100,000 EUR p.a.	28.70%
Married 2 children Employment Gross Income ¹ 100,000 EUR p.a.	27.49%

Maximum Effective Personal Income Tax Rates for the past 3 years

2014	2015	2016
35%	35%	35%

Social Security Rates

Employment Gross Income ¹ 100,000 EUR p.a. (8,333.33 per month)	
Employee	1.38%
Employer	2.65%

Social Security Agreements (SSA)

Austria	✘
Germany	✘
United Kingdom	✘
United States	✘
Switzerland	✘

¹ Excluding fringe benefits such as housing.

✔ Tax exempt / SSA available

✘ Taxable / SSA not available

○ Special regulations applicable / SSA under negotiation

Social Security Agreements

SSA Partner	Austria	Germany	United Kingdom	United States	Switzerland
Australia	✓	✓	✗	✓	✓
China	✗	✓	✗	✗	✓
Hong Kong	✗	✗	✗	✗	✗
India	✓	✓	✗	✗	✓
Indonesia	✗	✗	✗	✗	✓
Philippines	✓	✓	✓	✗	✓
Singapore	✗	✗	✗	✗	✗
Taiwan	✗	✗	✗	✗	✗
Thailand	✗	✗	✗	✗	✗
Vietnam	✗	✗	✗	✗	✗

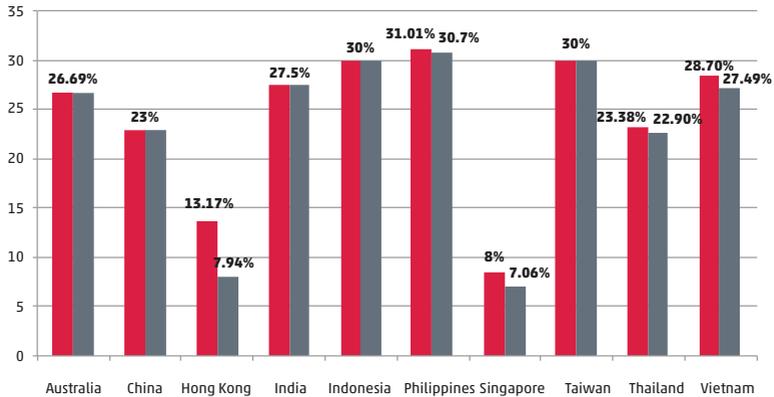
✓ Yes ○ Under Negotiation ✗ No

Taxation of Fringe Benefits

	Housing	Home Flights	Education for Children
Australia	✗	✗	✗
China	✓	✓	✓
Hong Kong	○	✗	✗
India	✗	✗	✗
Indonesia	✗	✗	✗
Philippines	✗	✗	✗
Singapore	✗	✗	✗
Taiwan	○	○	○
Thailand	✗	✗	✗
Vietnam	✗	✓	✓

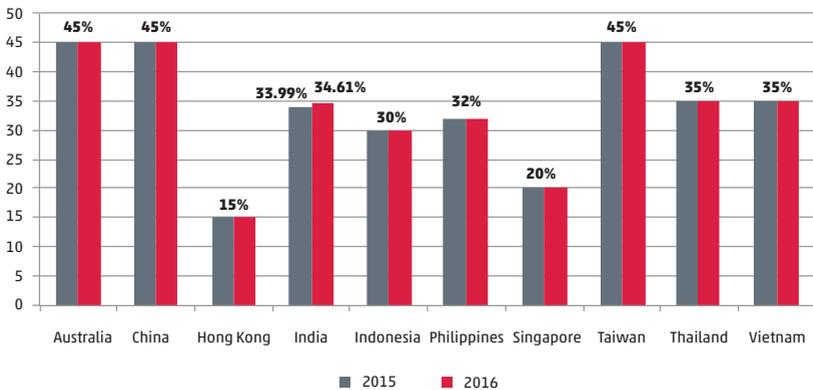
✓ Tax-free ○ Can benefit from advantageously tax regulation (e.g. lower tax rate) ✗ Taxable

Effective Tax Income Tax Rates

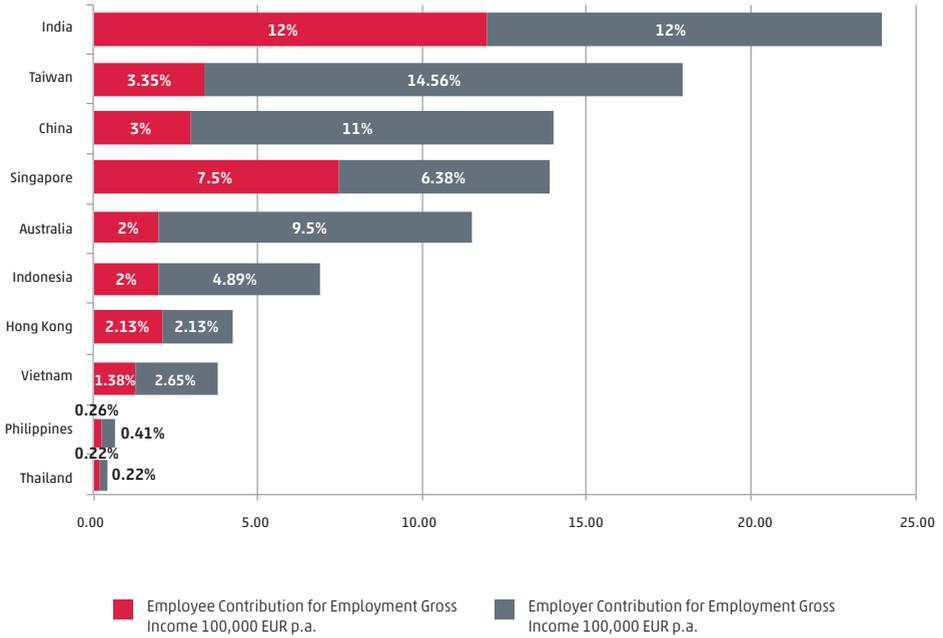


■ Employment Gross Income¹ 100,000 EUR p.a., married, 2 children ■ Employment Gross Income¹ 100,000 EUR p.a., single, no children

Maximum Effective Personal Income Tax Rates for the past 2 years



Social Security Rates



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