

# Assignments to Asia Pacific

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# Editorial

In times of globalization, 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 applied in different jurisdictions at the same time. Incorrect decisions can be both difficult and costly to rectify.

At WTS Global, we can help you identify cross-border work related risks at an early stage and optimize tax and cross-border work-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 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 any cross-border work (e.g. assignments, remote work, foreign local hires). Jointly with our international network, WTS Global can assist you in more than 100 locations worldwide. We provide local expertise from international professionals wherever you are.

This booklet offers you a brief overview of tax, social security and immigration-related matters you might consider for your cross-border work to and from Asia Pacific.

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# Australia

## Personal Income Tax

- › For residents/temporary residents, the tax rate is progressive, ranging from 19% to 45%, with a tax-free threshold of up to AUD 18,200.
- › Individuals are taxed on income and capital gains, depending on their residency status and the source of the income.
- › The tax year runs from 1 July to 30 June of the following year. For individuals, an Australian tax return is generally required to be lodged by 31 October (although it may be deferred to a later time under certain circumstances).
- › Employment income is subject to a withholding (PAYG) system and is remitted by the employer to the Australian Taxation Office (ATO) on behalf of the employee.

## Social Security

### EMPLOYEE

- › An employee is required to pay a Medicare Levy (currently 2% of taxable income). A Medicare Levy Surcharge (MLS) that varies between 1% and 1.5% will also apply where the employee does not have the appropriate level of private patient hospital cover.
- › An exemption from the 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

- › For the 2025/26 income year, an employer must pay compulsory superannuation for an employee at a minimum rate of 12% of the employee's ordinary time earnings (OTE) base (broadly, salary and wages, and most cash compensation). The maximum contributions are capped at AUD 30,000 per annum.
- › An employer can keep the employee in their home country social security system if that country has a bilateral agreement with Australia, and obtain a Certificate of Coverage (COC) that will eliminate the obligation to make Australian superannuation contributions.

## Immigration

### VISA

An individual who would like to enter Australia for employment reasons may apply for any of the following:

- › Employer Nomination Scheme (subclass 186) visa. This visa allows an employer to nominate an applicant whose occupation is listed under the Medium and Long-term Strategic Skills List (MLTSSL) to work and live in Australia permanently.
- › Temporary Work (subclass 400) (Short Stay Specialist) visa. This visa allows an applicant to undertake short-term, highly-specialised work in Australia and is suitable for applicants with specialised skills, knowledge or experience that are not generally available in Australia. The visa may be granted for up to 6 months (although an applicant will need to prove a strong business case before a visa will be granted for longer than three months).
- › Training (Subclass 407) visa. This visa allows an applicant to undertake occupational training or professional development in Australia for a period of up to two years.
- › Temporary activity (subclass 408) visa. This visa allows applicants who have the skills to undertake a specific activity, to be supported by an employer, or the Australian Government and work in Australia for a short period of time. There are currently ten activity types under the subclass 408 visa.
- › Temporary Skill Shortage (TSS) (subclass 482) visa. This visa replaces the Temporary Business Sponsorship (subclass 457) visa and allows an employer to sponsor a suitably skilled worker to temporarily fill a position they are unable to fill with a suitably skilled Australian. The visa is generally granted for a period of up to two years, although an employer can nominate an applicant for up to 4 years in certain circumstances.
- › Skilled Employer Sponsored Regional (Provisional) (subclass 494) visa. This visa enables regional employers to address identified labour shortages within their region by sponsoring skilled workers where they cannot source an appropriately skilled Australian worker. While this visa resembles the TSS (subclass 482) visa, it is specifically for regional employers sponsoring an employee in a 'designated regional area'.

ated regional area'. Visa holders will be able to live, work and study in Australia for up to 5 years, however only in a designated regional area. Visa holders will also be able to apply for permanent residency after three years from the time this visa is granted.

## Employer's Obligations

### START OF EMPLOYMENT

- › Obtain the correct visa for an employee.
- › Obtain a 'Tax File Number Declaration' and a 'Standard Choice of Super Form' (if relevant) from the employee.

### DURING EMPLOYMENT

- › Make compulsory employer superannuation contributions into the employee's Australian superannuation fund, should they not be covered by a COC.
- › Ensure compliance with the following Australian employment tax obligations:
  - › PAYG Withholding on salaries and wages;
  - › Fringe Benefits Tax;
  - › Payroll Tax; and
  - › Workers Compensation Insurance.
- › Remit PAYG withholding to the ATO.
- › Provide the employee with his/her Employee Share Scheme Statement by 14 July.

### TERMINATION OF EMPLOYMENT

- › Advise the employee on making an application for a Departing Australia Superannuation payment (DASP).
- › Advise the Department of Home Affairs if the visa is to be cancelled.

## Comparisons

### Taxation of Fringe Benefits

|                        |   |
|------------------------|---|
| Housing                | C |
| Home Flights           | C |
| Education for children | A |

A Tax exempt | B Taxable | C Tax relief under certain conditions

### Tax Rates

|                                                       |        |
|-------------------------------------------------------|--------|
| Single, no children                                   | 20,78% |
| Employment Gross Income <sup>1</sup> 100,000 AUD p.a. |        |
| Married, 2 children                                   | 20,78% |
| Employment Gross Income <sup>1</sup> 100,000 AUD p.a. |        |

### Maximum Effective Personal Income

#### Tax Rates for the past 3 years

| 2023 | 2024 | 2025 |
|------|------|------|
| 45%  | 45%  | 45%  |

### Social Security Rates

|                                                       |                 |
|-------------------------------------------------------|-----------------|
| Employment Gross Income <sup>1</sup> 100,000 AUD p.a. |                 |
| Employee                                              | 2% <sup>2</sup> |
| Employer                                              | 12%             |

### Social Security Agreements (SSA)<sup>3</sup>

United States, Switzerland, Germany, Austria, India, Japan, Ireland, Belgium, Hungary, Netherlands

<sup>1</sup> Excluding fringe benefits such as housing.

<sup>2</sup> The MLS, which varies between 1% and 1.5%, may also apply if the employee does not have the appropriate level of private patient hospital cover.

<sup>3</sup> Australia presently has 31 bilateral international SSAs, with several more under negotiation.



# China

## Personal Income Tax

In China, the applied tax filing method and calculation approach are closely related to the individual's tax residency status and are determined based on several factors, i.e., the domicile, the presence days (183 days threshold). Therefore, it is of utmost importance to determine the individual's tax resident status in China – both per domestic tax law and the applied tax treaty. Apart from the above:

- › The 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. This tax is withheld by the employer and must be paid to the local tax office 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 13,993.06 per month currently (from July 2024 to June 2025).
- › 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 office.

### EXEMPTIONS FOR FOREIGNERS

- › Although there are social security requirements in China, the implementation of the requirement for foreigners to contribute differs from region to region. All contribution rates are adjusted on an annual basis. Foreigners are required to contribute, although German, Danish and nine other countries' nationals can be exempted in certain insurance categories because of social security agreements between those countries and China. There is also a social security agreement to be effective with France, but the implementation date is undetermined yet.

## Immigration

### VISA

- › For a foreigner to be granted an employment visa in China, the job position must be for 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 visa concerning 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 applying to work in the territory of China. Foreigners entering into China for the following reasons for 90 days or less should apply for a short-term Z visa:
    - a. Working with China-based business partners for the delivery of technical knowhow, scientific research, project management and supervisory duties;
    - b. Conducting training for a sports organisation (including coaches and athletes);
    - c. Filming (including advertisements and documentaries);
    - d. Performing in fashion shows (including car exhibitions, photographing for commercials etc.);
    - e. Participating in commercial performances, and
    - f. Other situations as identified by the Ministry of Human Resources and Social Security.
- › It is also worth noting that From December 2024, the length of stay for visa-free transit aliens (eligible 54 nationals) will be extended to 240 hours
- › The application process for an employment visa usually takes 5–8 weeks once all the requested documents have been submitted (recently, the process has been optimized to 1 month).

## Employer's Obligations

### START OF EMPLOYMENT

- › Apply for the employee's work permit and residence permit.
- › Register the employee for individual income tax purposes with the tax authority in charge.
- › Register the employee for social security purposes with the social security authority in charge.

### DURING EMPLOYMENT

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

### TERMINATION OF EMPLOYMENT

- › If necessary, de-register the employee for individual income tax purposes with the tax authority in charge.
- › De-register the employee for social security purposes with the social security authority in charge.
- › Cancel the employee's work permit.



## Comparisons

### Taxation of Fringe Benefits

|                        |                |
|------------------------|----------------|
| Housing                | A (until 2027) |
| Home Flights           | A (until 2027) |
| Education for children | A (until 2027) |

A Tax exempt | B Taxable | C Tax relief under certain conditions

### Tax Rates

|                                                       |        |
|-------------------------------------------------------|--------|
| Single, no children                                   | 19%    |
| Employment Gross Income <sup>1</sup> 100,000 EUR p.a. |        |
| Married, 2 children                                   | 11–17% |
| Employment Gross Income <sup>1</sup> 100,000 EUR p.a. |        |

### Maximum Effective Personal Income

#### Tax Rates for the past 3 years

| 2023 | 2024 | 2025 |
|------|------|------|
| 45%  | 45%  | 45%  |

### Social Security Rates

Employment Gross Income<sup>1</sup> 100,000 EUR p.a.

|          |     |
|----------|-----|
| Employee | 6%  |
| Employer | 16% |

### Social Security Agreements (SSA)

Germany, Switzerland, Japan, Serbia, Korea, Spain, Finland, Luxembourg, Canada, Netherlands, Denmark, France (not taken effect as of March 31 2025)

<sup>1</sup> Excluding fringe benefits such as housing.



# Hong Kong

## Personal Income Tax

- › Hong Kong imposes salaries tax on income arising in or derived from Hong Kong from an office, employment or any pension.
- › According to the Inland Revenue Ordinance ("IRO"), employment income is not taxable in Hong Kong if all employment services for a year of assessment are rendered outside Hong Kong. In determining whether all services are rendered outside Hong Kong for a given year of assessment, no account is taken of services rendered in Hong Kong during visits not exceeding 60 days in the basis period for the year of assessment (the '60-day rule' which applies from 1 April to 31 March of each calendar year).
- › For an individual who has a non-Hong Kong employment but renders services in Hong Kong for more than 60 days during a year of assessment, he/she will be taxed on a pro-rata basis by reference to the number of days of his or her services in Hong Kong.
- › Taxable income consists of all cash emoluments, including bonuses and gratuities. Perquisites and allowances, including benefit in kind which are convertible into cash or specifically related to holiday travel or education of a child, are generally also taxable.
- › There are mainly two types of housing benefits in Hong Kong; housing allowance and housing reimbursement.
  - › Housing allowance provided by the employer which will be regarded as part of the employment income and fully subject to salaries tax; and
  - › Housing reimbursement in respect of which the employer reimburses the rent paid by an employee for his/her place of residence. Unlike housing allowance, the IRD will only tax 4%/8%/10% (depends on the type of accommodation) of the employee's taxable income or the actual rent paid, whichever is lower.
- › Hong Kong does not impose withholding tax on salaries paid to residents or non-residents (with the exception of local employees departing from Hong Kong).
- › Hong Kong offers various allowances to reduce taxpayer's tax burden. Key allowances include:

| Allowance Type                                                                                                                                    | 2024/25 onwards HK\$ |
|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Basic allowance                                                                                                                                   | 132,000              |
| Married person's allowance <sup>1</sup>                                                                                                           | 264,000              |
| Child allowance<br>(For each of the 1st to 9th child)                                                                                             | 130,000              |
| For each child born during the year, the Child Allowance will be increased by                                                                     | 130,000              |
| Dependent parent or grandparent allowance <sup>2</sup> <ul style="list-style-type: none"><li>› Aged 55-59</li><li>› Aged 60+</li></ul>            | 25,000<br>50,000     |
| Additional dependent parent or grandparent allowance <sup>3</sup> <ul style="list-style-type: none"><li>› Aged 55-59</li><li>› Aged 60+</li></ul> | 25,000<br>50,000     |
| Dependent brother or sister allowance                                                                                                             | 37,500               |
| Single parent allowance                                                                                                                           | 132,000              |
| Disabled dependent allowance                                                                                                                      | 75,000               |

- › In general, Hong Kong salaries tax is calculated at progressive rates on the taxpayer's net chargeable income or at standard rate on the taxpayer's net income, whichever is lower.
  - › **Progressive Tax Rates for Salaries Tax**  
Hong Kong salaries tax applies progressive rates to a person's employment income after deducting allowable deductions and personal allowances. The progressive tax rates from year of assessment 2018/19 onwards are as follows.

| Taxable Income Band (HK\$) | Tax Rate |
|----------------------------|----------|
| 1 – 50,000                 | 2%       |
| 50,001 – 100,000           | 6%       |
| 100,001 – 150,000          | 10%      |
| 150,001 – 200,000          | 14%      |
| Above 200,000              | 17%      |

### Standard tax rate

| Year of assessment                                                  | 2018/19 to 2023/24 | 2024/25 onward |
|---------------------------------------------------------------------|--------------------|----------------|
| Tax rate                                                            | 15%                | -              |
| Two-tiered Standard Rates<br>On the first \$5,000,000 of net income | -                  | 15%            |
| Remainder                                                           | -                  | 16%            |

## Social Security

- › There is no social security system in Hong Kong. Instead, HK has a Mandatory Pension Fund ("MPF") scheme which is a compulsory pension fund designed by the Hong Kong government as a major protection scheme for the aged and retired residents.
- › Both employees and employers are required to make monthly mandatory contributions, respectively, being 5% + 5% of the employee's relevant income into the employee's MPF scheme, subject to a cap of HKD 1,500 + HKD 1,500 per month for employees whose monthly income exceeds HKD 30,000.
- › Expats on employment visas for 13 months or less or members of an overseas retirement scheme are generally exempt.

## Immigration

- › Hong Kong has a General Employment Policy ("GEP") for hiring skilled foreign employees called "Employment for Professionals", which allows the applicants and their family (i.e. their spouse and unmarried dependent children under the age of 18) to obtain residence permits in HK. Broadly, the criteria of GEP include the following considerations:
  - › there is no security objection and no known record of serious crime in respect of the applicant;
  - › the applicant has a good educational background; normally a first degree in the relevant field but, in special circumstances, good technical qualifications, proven professional abilities and/or relevant experience and achievements supported by documentary evidence may also be accepted;
  - › there is a genuine job vacancy in this regard;
  - › the applicant has a confirmed offer of employment and is employed in a job relevant to his academic qualifications or work experience that cannot be readily taken up by the local work force; and
  - › the remuneration package including income, accommodation, medical and other fringe benefits, generally commensurate with the prevailing market level for similar professionals in HK.
- › With respect to the application procedure:
  - › Both applicant and employer should complete the employee's application form and employer's application form, respectively.
  - › Both applicant and employer should submit the application form with all supporting documents to the Immigration Department or via the Gov HK website.
- › The Immigration Department normally takes 4 to 8 weeks to process visa/entry permit applications for employment upon receipt of all the required documents.
- › This type of work permit is normally issued for one year period initially and is renewable thereafter.

Employer's obligations

- › An Employer is obliged to report the remuneration paid to each director and employee to the Inland Revenue Department. Depending on the employment occasion as described in the table below, the Forms IR56B, IR56E, IR56F and/or IR56G should be
- completed and filed for the relevant year of assessment for each of the directors and employees.

| Employment condition                                | Form to report to the IRD | Statutory Period for Notification                  |
|-----------------------------------------------------|---------------------------|----------------------------------------------------|
| Commencement of employment                          | Form IR56E                | Within 3 months of the employment commencement     |
| Still under employment as of 31 March of every year | Form BIR56A and IR56B     | Within 1 month after the IRD issue the form BIR56A |
| Cessation of employment                             | Form IR56F/IR56G          | Not later than 1 month before cessation            |

<sup>1</sup> Granted to a married person whose spouse has no assessable income in Hong Kong or if joint assessment is elected.

<sup>2</sup> To qualify for the dependent parent or grandparent allowance, the dependent parent/grandparent must at any time during the year be:

(i) ordinarily resident in Hong Kong;

(ii) aged 55 or more, or eligible to claim an allowance under the Government's Disability Allowance Scheme; and

(iii) resided with the taxpayer or his/her spouse, without paying full cost, for a continuous period of not less than 6 months or have received from the taxpayer or his/her spouse not less than \$12,000 in money towards his/her maintenance.

<sup>3</sup> Taxpayer is entitled to additional dependent parent and dependent grandparent allowance if the dependent parent/grandparent resided with the taxpayer continuously throughout the whole year without paying full cost.



Comparisons

| Taxation of Fringe Benefits |   |
|-----------------------------|---|
| Housing                     | B |
| Home Flights                | B |
| Education for children      | B |

A Tax exempt | B Taxable | C Tax relief under certain conditions

| Tax Rates                                             |           |
|-------------------------------------------------------|-----------|
| Single <sup>1</sup> , no children                     | 2% to 17% |
| Employment Gross Income <sup>2</sup> 100,000 EUR p.a. |           |
| Married <sup>3</sup> , 2 children <sup>4</sup>        | 2% to 17% |
| Employment Gross Income <sup>2</sup> 100,000 EUR p.a. |           |

| Maximum Effective Personal Income Tax Rates for the past 3 years |      |      |
|------------------------------------------------------------------|------|------|
| 2023                                                             | 2024 | 2025 |
| 15%                                                              | 15%  | 15%  |

| Social Security Rates |
|-----------------------|
| Not applicable        |

<sup>1</sup> Provided that the taxpayer is not eligible for (i) disabled allowance, (ii) dependent parent and dependent grandparent allowance and, (iii) dependent brother or sister allowance.

<sup>2</sup> Based on an exchange rate of EUR : HKD 8.89 as at 27 May 2025.

<sup>3</sup> Provided that the taxpayer's spouse does not derive income chargeable to tax in Hong Kong; and the taxpayer is not eligible for (i) disabled allowance, (ii) dependent parent and dependent grandparent allowance and, (iii) dependent brother or sister allowance.

<sup>4</sup> Provided that the taxpayer's children are under 18 years old; or of or over 18 but under 25 years old, and receiving full time education at a university, college, school or other similar educational establishment.



Personal Income Tax

- › Taxation of individuals in India is primarily based on their residential status in the relevant tax year. Individuals can be classified as either: resident but not ordinarily resident, or non-resident in a particular tax year.
  - › Residents are taxed on their worldwide income and are required to report their specified global assets in their Indian income tax return.
  - › Non-residents and those who are resident but not ordinarily residents are taxed only on income received, accrued or deemed to be accrued or received in India. Those who are resident but not ordinarily resident are also taxed on income derived from a business controlled or a profession set up in India.
- › Effective from 1 April 2020, the concept of deemed residency has been introduced. An Indian citizen having India-sourced taxable income exceeding INR 1.5 millions during the relevant tax year will be deemed to be a tax resident of India if he/she is not liable to tax in any other country by reason of his/her domicile or residence or any other criteria of a similar nature. Furthermore, such an individual will qualify as a resident but not ordinarily resident in India for the relevant tax year.
- › India has a progressive tax system and the tax rates range between 5% and 30%. Effective from 1 April 2020, individuals may opt to compute their total income in accordance with the new personal tax regime, which has lower tax rates spread across six income levels. By opting for the new personal tax regime, certain tax deductions and exemptions are not available. In addition to income tax, if taxable income exceeds INR 5 millions, then a surcharge ranging between 10% to 37% of income tax will be levied (however, the surcharge will be capped to 25% in case the individual has opted for new personal tax regime). Also, health and education cess at the rate of 4% is leviable on basic tax and surcharge, if any.

UNDER THE OLD PERSONAL REGIME

- › income up to INR 500,000 is exempt for very senior citizens aged 80 years or above; INR 300,000 is exempt for senior citizens aged 60 years or above but under 80 years; and INR 300,000 is exempt for

- all others. A tax rebate of INR 12,500 is allowed for resident individuals with a taxable income up to INR 500,000.
- › Profits from sale of capital assets are classified as short-term or long-term depending on the holding period of the capital asset. Short-term gains and long-term gains on the transfer of capital assets on listed shares or specified securities sold on the stock exchanges are taxable at the respective rates of 20% and 12.5%. Short-term gains on the transfer of any other asset are taxable at the normal applicable rates and long-term gains on the transfer of any other asset are taxable at the rate of 12.5%.
  - › Dividends received by resident individuals are taxable at normal rates. Dividends received by non-resident individuals are taxable at the rate of 20% (plus any applicable surcharge and health & education cess) or the rate prescribed under a tax treaty, whichever is lower.
  - › Employment income is generally subject to a monthly withholding tax. Advance tax is payable by the taxpayer on estimated income during the tax year if the estimated taxes (net of taxes withheld at source) exceed INR 10,000.
  - › The Indian tax year runs from 1 April to 31 March of the following year.
  - › The annual income tax return must be filed electronically by 31 July in the year following the taxable period. If the return is not filed within this time period, then a late return may can filed by 31 December of the year following the taxable period along with the applicable interest and late fees.

Employer's Obligations

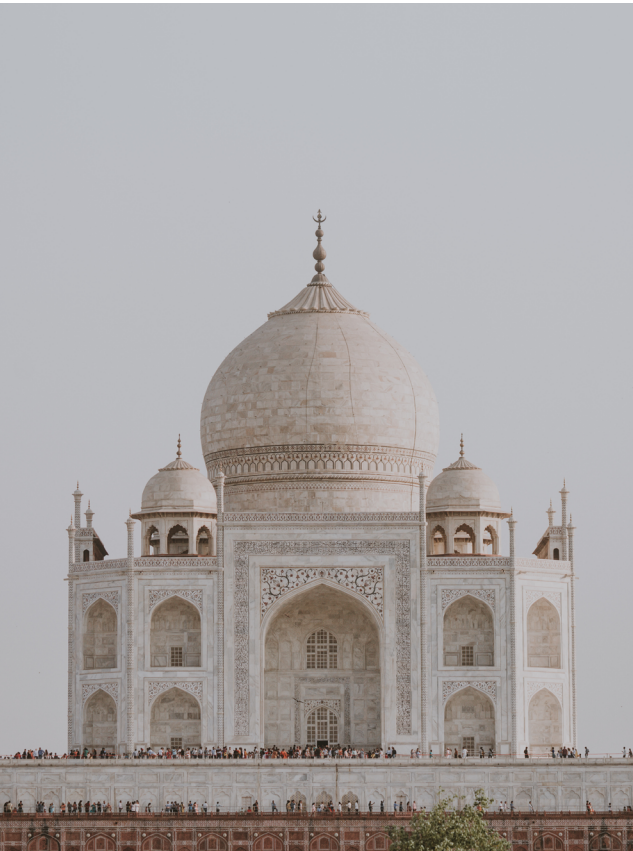
DURING EMPLOYMENT

- › While making salary payments, the employer is required to withhold taxes and deposit that same amount into the Indian government's treasury on a monthly basis by the 7th of the following month. The tax on the payment of salaries must be withheld at the applicable slab rates (see table 'Tax rates' below) at the time of the payment/credit to the account of the payee or at the time of earning income, whichever is earlier.
- › The employer also needs to file the withholding tax return on a quarterly basis. A tax deduction

- certificate needs to be issued annually to the employee.
- › A monthly payslip is issued to the employee after salary is credited to his/her bank account.

TERMINATION OF EMPLOYMENT

- › The employer needs to submit a final payslip and issue a tax deduction certificate as set out above to the employee for the proportionate period in the year of termination during which the employee has performed the services.
- › An assignee who is permanently returning to their home country should obtain a no objection certificate from the Indian tax authorities. This certificate is required to be presented to the immigration authorities at the time of departure from India.



Comparisons

Taxation of Fringe Benefits

|                        |   |
|------------------------|---|
| Housing                | C |
| Home Flights           | B |
| Education for children | C |

A Tax exempt | B Taxable | C Tax relief under certain conditions

Tax Rates

| Taxable Income (in INR) | Old Regime | New Regime (from 1 April 2025) |
|-------------------------|------------|--------------------------------|
| Up to 0.25 MM           | Exempt     | Exempt                         |
| 0.25 MM – 0.40 MM       | 5%         | Exempt                         |
| 0.40 MM – 0.50 MM       | 5%         | 5%                             |
| 0.50 MM – 0.80 MM       | 20%        | 5%                             |
| 0.80 MM – 1.00 MM       | 20%        | 12%                            |
| 1.00 MM – 1.20 MM       | 30%        | 12%                            |
| 1.20 MM – 1.60 MM       | 30%        | 15%                            |
| 1.60 MM – 2.00 MM       | 30%        | 20%                            |
| 2.00 MM – 2.40 MM       | 30%        | 25%                            |
| Above 2.40 MM           | 30%        | 30%                            |

Maximum Effective Personal Income Tax Rates for the past 3 years

| 2023   | 2024   | 2025   |
|--------|--------|--------|
| 42,74% | 42,74% | 42,74% |

Maximum Effective Personal Income Tax Rates for the past 3 years (new personal tax regime)

| 2023 | 2024 | 2025 |
|------|------|------|
| 39%  | 39%  | 39%  |

Social Security Rates

|          |                                                    |
|----------|----------------------------------------------------|
| Employee | 12% of basic salary (including dearness allowance) |
| Employer | 12% of basic salary (including dearness allowance) |



# Indonesia

## Personal Income Tax

- For a resident taxpayer, the tax rate is progressive and ranges from 5% to 35%.
- 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 tax year 2016, the following personal deductions are available for a resident individual taxpayer:
  - Taxpayer: IDR 54,000,000;
  - Spouse: IDR 4,500,000 or IDR 54,000,000 for a wife whose income is combined with her husband's;
  - Dependents: IDR 4,500,000 (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 15th of the following month and report the return to the tax office where the company is registered by the 20th of the following month. From 1 Jan 2024, average tax rate (TER) is implemented to simplify the Article 21 calculation. TER is pre-set tax rates table contain tax rates applicable on various levels of income for employees at various marital status and number of dependents.
- The individual tax return should be filed with the tax office where the individual taxpayer is registered at the latest by 3 months after the end of the calendar year (i.e. by 31 March).

## Social Security

This membership is compulsory. The wage basis is the monthly wage, which consists of basic salary and fixed allowances.

### BPJS EMPLOYMENT

Old Age Security Programme (Jaminan Hari Tua/JHT)

- Total contribution is 5.7% of the salary, with the details as follows:

» Employee contribution: 2.0%

» Employer contribution: 3.7%

### Accident Insurance Programme (Jaminan Kecelakaan Kerja/JKK)

- Classified in 5 (five) working group levels by environmental risk, 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 Programme (Jaminan Kematian/JKM)

- Provides cash benefits that is given to heirs when a participant dies not as a result of an accident in the workplace.
- JKM dues:
  - For a participant who receives salary or wages, the contribution is 0.30% of the monthly salary or wage.
  - For a participant who is not a wage earner, the contribution is IDR 6,800 per month.

### Pension Programme (Jaminan Pensiun/JP)

- Dues are set at 3% (the employee's portion is 1% and the employer's portion is 2%).
- The maximum wage (wage ceiling) may vary each year as it is set based on a multiplier factor of 1 % of the previous year's Gross Domestic Product. For the tax year 2024–2025, the wage ceiling is set at IDR 10,042,300 for January – February 2025 and IDR 10,547,400 for March 2025 to February 2026. The wage ceiling for the following periods will be determined at a later date.

## Immigration

- To work in Indonesia, a foreign worker must be granted a work permit and a stay permit. The Limited Stay Permit (ITAS) is typically granted for a period of 6 months to 2 years, depending on the employment contract and the sponsoring entity. In specific cases, a stay permits of up to 5 years may be granted. Foreign workers typically stay under ITAS for up to 6 years before applying for a Permanent Stay Permit (ITAP).
- The duration of the work and stay permit application process in Indonesia may vary depending on specific circumstances, such as the type of employment, completeness of documentation, and the status of the sponsoring company. The process may take around 4 weeks or longer, especially in more complex cases.



## Comparisons

### Taxation of Fringe Benefits

|                        |     |
|------------------------|-----|
| Housing                | B/C |
| Home Flights           | B   |
| Education for children | B/C |

A Tax exempt | B Taxable and deductible for corporate income tax purposes – only if it relates to the 3M criteria | C Tax relief under certain conditions

### Tax Rates

|                                                       |        |
|-------------------------------------------------------|--------|
| Single, no children                                   | 25,96% |
| Employment Gross Income <sup>1</sup> 100,000 EUR p.a. |        |
| Married, 2 children                                   | 25,75% |
| Employment Gross Income <sup>1</sup> 100,000 EUR p.a. |        |

### Layers Rates with Maximum Income Tax Rates for the past 3 years

| 2023 | 2024 | 2025 |
|------|------|------|
| 35%  | 35%  | 35%  |

### Social Security Rates (BPJS Employment)

|                                                       |               |
|-------------------------------------------------------|---------------|
| Employment Gross Income <sup>1</sup> 100,000 EUR p.a. |               |
| Employee                                              | 3%            |
| Employer                                              | 6,24% - 7,74% |

<sup>1</sup> Excluding fringe benefits such as housing.



Personal Income Tax

- Permanent residents are subject to income tax on their worldwide income, regardless of source. Nonpermanent residents are taxed on income earned in Japan plus any non-Japan sourced income that is paid in or remitted to Japan. Nonresidents are taxed only on their Japanese-sourced income.
- Employment income includes salaries, wages, directors' fees, bonuses, and other compensation. Benefits in kind provided by the employer, such as private use of an employer-provided automobile, tuition for dependent children, private medical insurance premiums, and private pension contributions, are included in employment income. However, certain employer-paid benefits, including moving expenses and home-leave expenses, are excluded from taxable income. The cost of one home-leave trip per year for the employee and family is not taxable if the destination is the expatriate's or spouse's country of citizenship or domicile.

TAX RELIEF FOR HOUSING

Favorable tax treatment is available for employer-provided housing if certain conditions are met, such as the lease being in the employer's name and the employer paying the rent directly to the landlord. The individual must pay to the employer an amount equal to the "legal rent" for the premises from after-tax monies. For directors, the legal rent is the greater of 50% (35% if also used for business purposes) of the monthly rent paid by the employer or an amount computed by a formula involving the area and assessed value of the rented property. For other employees, the legal rent equals 50% of an amount computed by a formula involving the area and assessed value of the rented property .

APPLICABLE TAX RATES FOR EXPATS

National individual income tax rates are progressive, ranging from 5% to 45%. The rates are as follows:

- 0 to JPY1,950,000: 5%
- JPY1,950,000 to JPY3,300,000: 10%
- JPY3,300,000 to JPY6,950,000: 20%
- JPY6,950,000 to JPY9,000,000: 23%
- JPY9,000,000 to JPY18,000,000: 33%

- JPY18,000,000 to JPY40,000,000: 40%
- Over JPY40,000,000: 45%

A special surtax for reconstruction assistance is imposed at a rate of 2.1% and local inhabitant tax is imposed at the fixed rate of 10%, making the effective tax rate for the highest bracket 55.945%.

Social Security

Social security programs in Japan include health insurance, long-term care insurance, welfare pension insurance, unemployment insurance, and workers' accident compensation insurance. Costs for health insurance, nursing care insurance, and welfare pensions are borne equally by employers and employees.

EMPLOYER

Health insurance premium is 4.99% (on a maximum of JPY 1,390,000 of wages per month) from March 2024, long-term care insurance is 0.80% (on a maximum of JPY 1,390,000 of wages per month and equired for individuals from the age of 40 to the age of 64), welfare pension premium is 9.15% (on a maximum of JPY 650,000 of wage per month), unemployment insurance premium is 0.6 %, and workers' accident compensation insurance premium is 0.6 %, Child benefits contribution 0.36%.

EMPLOYEES

Health insurance premium is 4.99% (on a maximum of JPY 1,390,000 of wages per month) from March 2024, long-term care insurance is 0.80% (on a maximum of JPY 1,390,000 of wages per month and required for individuals from the age of 40 to the age of 64), welfare pension premium is 9.15% (on a maximum of JPY 650,000 of wages per month), and unemployment insurance premium is 0.6%.

Immigration

- Foreign nationals intending to work in Japan must obtain a work visa status. The process involves applying for a Certificate of Eligibility (CoE), applying for a visa at a Japanese embassy or consulate, and obtaining landing permission upon entry

- into Japan. The standard processing time for the CoE is four to 12 weeks, and the processing time for the visa is usually three to five business days.
- Various categories of residence status exist, including Engineer/Specialist in Humanities/International Services, Intra-Company Transferee, Business Manager, and Highly Skilled Professional. The Highly Skilled Professional (HSP) category is an upgraded version of the other categories of residence. Points are allocated according to academic background, employment background, and annual income. Preferential immigration treatment is granted if a person scores 70 points or higher.



Comparisons

Taxation of Fringe Benefits

|                        |   |
|------------------------|---|
| Housing                | B |
| Home Flights           | C |
| Education for children | B |

A Tax exempt | B Taxable | C Tax relief under certain conditions

Tax Rates

|                                                       |        |
|-------------------------------------------------------|--------|
| Single, no children                                   | 22,73% |
| Employment Gross Income 100,000 EUR <sup>1</sup> p.a. |        |
| Married, 2 children                                   | 20,72% |
| Employment Gross Income 100,000 EUR <sup>1</sup> p.a. |        |

Maximum Effective Personal Income

Tax Rates for the past 3 years

|         |         |         |
|---------|---------|---------|
| 2023    | 2024    | 2025    |
| 55.945% | 55.945% | 55.945% |

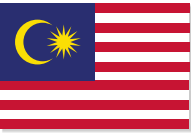
Social Security Rates

|                                                       |        |
|-------------------------------------------------------|--------|
| Employment Gross Income 100,000 EUR <sup>1</sup> p.a. |        |
| Employee                                              | 14,94% |
| Employer                                              | 14,94% |

Social Security Agreements (SSA)

Germany, United Kingdom, South Korea, United States, Belgium, France, Canada\* (excluding Quebec Pension Plan), Australia, Netherlands, Czech Republic, Spain, Ireland, Brazil, Switzerland, Hungary, India, Luxembourg, Philippines, Slovakia, China, Finland, Sweden, Italy

<sup>1</sup> 100.000 EUR=16,000,000JPY



# Malaysia

## Personal Income Tax

- › Individuals are taxed on income, depending on the source and their residency status.
- › The tax year is the calendar year.
- › The tax rate is progressive and ranges from 0% to 30% for residents. Non-residents are taxed at a flat rate of 30%.
- › A tax return must be filed each year by 30th April for individuals earning employment income (or with any other source of income other than a business source), and by 30th June for individuals with business income.
- › The employer is responsible for ensuring that the Monthly Tax Deduction (MTD) is deducted from the employee's salary on a monthly basis and the payment is made to the tax authority by the 15th of the following month.
- › Individuals with business income are required to make an advance tax payment to the tax authority via a tax authority-issued schedule known as CP 500.
- › Personal deductions: There are up to 21 reliefs available for taxpayer and the taxpayer's immediate family, and the most basic deductions are the following:
  - › Taxpayer: RM 9,000;
  - › Parent's medical treatment: RM 8,000;
  - › Unemployment of spouse or spouse alimony: RM 4,000;
  - › Children under the age of 18: RM 2,000 for each child.

## Social Security

- › There are 2 types of Social Security services: the Social Security Organisation (SOCSO) and Employment Injury Scheme (EIS).
- › The contributions for employee and the employer vary depending on the employee's salary and the schedule published by the tax authority.
- › SOCSO contributions are capped at RM 133.90 (the employer's portion is RM 104.15 and the employee's portion is RM 29.75), and apply for those earning more than RM 6,000 per month. These applies to both local and foreign employee.
- › The most significant statutory deduction (other than tax) is the Employee Provident Fund (EPF),

which applies based on the following percentages and is without any cap:

- › Employee: 11% (until June 2022, from when a 9% reduced rate applies due to Covid-19's economic impact, but employees may opt to continue to contribute the full 11%).
- › Employer: 13% (for a salary below RM 5,000.00 per month); 12% (for a salary above RM 5,000.01 per month).
- › No EPF contribution is required for expatriates, but it was proposed to be made compulsory which is yet to be legislated.

## Immigration

### VISA

- › Multiple Entry Visa.
- › Issued for business-to-government or government-to-government matters.
- › Valid for 3 months up to 12 months from the date of issue.
- › Each visit cannot exceed more than 30 days.

### WORK PERMIT

- › Visitor's Pass (Temporary Employment).
- › Employment Pass.
- › Long Term Social Visit Pass.
- › Professional Visit Pass for less than 12 months, typically used by foreign service providers for short installation, commissioning work and so on in Malaysia.
- › Residence Pass.

### REGISTRATION

- › The company will have to register itself with the immigration authority and it can apply for visas and employment passes for its employees.
- › The company submits the supporting documents and gives a valid reason for the need or the necessity of appointing a foreign employee.

## Employer's Obligations

### START OF EMPLOYMENT

- › Obtain the correct working visa type for an employee.
- › Register the employee with the tax authority and other relevant authorities.

- › Obtain the tax identification number.

### DURING EMPLOYMENT

- › A statutory deduction must be made based on the salary withdrawn on a monthly basis and the payments for the statutory deductions must be made by the 15th of the following month.
- › Issuance of a statement of remuneration (Form EA) by the end of February of the following year and submit salary details to the tax authority by 31st March of the following year.
- › Ensure the employee has filed their tax return on time.

### TERMINATION/CESSATION OF EMPLOYMENT

- › Apply for the cancellation of the visa.
- › Inform the tax authority not less than 30 days from the termination/cessation of employment and ensure that the foreign employee's tax return is filed with the tax authority to obtain the tax clearance certificate.



## Comparisons

### Taxation of Fringe Benefits

|                        |                |
|------------------------|----------------|
| Housing                | B <sup>1</sup> |
| Home Flights           | B <sup>2</sup> |
| Education for children | B              |

A Tax exempt | B Taxable | C Tax relief under certain conditions

### Tax Rates

(Tax for First RM 400,000 is RM 84,400 (Progressive rate))

#### Single, no children

Employment Gross Income<sup>3</sup> 100,000 EUR p.a.

25% (Marginal Rate)

21,28% (Effective Rate)

#### Married, 2 children

Employment Gross Income<sup>3</sup> 100,000 EUR p.a.

25% (Marginal Rate)

20,07% (Effective Rate)

### Maximum Effective Personal Income

#### Tax Rates for the past 3 years

| 2023 | 2024 | 2025 |
|------|------|------|
| 30%  | 30%  | 30%  |

### Social Security Rates (EPF)

Employment Gross Income<sup>3</sup> 100,000 EUR p.a.

|          |     |
|----------|-----|
| Employee | 11% |
| Employer | 12% |

<sup>1</sup> At concessionary rate

<sup>2</sup> No written guideline, generally treated as taxable

<sup>3</sup> Excluding fringe benefits such as housing.



# Pakistan

## Personal Income Tax

- › The tax rate is progressive and ranges from 0% to 35%.
- › A surcharge applies to individuals with an income exceeding PKR 10 million for the tax year, calculated as 10% of the tax liability. A super tax on high-earning individuals, an additional tax on top of normal tax liability, is applicable if income exceeds PKR 150 million. The progressive super tax rates range from 1% to 10%.
- › The tax year begins on 1st July and ends on the following 30th June.
- › The tax return must be filed by 30th September (within 3 months of the close of the tax year).
- › The employer has the responsibility to withhold tax while making salary payments to employees.
- › The employer is required to deposit the withheld tax into the government's treasury within a week.
- › In case of failure to withhold and deposit tax, the employer is not entitled to deduct salary expense while computing taxable income.
- › Quarterly and Annual withholding tax statements are also required to be filed with the tax authority within 15 days from the close of each quarter.

## Social Security

Employee Old-Age benefits apply to all employees.

### EMPLOYEE

The employee contributes 1% of the minimum wage per month.

### EMPLOYER

The employer contributes 5% of the minimum wage per month.

## Immigration

### VISA

- › A work visa can be issued to a highly-skilled expatriate employee before coming to Pakistan with multiple entry options.
- › The processing time for a work visa is 4–6 weeks after the submission of the required documents.

### REGISTRATION/NOC

- › After arrival in Pakistan, an expatriate/foreign employee is required to register with the nearest police station.
- › If the workplace is situated in any prohibited area, a No-Objection-Certificate (NOC) is required to be obtained from the Ministry of Interior.

### CLEARANCE CERTIFICATE

- › If any expatriate/foreign employee intends to permanently leave Pakistan, then it is compulsory for that person to obtain a clearance certificate from the tax authority stating that there is no tax liability outstanding.
- › A declaration is also required to be filed before permanently leaving the country.

## Employer's Obligations

### START OF EMPLOYMENT

- › The employee must be registered with the tax authority, for health insurance, and with the nearest police station.

### DURING EMPLOYMENT

- › Payment of salary.
- › Withholding of income tax as per prescribed rates.
- › Deposit of withholding tax into the government treasury. Issuing a certificate of tax deduction to employees at the end of the tax year or upon termination of employment.
- › Having an updated work visa.
- › Quarterly and annual reporting to the tax department.

### TERMINATION OF EMPLOYMENT

- › Payment of final settlement (including termination benefits).
- › Notification to the Ministry of Interior for cancellation of work visa.
- › Notification to the tax authority of the intention to permanently leave the country.
- › Withholding of the final tax amount and payment into the government treasury.
- › Obtaining a clearance certificate from the tax authority stating that no tax liability is out.



## Comparisons

### Taxation of Fringe Benefits

|                        |   |
|------------------------|---|
| Housing                | B |
| Home Flights           | B |
| Education for children | B |

A Tax exempt | B Taxable | C Tax relief under certain conditions

### Tax Rates

|                                                       |       |
|-------------------------------------------------------|-------|
| Single, no children                                   | 32,6% |
| Employment Gross Income <sup>1</sup> 100,000 EUR p.a. |       |
| Married, 2 children                                   | 32,6% |
| Employment Gross Income <sup>1</sup> 100,000 EUR p.a. |       |

### Maximum Effective Personal Income

| Tax Rates for the past 3 years |      |      |
|--------------------------------|------|------|
| 2023                           | 2024 | 2025 |
| 35%                            | 35%  | 35%  |

### Social Security Rates

|                                                       |    |
|-------------------------------------------------------|----|
| Employment Gross Income <sup>1</sup> 100,000 EUR p.a. |    |
| Employee                                              | 1% |
| Employer                                              | 5% |

<sup>1</sup> Excluding fringe benefits such as housing.



# Philippines

## Personal Income Tax

- › The tax rate is progressive and ranges from 15% to 35%. Income up to PHP 250,000 is exempt from income tax for citizens and resident aliens.
- › 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 are paid to the tax authority 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 following taxable year.

## Social Security

### EMPLOYEE

- › Social security and employee's compensation programme: PHP 1,750 per month or PHP 21,000 per year capped at a salary credit of PHP 420,000 per year.
- › Medicare: 2.5% of basic salary, with a maximum of PHP 2,500 per month or PHP 30,000 per year.
- › Home Development Mutual Fund: 2% of basic salary, with a maximum of PHP 200 per month or PHP 2,400 per year.

### EMPLOYER

- › Social security and employee's compensation programme: PHP 3,530 per month or PHP 42,360 per year, capped at a salary credit of PHP 420,000 per year.
- › Medicare: 2.5% of basic salary, with a maximum of PHP 2,500 per month or PHP 30,000 per year.
- › Home Development Mutual Fund: 2% of basic salary, with a maximum of PHP 200 per month or PHP 2,400 per year.

### EXEMPTIONS FOR FOREIGNERS

- › Expatriates are subject to compulsory social security coverage, except for citizens of countries with which the Philippines has a social security agreement.

## Immigration

- › Aliens proceeding to the Philippines to engage in any lawful occupation are required to secure a 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 labour 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, the Philippine Economic Zone Authority, Board of Investments, or Freeport Areas are eligible to secure a Special Non-Immigrant or 47 (a)(2) visa.
- › The application process for employment visas usually takes 4–8 weeks from the submission of the 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 the foreign employee with the BIR, SSS, Philhealth, and HDMF and obtain permanent Identification Numbers from those agencies.

### DURING EMPLOYMENT

- › Track the 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 the foreign employee's departure from the Philippines.



## Comparisons

### Taxation of Fringe Benefits

|                        |   |
|------------------------|---|
| Housing                | B |
| Home Flights           | B |
| Education for children | B |

A Tax exempt | B Taxable | C Tax relief under certain conditions

### Tax Rates

|                                                       |     |
|-------------------------------------------------------|-----|
| Single, no children                                   | 30% |
| Employment Gross Income <sup>1</sup> 100,000 EUR p.a. |     |
| Married, 2 children                                   | 30% |
| Employment Gross Income <sup>1</sup> 100,000 EUR p.a. |     |

### Maximum Effective Personal Income

| Tax Rates for the past 3 years |      |      |
|--------------------------------|------|------|
| 2023                           | 2024 | 2025 |
| 35%                            | 35%  | 35%  |

### Social Security Rates

|                                                       |      |
|-------------------------------------------------------|------|
| Employment Gross Income <sup>1</sup> 100,000 EUR p.a. |      |
| Employee                                              | ~15% |
| Employer                                              | ~20% |

### Social Security Agreements (SSA)

Austria, Belgium, Canada, Denmark, France, Germany, Japan, Luxembourg, Netherlands, Portugal, Quebec, Spain, Sweden, Switzerland, UK+Northern Ireland

<sup>1</sup> Excluding fringe benefits such as housing.



# Singapore

## Personal Income Tax

- › Personal income tax rates are progressive. The current highest personal income tax rate is 24% for chargeable income exceeding SGD 1,000,000 per annum, effective from the Year of Assessment (YA) 2024.
- › Personal income tax is assessed based on the income earned in the preceding calendar year. For example, the Notice of Assessment (NOA) issued for YA 2025 will relate to income earned from 1 January to 31 December 2024.
- › Income tax returns for a YA are due for filing by 15 (for paper filing) or 18 April (for electronic filing) in that year unless the employee is selected for no-filing service for that YA by the Inland Revenue Authority of Singapore (IRAS).
- › Personal income tax is payable annually. The assessed tax amount is generally payable to the IRAS within one month after the NOA is served to the individual. The employee may select to pay their personal income tax over up to 12 monthly interest-free instalments through the local General Interbank Recurring Order (GIRO) system.

## Social Security

The Central Provident Fund (CPF) is a comprehensive social security system for individuals who are Singapore citizens or permanent residents (PRs). Both, the employer and employee, must make monthly CPF contributions to the employee's individual CPF account provided that the monthly wage exceeds SGD 50. The applicable CPF contribution rates vary according to the employee's age group, subject to a monthly ordinary wage ceiling of SGD 7,400 (i.e. the maximum ordinary wage that attract CPF contributions in a calendar month is SGD 7,400) (this will be raised to SGD 8,000 from 1 January 2026 onwards) and an annual additional wage ceiling (covering additional wages such as bonuses and commissions), which is the difference between SGD 102,000 and the employee's total ordinary wage that is subject to CPF for that year. There are reduced contribution rates for employees in their first and second years of obtaining PR status. Employees who are foreigners (and their employers) are not required to make CPF contributions unless they become Singapore citizens or PRs.

### EMPLOYEE

- › The employee CPF contribution rate for Singapore citizens and PRs (from the third year onwards) ranges from 5% (aged above 70 years) to 20% (aged 55 years and below) of the employee's monthly wage.

### EMPLOYER

- › The employer CPF contribution rate for Singapore citizens and PRs (from the third year onwards) ranges from 7.5% (aged above 70 years) to 17% (aged 55 years and below) of the employee's monthly wage.

## Immigration

- › All foreigners must have a valid work pass to work in Singapore. There are different types of work passes available depending on the employee's profile. Foreign professionals, managers and executives typically require an Employment Pass (EP) to work in Singapore.
- › To be eligible for an EP, the candidate must:
  - › have a job offer in Singapore;
  - › work in a managerial, executive or specialised job;
    - › for new applications from 1 January 2025 onwards, earn a fixed monthly salary of at least SGD 5,600 or at least SGD 6,200 for a candidate in the financial services sector. An older, more experienced candidate will need to satisfy higher minimum salary requirements.
- › EP applications must also pass the Complementarity Assessment Framework (COMPASS), a points-based system that evaluates EP applications based on a prescribed set of individual and firm-related attributes. COMPASS applies for new applications from 1 September 2023 and renewals from 1 September 2024.
- › To pass COMPASS, an EP application needs to earn 40 points based on the prescribed evaluation criteria.

- › An employer (or its appointed employment agent) will have to make the EP application to the Singapore Ministry of Manpower (MOM) on the candidate's behalf. An employer must advertise the job vacancy in the Singapore government's job portal and consider all candidates fairly before applying for an EP.
- › The EP application process usually takes about 3 weeks in most cases (including the verification process for the applicant's educational qualifications).
- › Once issued, an EP will be valid for typically 2 years (for first-time applicants) or 3 years (for renewals).

## Employer's Obligations

### START OF EMPLOYMENT

- › Apply to the MOM for the correct type of work pass on behalf of the candidate prior to the candidate's arrival in Singapore.

### DURING EMPLOYMENT

- › An employer with 5 or more employees is required by law to participate in the Auto-Inclusion Scheme (AIS) and report the employment income information of its employees (including benefits-in-kind and gains from employee stock options or other forms of employee share ownership schemes) for the preceding calendar year electronically to the IRAS by 1 March each year.
- › An employer with less than 5 employees may voluntarily participate in the AIS. If it elects not to do so, then it will have to provide physical copies of the Form IR8A and its appendices (where applicable) to each employee by 1 March each year.
- › Declare the actual wages payable to its employees to the CPF Board.
- › Pay CPF contributions (comprising employer's and employee's share of CPF contributions) for its employees who are Singapore citizens or PRs to the CPF Board on a monthly basis. The employer may recover the employee's share of CPF contributions when paying its employee's wages for that month.
- › Notify the MOM of certain changes in the circumstances of the work pass holder, including an increase or reduction in the work pass holder's sala-

- ry, changes in the work pass holder's occupation or employer, changes in the work pass holder's personal particulars, etc.
- › Apply to renew an EP up to 6 months before the EP expires if the employer intends to continue hiring that EP holder.

### TERMINATION OF EMPLOYMENT

- › Seek tax clearance from the IRAS on behalf of the non-Singapore citizen employee. The employer will have to file a completed Form IR21 with the IRAS at least 1 month before the employee ceases employment, and withhold all monies due to the employee from the date it is aware of the impending cessation of employment. The withheld monies will be used to settle the employee's tax liabilities. If the withheld monies are sufficient to cover the tax liabilities, then the excess amount will be released to the employee. If the monies withheld are insufficient to cover the tax liabilities, then the employee will receive a tax bill from the IRAS for the remaining amount of tax.
- › Cancel the EP within 1 week after the employee's last day of notice. If the EP holder has left Singapore permanently, then the employer must cancel the work pass within 1 week from the employee's departure date from Singapore.



Comparisons

|                             |   |
|-----------------------------|---|
| Taxation of Fringe Benefits |   |
| Housing                     | B |
| Home Flights                | C |
| Education for children      | B |

A Tax exempt | B Taxable | C Tax relief under certain conditions

|                                                       |       |
|-------------------------------------------------------|-------|
| Tax Rates                                             |       |
| Single <sup>1</sup> , no children                     | 8,02% |
| Employment Gross Income 100,000 EUR p.a. <sup>2</sup> |       |
| Married <sup>3</sup> , 2 children <sup>4</sup>        | 6,99% |
| Employment Gross Income 100,000 EUR p.a. <sup>2</sup> |       |

|                                                                  |      |      |
|------------------------------------------------------------------|------|------|
| Maximum Effective Personal Income Tax Rates for the past 3 years |      |      |
| 2023                                                             | 2024 | 2025 |
| 22%                                                              | 22%  | 24%  |

|                                                       |        |
|-------------------------------------------------------|--------|
| Social Security Rates                                 |        |
| Employment Gross Income <sup>1</sup> 100,000 EUR p.a. |        |
| Employee <sup>5</sup>                                 | 12,16% |
| Employer <sup>5</sup>                                 | 10,33% |

<sup>1</sup> Provided that the taxpayer is: (a) below 55 years old; and (b) not physically or mentally handicapped; and (c) Singapore tax resident.  
<sup>2</sup> Based on an exchange rate of EUR 1: SGD 1.46 as at 3 April 2025.  
<sup>3</sup> Provided that the taxpayer's spouse: (a) has an annual income not exceeding SGD 8,000; and (b) is not physically or mentally handicapped; and (c) the taxpayer is Singapore tax resident.  
<sup>4</sup> Provided that the taxpayer's children: (a) each have an annual income not exceeding SGD 8,000; (b) are either below 16 years old or studying full-time at any university, college or other educational institution; and (c) are not physically or mentally handicapped.  
<sup>5</sup> For an employee who is: (a) 55 years and below; (b) a Singapore citizen or PR (from the third year onwards); and (c) the wages comprise of salary only.



Thailand

Personal Income Tax

- › The tax rate is progressive and ranges from 0% to 35%.
- › The top tax bracket starts at THB 5 million (approx. EUR 130k).
- › The tax year is the calendar year.
- › Tax from employment income is withheld 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 is payable at the time of the filing of the annual return.

Social Security

The Thai social security system covers health-, death-, pension- and unemployment-related benefits. The coverage is very limited from an international perspective, as the basis for the calculation of contributions and benefits is capped at THB 15,000 per month. There are no exemptions for foreigners, but exemptions apply to employees over the age of 60.

- 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%.

Immigration

- VISA
- › The visa issued to foreigners for business purposes is the Non-B visa (Non-immigration Business visa).
  - › To obtain this visa, the application must be submitted to the Thai embassy or consulate with the following supporting documents:
    - » Invitation letter from the Thai company.
    - » A copy of the Thai company's corporate documents as certified by the director (i.e. an affidavit, shareholder list and VAT certificate). Please note that Thai embassies 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 and is valid for a single entry. However, the Thai embassies and consulates in certain countries can also issue a multiple entry visa based on the period of stay and the reason as stated in the invitation letter.
- › The application process of a Non-B visa usually takes 1-5 working days depending on the administrative process of each embassy or consulate.

- WORK PERMIT
- › Upon arrival in Thailand, the foreigner is required to apply for a work permit to legally work in the country.
  - › The work permit is required from the first day of work, regardless of the duration of the work.

- REGISTRATION
- › Apart from the work permit application, there is no specific registration requirement for foreign employees (except migrant workers).
  - › Foreign employees who stay in Thailand for a period of more than 90 days consecutively need to report their place of residence to the Immigration Bureau every 90 days (a so-called "90 days report").

Employer's Obligations

- START OF EMPLOYMENT
- › Apply for the employee's work permit.
  - › Enroll the employee within 30 days after the date of work 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 has been paid (cash basis). Additionally, submit



an annual payroll tax report by the end of February of the following year and deliver a 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 has not been paid (accrual basis). Additionally, submit an annual report to the Social Security office by 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 month following the employment termination.
- Notify the employment termination to the Department of Employment (work permit cancellation) and Immigration Bureau (visa cancellation).

Comparisons

Taxation of Fringe Benefits

|                        |   |
|------------------------|---|
| Housing                | B |
| Home Flights           | B |
| Education for children | B |

A Tax exempt | B Taxable | C Tax relief under certain conditions

Tax Rates

|                                                       |        |
|-------------------------------------------------------|--------|
| Single, no children                                   | 22,45% |
| Employment Gross Income <sup>1</sup> 100,000 EUR p.a. |        |
| Married, 2 children                                   | 21,49% |
| Employment Gross Income <sup>1</sup> 100,000 EUR p.a. |        |

Maximum Effective Personal Income Tax Rates for the past 3 years

|      |      |      |
|------|------|------|
| 2023 | 2024 | 2025 |
| 35%  | 35%  | 35%  |

Social Security Rates

|                                                       |       |
|-------------------------------------------------------|-------|
| Employment Gross Income <sup>1</sup> 100,000 EUR p.a. |       |
| Employee                                              | 0,22% |
| Employer                                              | 0,22% |

<sup>1</sup> Excluding fringe benefits such as housing.



Vietnam

Personal Income Tax

- Tax rates: Tax residents are subject to progressive tax rates that varies from 5% to 35%. Non-residents pay a fixed rate of 20%. Individuals' business income is taxed separately at fixed rates ranging from 0.5% to 5%.
- Tax calculation:
  - For tax resident individuals: the tax on income from salaries and wages is calculated annually; for a resident's income that is from outside Vietnam and other types of income, the tax is calculated on each occasion that the income is generated.
  - For non-resident individuals: the income of those doing irregular business with a fixed location of the business is taxed annually; otherwise, the tax must be calculated on each occasion that income arises.
- Provisional tax: Although the tax on employment income is finalised annually, a provisional tax on monthly income is withheld.  
Submission:
  - For annually calculated tax, the tax return must be filed no later than the last day of the third month after the end of the tax year, or the last day of the fourth month after the end of the tax year if the tax return is conducted directly by such an individual, along with whatever payment has not yet been made. Non-residents do not have to file an annual tax return.
  - For the tax calculated upon each time income arises, the declaration files must be submitted within 10 days as from the date on which the tax obligation incurs.

Social Security

Social security contributions are compulsory and generally apply to foreign employees working in Vietnam who hold a work permit, practising certificate, practising licence issued in Vietnam, and have an indefinite-term employment contract, or employment contract with at least a one year term with an employer in Vietnam. Such contributions are calculated based on the employee's monthly earnings and are made up of 2 types of insurance with different contribution rates as specified below. The salary for

Social Insurance and Health Insurance contributions is capped at a maximum of 20 times the 'basic wage.' The basic wage is determined by the Government of Vietnam and is updated annually. As of the first half of 2025, the base salary is VND 2.34 million.

| Applicable time               | By employer Social insurance* | Health insurance* |
|-------------------------------|-------------------------------|-------------------|
| From 01.12.2018 to 31.12.2021 | 3.5%                          | 3%                |
| From 01.01.2022 to 30.06.2022 | 17%                           | 3%                |
| From 01.07.2022 onwards       | 17.5%                         | 3%                |

| Applicable time               | By employee Social insurance* | Health insurance* |
|-------------------------------|-------------------------------|-------------------|
| From 01.12.2018 to 31.12.2021 | -                             | 1,5%              |
| From 01.01.2022 to 30.06.2022 | 8%                            | 1,5%              |
| From 01.07.2022 onwards       | 8%                            | 31,5%             |

Immigration

The sponsor, a Vietnamese legal entity or the subsidiary of the foreign entity registered in Vietnam, must apply to hire a foreigner under the visa, and the work permit.

VISA

- Obtaining a visa is compulsory for foreigners who want to enter and work in Vietnam unless they are subject to a visa exemption.
- The sponsor must apply for the approval on entry and visa issuance from the Immigration Department in Vietnam. Having obtained this visa approval, the foreigner must obtain the visa at a Vietnamese embassy or consulate. In special cases,

the foreigner can obtain the visa on arrival at the airport upon entering Vietnam.

- › Then a working visa or a temporary resident card can be obtained after the issuing of a work permit or confirmation on work permit exemption or another equivalent certificate (e.g., the practising certificate of a foreign lawyer, etc.), which proves the legitimate purpose of staying in Vietnam. The temporary resident card is optional and will be granted for foreigners staying for more than one year.

EXEMPTIONS FOR FOREIGNERS

- › Foreigners are not subject to contributing to unemployment insurance. But for foreigners the payment of the severance allowance is compulsory.
- › Foreigners are exempted from contributing to social insurance in certain cases.

REGISTRATION

- › Upon arriving at the temporary residence, the foreigner must declare his/her relevant information to the local police station via the manager of the temporary residence accommodation.

Employer's Obligations

START OF EMPLOYMENT

- › Apply for the issuing of a visa and work permit if the employer has an own registered presence in Vietnam. Otherwise this must be done via the Vietnamese sponsor.
- › Register the personal tax code, calculating and paying the personal income tax and handling the social insurance issues.

DURING EMPLOYMENT

- › Send a copy of the signed labour contract to the Labor Authority and Social Insurance Authority.
- › Apply for an extension of a work permit when it is due to expire. The work permit can be extended once.
- › Report to the Labor Authority biannually on the status of the employment of foreigners.
- › Ensure compliance with the regulations on immigration, taxation, and social insurance.

WORK PERMIT

- › No work permit and no confirmation of a work permit exemption is required if:
  - › a person is coming to Vietnam to work as a manager, executive, expert or technical worker for under 30 days (per assignment) and for no more than 3 times in 1 year.
  - › a person is coming to Vietnam to offer but not supply services for up to 3 months.
  - › a person who has been granted a lawyer's practicing certificate in Vietnam.
  - › a person who is the Owner or Capital Contributor of LLC with a capital contribution value of at least 3 billion dong.
  - › a person who is the Chairperson or a member of the Board of Directors of JSC with a capital contribution value of at least 3 billion dong.
  - › a person who is the relative of a member of foreign representative authorities in Vietnam.
- › The foreigners must fulfil certain requirements to be eligible for a work permit, which varies depending on each type of job assignment and the form of work.
- › The legalisation of documents regarding qualification and working experience should be taken into consideration.

TERMINATION OF EMPLOYMENT

- › Return of the work permit to the Labor Authority.
- › Return of the temporary resident card (if any) or inform the Immigration Department about the termination of the labour contract.
- › Ensure the tax finalisation (if the foreigner is a tax resident).
- › Fulfil the procedure for terminating the contribution of social insurance.



Comparisons

Taxation of Fringe Benefits

|                        |   |
|------------------------|---|
| Housing                | C |
| Home Flights           | C |
| Education for children | C |

A Tax exempt | B Taxable | C Tax relief under certain conditions

Tax Rates

|                                                       |      |
|-------------------------------------------------------|------|
| Single, no children                                   | ~28% |
| Employment Gross Income <sup>1</sup> 100,000 EUR p.a. |      |
| Married, 2 children                                   | ~26% |
| Employment Gross Income <sup>1</sup> 100,000 EUR p.a. |      |

Maximum Effective Personal Income

| Tax Rates for the past 3 years |      |      |
|--------------------------------|------|------|
| 2023                           | 2024 | 2025 |
| 35%                            | 35%  | 35%  |

Social Security Rates

|                                                       |       |
|-------------------------------------------------------|-------|
| Employment Gross Income <sup>1</sup> 100,000 EUR p.a. |       |
| Employee                                              | 9,5%  |
| Employer                                              | 20,5% |

Social Security Agreements (SSA)

South Korea

<sup>1</sup> Excluding fringe benefits such as housing.

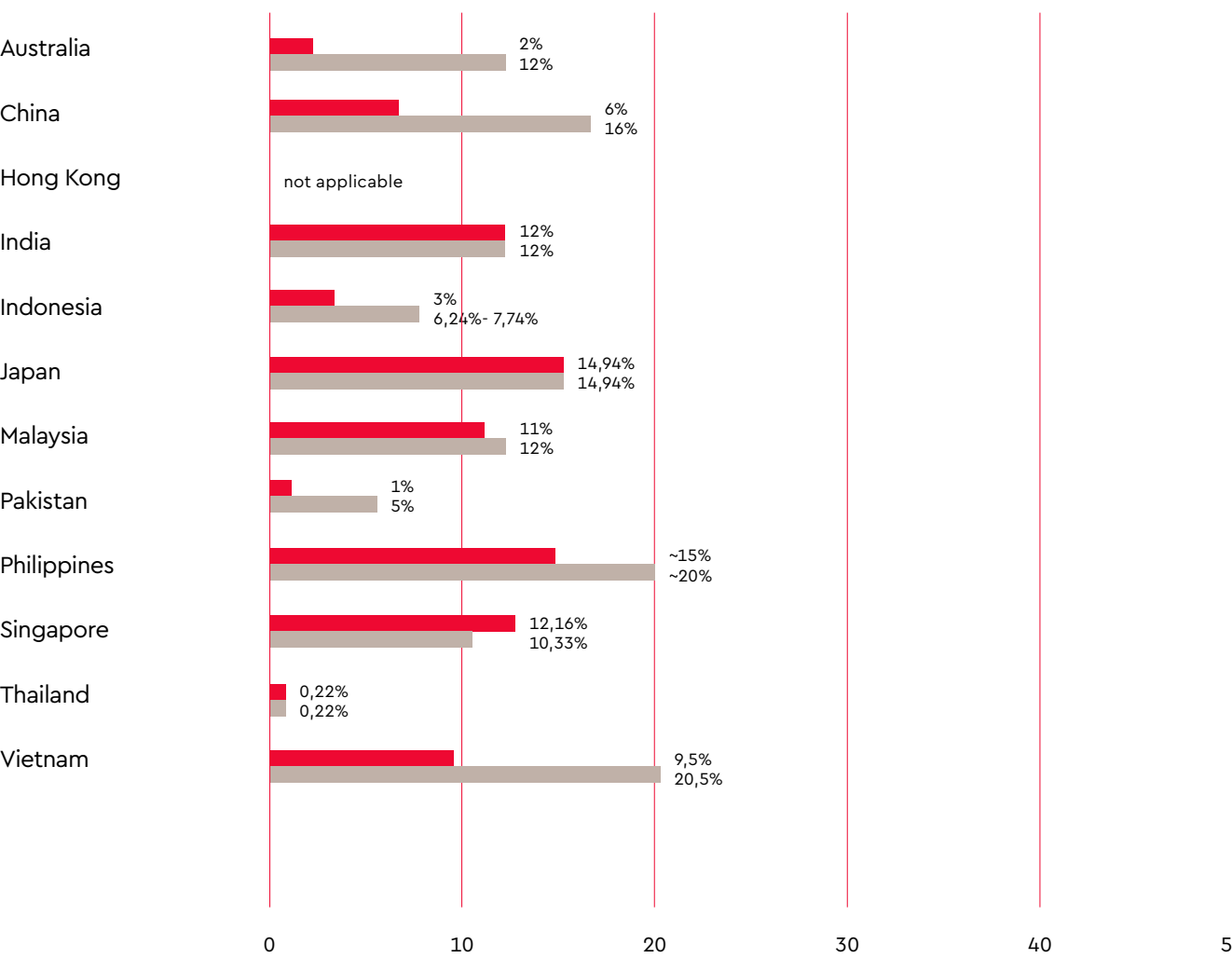
# Appendix

## Taxation of Fringe Benefits

| Country     | Housing | Home Flights | Education for Children |
|-------------|---------|--------------|------------------------|
| Australia   | C       | C            | A                      |
| China       | A       | A            | A                      |
| Hong Kong   | B       | B            | B                      |
| India       | C       | B            | C                      |
| Indonesia   | B/C     | B            | B/C                    |
| Japan       | B       | C            | B                      |
| Malaysia    | B       | B            | B                      |
| Pakistan    | B       | B            | B                      |
| Philippines | B       | B            | B                      |
| Singapore   | B       | C            | B                      |
| Thailand    | B       | B            | B                      |
| Vietnam     | C       | C            | C                      |

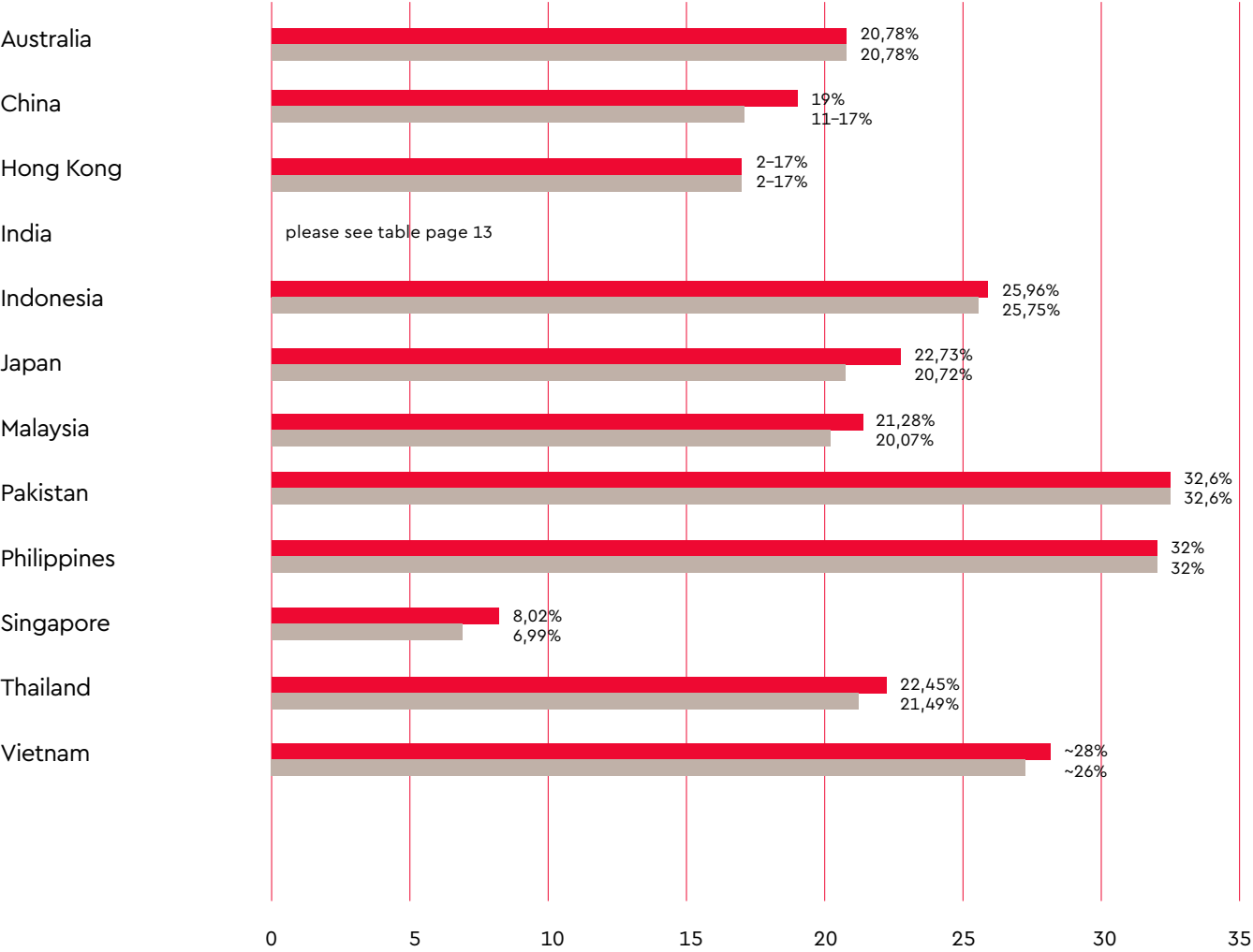
A Tax exempt | B Taxable | C Tax relief under certain conditions  
<sup>1</sup>If assignment does not exceed 12 months, otherwise generally taxable.

## Social Security Rates



■ Employee | ■ Employer | \*NSF \*\*HRDC Levy

Effective Income Tax Rates



■ Single, no children | ■ Married, 2 children

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