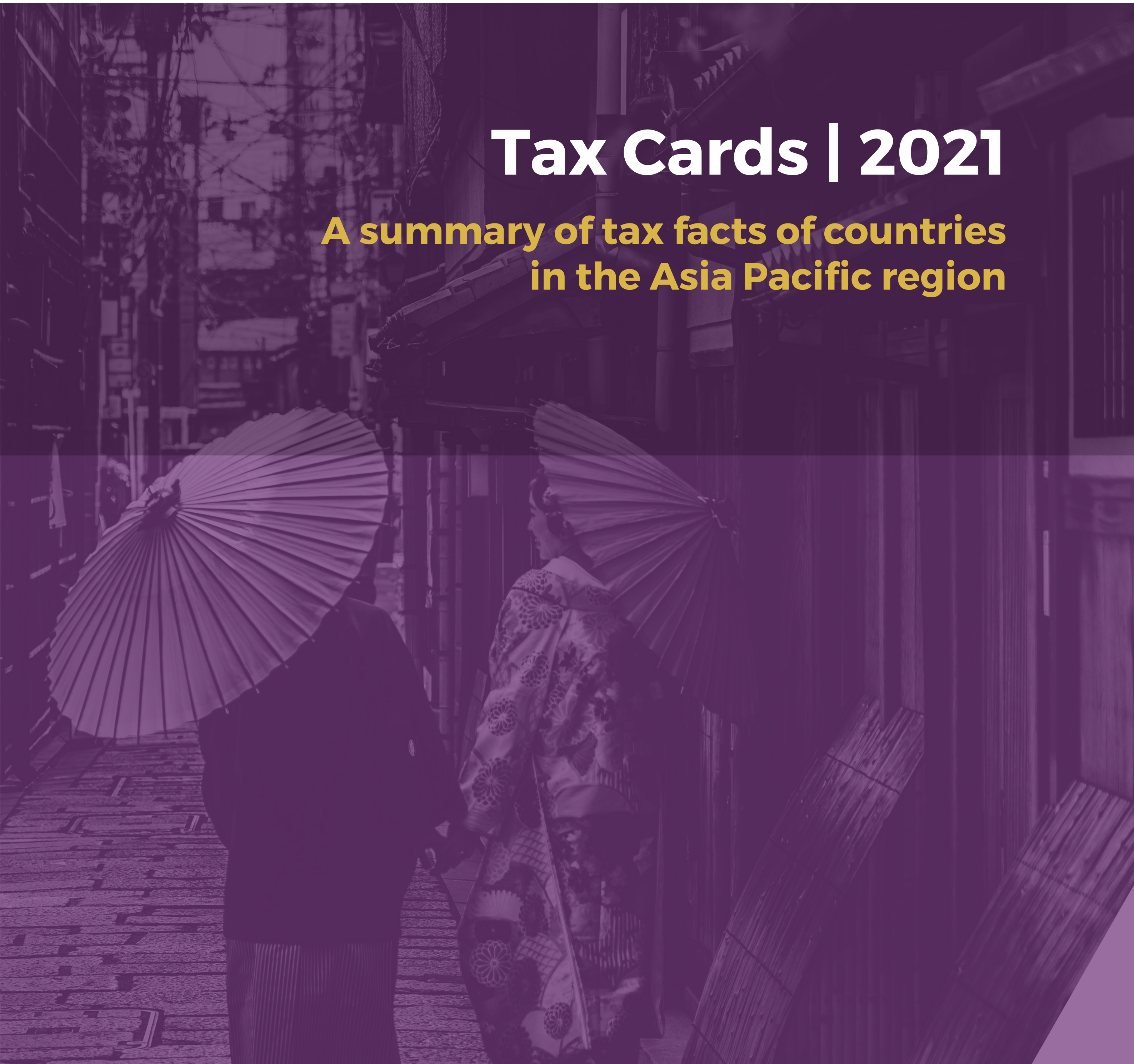

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AUSTRALIA

2021 TAX CARD (IN AUSTRALIAN DOLLARS)

1. Basis of Taxation

The Australian income tax year runs from 1 July to 30 June. There are two fundamental platforms determining liability to Australian tax, commonly known as the source rule and residence rule.

The source jurisdiction of taxation means that Australia taxes non-resident individuals and corporations on income arising to them from sources within Australia only.

The residence jurisdiction involves the taxation of Australia's resident individuals and corporations on income arising both in foreign countries and Australia itself. Residents of Australia are subject to Australian tax on their worldwide.

2. Corporate Tax

An Australian resident company is subject to company tax, a non-resident company is taxed on its Australian source income at the same rate as a resident company. The following tax rates apply to companies for the income year:

Year	Aggregated Annual Turnover Threshold	Entities under the Threshold*	Other
2019-20	$50 million	27.5%	30.0%
2020-21	$50 million	26%	30.0%

*A base rate entity for the 2019-20 income year is one with 'base rate entity passive income' that is no more than 80 per cent of its assessable income for the year and which has aggregated turnover of less than $50 million. 'Base rate entity passive income' is comprised of a specified list of income types including certain dividends, interest, royalties and rent.

3. Withholding tax rate (non-treaty)

	Resident	Non-resident Individual/Corporation	
		ID Verified	Not Verified
Dividends	N/A	30% (unfranked)/0% franked	47%
Interest	N/A	10%	47%
Royalties/know-how	N/A	30%	47%
Sale of CGT Assets>$750,000*	N/A	12.5%	12.5%
Rents (moveable property), management/ technical fees, etc	N/A	NA	47%
Directors' fees	Subject to tax withholding as wages		47%

* Applies to sales of direct or indirect interests (eg shares in a property owning company) in real property, leases over real property, mining (or similar) rights or options to acquire such property.

**4.
Test or
Basis of tax
residence**

Corporate residence

A company is a resident of Australia if:

- it is incorporated in Australia, or
- although not incorporated in Australia it carries on business and has either
  * its central management and control in Australia
  * its voting power controlled by shareholders who are residents of Australia.

The ATO's new approach to central management and control is that if a company has its CMAC in Australia, and it carries on business, whether in Australia or not, it will be taken to carry on business in Australia as a result of its CMAC being in Australia.

Individual residence

Ordinary Test

The primary test of tax residency is called the 'resides test'. If you reside in Australia, you are considered an Australian resident for tax purposes and don't need to apply any of the other residency tests.

The courts and the ATO rely on the normal definition of 'resides' when deciding who is an Australian resident for income tax purposes, as the term is not defined within income tax legislation.

The Shorter Oxford Dictionary defines reside as: '...to dwell permanently, or for a considerable time, to have one's settled or usual abode, to live, in or at a particular place...'

There are several factors that are considered in applying the 'resides test' among others are: behaviour while in Australia; intention and purpose of presence; family and business/employment ties; maintenance and location of assets; social and living arrangements. As a mix of these factors may apply, they will need to be assessed on a case by case basis.

Statutory Test

If you don't satisfy the resides test, you'll still be considered an Australian tax resident if you satisfy one of three statutory tests:

- The domicile test: You're an Australian resident if your domicile (broadly, the place that is your permanent home) is in Australia, unless the ATO are satisfied that your permanent place of abode is outside Australia.
- The 183-day test: If you're actually present in Australia for more than half the income year, whether continuously or with breaks, you may be said to have a constructive residence in Australia, unless it can be established that your usual place of abode is outside Australia and you have no intention of taking up residence here.
- The superannuation test: This test ensures that Australian government employees working at Australian posts overseas are treated as Australian residents.

5. Residential individual tax rates (for financial year ending 30 June 2021)

Taxable Income	Tax Payable*
0 – $18,200	NIL
$18,201 – $45,000	Nil + 19% of excess over $18,200
$45,001 – $120,000	$5,092 + 32.5% of excess over $45,000
$120,001 – $180,000	$29,467 + 37% of excess over $120,000
$180,001 and over	$51,667 +45% of excess over $180,000

*Australian residents (with limited exceptions) also pay a Medicare levy of 2% of taxable income, subject to low income thresholds. In addition, residents without private health insurance pay a Medicare levy surcharge of between 1% and 1.5%, subject to low income thresholds.

6. Non-residential individual tax rates (for financial year ending 30 June 2021)

Taxable Income $	Tax Payable $
$0 – $120,000	32.5%
$120,001 – $180,000	$39,000 + 37% of excess over $120,000
$180,001 and over	$61,200 + 45% of excess over $180,000

7. Goods and Services tax

GST is levied at a rate of 10%. Entities have to register once they are conducting an 'enterprise' and annual turnover reaches $75,000 [$150,000 for non-profit entities].

From 1 July 2017, foreign businesses are liable to charge 10% GST on imported services and digital products supplied to Australian consumers (so called "Netflix tax") and where they meet the turnover threshold of $75,000 for sales connected with Australia. Non-resident businesses can elect to register electronically for a simplified GST registration.

Legislation has been passed that will extend GST to low value imports of physical goods imported by consumers from 1 July 2018.

8. Estate duty

Australia does not have a death or inheritance tax regime – various rollovers can be applied for capital gains tax and stamp duties when assets are passed on after death.

9. Stamp duty

Stamp duty is applied on a State by State basis. Stamp duty is mainly applied on real property transfers, or some transfers of equity in companies/unit trusts where shares/units of 20% or greater are being transferred, and the entity holds real property with a market value greater than $1 million.

Rates of duty vary depending on the State but are, on average, between 4.0% to 5.5% of the transfer value of the property (and up to 7% for premium property).

Acquisitions of real property by non-residents may also be subject to an additional rate of stamp duty up to 7% of the purchase price of the property. The rate varies in each state, with some states exempt.

10. Property tax

All Australian states and territories impose Land Tax except the Northern Territory. The tax is levied on the unimproved value of all land held by an individual or entity above a particular tax-free threshold (which varies from State to State) unless specifically exempt. An individual's principal place of residence is specifically exempted.

Land tax is applied at different rates with different thresholds for each state and territory. In New South Wales, for example, land tax payable is calculated as follows for 2021:

Taxable Income $	Tax on this income*
Less than $629,000	NIL
$629,000 - $3,846,000	$100 + 1.6% of the excess over $629,000
More than $3,846,000	$51,572 + 2% of the excess over $3,846,000

*Non-residents of Australia may also be subject to additional land tax on property held in various Australian states.

11. Income tax filing deadlines

Types of Form		Deadlines
Tax Return	Residential individual	31 October
Tax Return	Companies	Varies depending on income
Tax return	Partnerships	31 October

*Various extensions are available for lodgement up to May/June of the following year where the entity is registered as a client of a tax agent. Timing of extension available is dependent upon the type of entity, their size, and if the entity is tax payable for the year.

12. Double tax agreements

Certain payments by residents in Australia to non-residents are subject to domestic withholding tax rates. The rates of taxes may be reduced under the terms of a double tax agreements with a treaty country as those listed below.

Country	Dividends (%)	Interest (%)	Royalties (%)
Residentcorporations or individuals	10/15	12	10/15
Non-resident corporations or individuals:			
Non-treaty	15	10	10
Treaty			
Argentina	10/15 [1]	12	10/15 [2]
Austria	15	10	10
Belgium	15	10	10
Canada	5/15 [3]	10 [4]	10
Chile	5/15 [5]	5/10/15 [6]	5/10 [7]
China, People's Republic of [8]	15	10	10
Czech Republic	5/15 [9]	10	10
Denmark	15	10	10

13. Double Tax Agreements (cont.)

Country	Dividends (%)	Interest (%)	Royalties (%)
Fiji	20	10	15
Finland	0/5/15 [10]	0/10 [11]	5 [11]
France [12]	0/10/15 [13]	10	5
Germany	0/5/15 [14]	10	5
Greece[15]	-	-	-
Hungary	15	10	10
India	15	15	10/15 [16]
Indonesia	15	10	10/15 [17]
Ireland, Republic of	15	10	10
Israel	0/5/15 [18]	0/5/10 [19]	5
Italy [15]	15	10	10
Japan	0/5/10/ [20]	0/10 [21]	5
Kiribati	20	10	15
Korea, Republic of	0/15	15	15
Malaysia	15	15	15
Malta	0/15 [22]	15	10
Mexico	0/15 [23]	10/15 [24]	10
Netherlands	15	10	10
New Zealand	0/5/15 [25]	0/10 [26]	5
Norway	0/5/15 [27]	10	5
Papua New Guinea	15/20 [28]	10	10
Philippines	15/25 [29]	15	15/25 [30]
Poland	15	10	10
Romania	5/15 [31]	10	10
Russia	5/15 [32]	10	10 [33]
Singapore	15	10	10
Slovak Republic	15	10	10
South Africa	5/15 [34]	0/10 [35]	5
Spain	15 [36]	10	10
Sri Lanka	15	10	10
Sweden	15	10	10
Switzerland	0/5/15 [37]	10	5
Taipei [38]	10/15 [39]	10	12.5
Thailand	15/20 [40]	10/25 [41]	15
Turkey	5/15 [42]	0/10 [43]	10
United Kingdom	0/5/15 [44]	0/10 [45]	5
United States	5/15 [46]	0/10 [47]	5
Vietnam	10/15 [48]	10	10

13. Double Tax Agreements (cont.)

Notes

1 Argentina. Australia limits its tax to 10% on franked dividends paid to a person who directly holds at least 10% of the voting power in the paying company. Argentina limits its tax to 10% on dividends paid to a person who directly holds at least 25% of the capital of the paying company. In all other cases the source country limit is 15%.

2 Argentina. The source country limit for royalties is: (a) 10% for copyright on literary works; the supply of industrial or scientific equipment or knowledge; ancillary assistance; other technical assistance (net of expenses); and (b) 15% for other copyright, patents and trademarks; commercial equipment; satellite reception of visual images or sounds; TV or radio broadcast of visual images or sounds; motion pictures and videos. A special rate of 3% applies in the case of Argentina to royalties in the form of payments to an Australian resident in respect of the transfer of news by an international news agency.

3.Canada. Certain non-portfolio dividends are taxed at a maximum rate of 5% instead of 15%.

4 Canada. The interest withholding tax limit is reduced from 15% to 10% under the protocol.

5 Chile. The 5% limit applies where the beneficial owner of the dividend is a company holding at least 10% of the paying company's voting power.

6 Chile. The 5% limit applies to interest paid to financial institutions that are unrelated and independent of the payer, the 10% limit applies to other Australian-sourced interest and the 15% limit relates to other Chilean-sourced interest.

7 Chile. The 5% limit applies to equipment royalties.

8 China. China does not include Hong Kong (TR 97/19) or Macau (TD 2000/9). Australia has also concluded a separate airline profits agreement with China.

9 Czech Republic. For Australia, a 5% limit applies to franked dividends where, under Australian law, the rate of tax on franked dividends does not exceed 5%. The Czech Republic limit is 5% if the dividends are paid to a company which holds directly or indirectly at least 20% of the capital of the dividend paying company.

10 Finland. An exemption in the source country applies on inter-corporate non-portfolio dividends where the recipient holds directly at least 80% of the voting power of the company paying the dividend, subject to certain conditions. A 5% limit applies on all other non-portfolio inter-corporate dividends where the recipient holds directly at least 10% of the voting power of the company paying the dividend. A general limit of 15% applies for all other dividends.

11 Finland. Source country tax is limited to 10%, subject to some exemptions.

12 France. The treaty does not apply to overseas French Territories (TD 93/220).

13 France. The 0% limit applies where the dividends are paid out of profits that have been taxed at the normal company tax rate and are paid to a company which, in the case of Australia, holds at least 10% of the voting power of the paying company, or in the case of France, holds at least 10% of the capital of the paying company. The 5% limit applies to other dividends if the beneficial owner of the dividends is a company which, in the case of Australia, holds at least 10% of the voting power of the paying company, or in the case of France, holds at least 10% of the capital of the company paying the dividends. The 15% limit applies in all other cases.

14 Germany. There is no withholding tax if the beneficial owner of the dividend is a company that has directly held shares representing at least 80% of the paying company's voting power for a 12 month period ending on the date the dividend is declared and certain other conditions are met. The 5% withholding tax limit applies where the beneficial owner of the dividend is a company holding directly at least 10% of the paying company's voting power throughout a six month period that includes the day of payment of the dividend. The 15% limit applies in all other cases.

15 Airline profits agreements. Australia has concluded separate airline profits agreements with these countries. They provide for each country to exempt from tax income derived by an enterprise of the other country from its international air transport operations. Australia has not signed a comprehensive agreement with Greece.

16 India. The source country limit under the Indian treaty is 10% for royalties paid in respect of the use of, or rights to use, industrial, commercial or scientific equipment or for the provision of consulting services related to such equipment. The limit for "non-technical" royalties is 15%.

17 Indonesia. The 10% limit applies to rentals and other royalties including fees for related ancillary services concerning the use of industrial, commercial or scientific equipment, or the supply of scientific, technical, industrial or commercial knowledge or information. The 15% limit applies to all other royalties.

18 Israel. There is no withholding tax if the beneficial owner owns directly less than 10% of voting rights in the paying company and is a government organisation, the central bank, or a pension fund. The 5% limit applies if the foreign company owns directly at least 10% of voting rights in the paying company for at least 365 days before payment. Otherwise, the 15% limit applies.

13. Double Tax Agreements (cont.)

19 Israel. There is no withholding tax if it is paid to a government organisation or the central bank. The 5% limit applies if it is paid to an unrelated financial institution (excluding interest paid in respect of back-to-back loans) or is paid to a pension fund. Otherwise, the 10% limit applies.

20 Japan. Source country taxation is generally limited to 10% of the gross amount of the dividends (but this does not apply where the amount arises in connection with a permanent establishment or fixed base). The limit is 5% if a 10% intercorporate shareholding test is satisfied. An exemption applies if the 80% intercorporate shareholding test is satisfied.

21 Japan. The exemption applies to interest paid to a government organisation or the central bank, or to an unrelated financial institution (excluding interest paid in respect of back-to-back loans).

22 Malta. The 15% limit does not apply to Malta, which limits its tax to either: (a) the amount chargeable on the profits out of which the dividend is paid; or (b) if the profits out of which the dividends are paid are subject to tax at a reduced rate, that reduced rate.

23 Mexico. There is no withholding tax on dividends that have been fully taxed at the corporate level if the recipient holds directly at least 10% of the voting power of the payer. In all other cases, the withholding limit on dividends is 15%.

24 Mexico A withholding tax limit of 10% applies for interest derived from bonds and securities traded on a recognised securities market, and 15% for other interest.

25 New Zealand. The source country limit is 5% for dividends paid to a company that owns directly at least 10% of the voting power in the company paying the dividends. An exemption from withholding tax applies for dividends paid to a company that owns directly or indirectly at least 80% of the voting rights in the paying company for 12 months prior to payment, and certain other conditions are fulfilled. An exemption also applies if the dividends are paid to a government organisation that owns no more than 10% of the voting rights in the paying company. In all other cases a limit of 15% applies.

26 New Zealand. The exemption applies to interest paid to a government organisation or the central bank, or to an unrelated financial institution (excluding interest paid in respect of back-to-back loans).

27 Norway. The source country limit is 5% for dividends paid to a company that owns directly at least 10% of the voting power in the company paying the dividends. An exemption from withholding tax applies for dividends paid to a company that owns directly or indirectly at least 80% of the voting rights in the paying company for 12 months prior to payment of the dividend, and certain other conditions are fulfilled. In all other cases a limit of 15% applies.

28 Papua New Guinea. For Australian source dividends, the limit is 15%. Where they are sourced in Papua New Guinea, the limit is 20%.

29 Philippines. Source country tax is limited to 15% where relief by way of rebate or credit is given to the beneficial owner of the dividend. In any other case, source country tax is limited to 25%.

30 Philippines. Source country tax is generally limited to 15% of gross royalties if paid by an approved Philippines enterprise, and to 25% of the gross royalties in all other cases.

31 Romania. The source country limit is 5% for dividends paid to a company which holds directly at least 10% of the capital of the company paying the dividends if the dividends are paid out of profits that have been subject to Romanian profits tax (Romanian source dividends) or have been fully franked (Australian source dividends). In other cases the source country limit is 15%.

32 Russia. The general source country limit is 15%. However, the limit is reduced to 5% where the dividends have been fully taxed at the corporate level and the recipient company holds directly at least 10% of the capital of the paying company and has invested a minimum of A$700,000 or the Russian rouble equivalent in the paying company.

33 Russia. The definition of royalties includes spectrum licences.

34 South Africa. A 5% limit applies for dividends paid to a company that holds directly at least 10% of the voting power in the company paying the dividends. A 15% limit applies to all other dividends.

35 South Africa. The exemption applies to interest paid to a government organisation or the central bank, or to an unrelated financial institution (excluding interest paid in respect of back-to-back loans).

36 Spain. The 15% limit does not apply to income that is attributable to shareholders of transparent companies under Spanish tax law. Instead, Spain will tax such income under domestic law provided the income has not been subject to Spanish corporation tax.

37 Switzerland. The general source country limit is 15%. However, the limit is reduced to 5% for dividends paid to a company which holds directly at least 10% of the voting power (in the case of Australia) or the capital (in the case of Switzerland) of the company paying the dividends. An exemption from withholding tax applies for dividends paid to a company that owns directly or indirectly shares representing at least 80% of the voting power (in the case of Australia) or the capital (in the case of Switzerland) of the paying company for 12 months prior to payment, and certain other conditions are fulfilled.

13. Double Tax Agreements (cont.)

38 Taipei. For diplomatic reasons, the signatories to the agreement are the Australian Commerce and Industry Office and the Taipei Economic and Cultural Office. The agreement operates, however, in a very similar way to Australia's other agreements.

39 Taipei. In Australia, a limit of 10% applies to franked dividends. In Taiwan, a limit of 10% applies if the dividends are paid to a company which holds directly at least 25% of the capital of the paying company. In all other cases, a 15% limit applies.

40 Thailand. Where the recipient of the dividend is a company, a source country limit of 15% applies where the recipient has a minimum 25% direct holding in the paying company if the paying company engages in an "industrial undertaking"; otherwise a limit of 20% applies. These concessional rates are not available to recipients that are not companies.

41 Thailand. The source country limit is 10% when interest is paid to a financial institution, and 25% in all other cases.

42 Turkey. A 5% limit applies where the beneficial owner of the dividend is a company holding at least 10% of the Australian paying company's voting power, or at least 25% of the Turkish paying company's capital. In all other cases a limit of 15% applies.

43 Turkey. Source country tax on interest is limited to 10%, subject to some exemptions.

44 United Kingdom. There is no withholding tax on dividends where the recipient is a company directly holding 80% of the voting power of the payer. A 5% withholding tax limit applies where the dividend recipient holds directly 10% of the voting power of the payer. A 15% limit applies to other dividends.

45 United Kingdom. There is no withholding tax on interest derived by a financial institution or government body. A 10% limit applies for other interest.

46 United States. Source country taxation is generally limited to 15% of the gross amount of the dividends (but this does not apply where the amount arises in connection with a permanent establishment or fixed base). The limit is 5% if a 10% intercorporate shareholding test is satisfied. An exemption applies if the 80% intercorporate shareholding test is satisfied.

47 United States. The exemption applies to interest paid to a government organisation or the central bank, or to an unrelated financial institution (excluding interest paid in respect of back-to-back loans).

48 Vietnam. For Australian source dividends, the limit is 15%. For Vietnamese source dividends, the limit is 10%.

CHINA

2021 TAX CARD (In CHINESE YUAN RENMINBI)

1. Individual Income Tax (IIT)

Individual income tax shall be levied by individuals who have domicile in China. The person is deemed domicile if they meet one of the following 2 criteria:

1) The person is a residence in China
There are several criteria to determine if the expat is a residence:
a) Citizenship, b) Family and c) Economic Tie

2) The person stays in China over 183 days in a calendar year.

Below is a table illustrate for different period of stay and how it affects tax residence:

Time of Stay in China	Status of tax resident	Income sources from China		Income sources from overseas	
		Chinese entity	Overseas entity	Chinese entity	Overseas entity
Living in China ≤ 90days or (183 days if there is a tax treaty in place)	Non resident taxpayer	Pay	Exempt	Exempt	Exempt
Living in China over 90 days but less than 183 days		Pay	Pay	Exempt	Exempt
Living in China over 183 days but less than 6years	Residenttaxpayer	Pay	Pay	Pay	Exempt
Living in China ≥ 6years	Residenttaxpayer (worldwide tax)	Pay	Pay	Pay	Pay

There is a major IIT reform in 2019. The authority has announced 6 news deductions for both locals and expats. The old deduction for expat and the one-time annual bonus exception will both be expired on January 1, 2022. The authority has closed the treatment gap between locals and expats and also crack down on loop holes where high income earners used to exploit.

For Foreigners who hold management level in China, if they receive income from a China entity, they need to pay IIT based on the pro-rated number of days they stay in China.

For Foreigners who hold management level in China but receive income outside of China, if they stay under 90 days, they are IIT exempted. However, if they stay over 90 days but less than 183 days, they will need pay IIT based on the pro-rated number of days they stay in China.

The authority has consolidated 4 income categories into one. Below table shows the change:

1. Individual Income Tax (IIT) (cont.)

Old category	Tax rate	New category	Tax rate
Wages and Salaries	3-45% (7 progressive bands)	Consolidated Individual Income	3-45% (7 progressives bands)
Service income	20-40% (3 progressive bands)		
Author's remuneration	20%		
Royalties	20%		
Income from production and business operation	5% - 35% (5 progressive bands)	Business Operation Income	5% - 35% (5 progressive bands)
Income from contractual or leasing operation by enterprises	5% - 35% (5 progressive bands)		
Interests and Dividends	20%	Interests and Dividends	20%
Income from lease/ transfer of property	20%	Income from lease/ transfer of property	20%
Contigent Income	20%	Contigent Income	20%

The authority has changed the method from calculating IIT by monthly basis to by cumulative year-to-date basis. Below is the new tax bracket which reduce significant IIT for low income earners:

YTD Taxable Income (RMB)	Tax rate	Quick Deduction (RMB)
YTI ≤ 36,000	3%	0
36,000 < YTI ≤ 144,000	10%	2,520
144,000 < YTI ≤ 300,000	20%	16,920
300,000 < YTI ≤ 420,000	25%	31,920
420,000 < YTI ≤ 660,000	30%	52,920
660,000 < YTI ≤ 960,000	35%	85,920
YTI > 960,000	45%	181,920
Remarks: Standard deduction RMB5,000 per month		

(2) Corporate Income Tax

Resident enterprises are taxed on their worldwide income from all sources.

Non-resident enterprises that have set up institutions or premises in China shall pay enterprise income tax in relation to the income originating from China obtained by their institutions or establishments. And the income incurred outside China but there is an actual relationship with the institutions or establishments set up by such enterprises.

1.
Individual Income Tax (IIT) (cont.)

Non-resident enterprises that have not set up institutions or establishments in China, or institutions or establishments are set up but there is no actual relationship with the income obtained by the institutions or establishments set up by such enterprises, they shall pay enterprise income tax in relation to the income originating from China.

A resident enterprise shall pay tax at its registered address. The enterprise income tax year shall start on January 1 and end on December 31 of each calendar year.

Provisional enterprise income tax payments shall be filed and made on a quarterly basis within 15 days after the end of each quarter and annual enterprise income tax returns and settlement shall be made within five months after the end of each tax year.

2.
Corporate Tax

China has a flat corporate tax rate of 25%.

On January 9, Premier Li Keqiang presided the State Council meeting and decided to introduce tax cut measures for small and low-profit enterprises, the annual tax cut is estimated to be around RMB 200 billion. The tax cut is to stimulate economy and stabilize employment.

On January 17, the Ministry of Finance and State Administration of Taxation released Circular Caishui 2019 No.13 to implement the tax cut policies, the policies will be applied to taxes paid from January 1, 2019 to December 31, 2021.

The key tax cut measures are as follows:

A. Preferential CIT policies for small and low-profit enterprises will be applied to a broader range of companies:

Criteria of small and low-profit enterprises:	Before	Now
Annual taxable income	≤RMB 1 million	≤RMB 3 million
The number of employees	≤100(industrial enterprises)/ 80(other enterprises)	≤300
Total Asset	≤RMB 30 million (industrial enterprises)/ RMB 10 million(other enterprises)	≤RMB 50 million

More than 95 % enterprises in China fit the new criteria, and 98 percent of them are private companies.

B. Introduction of progressive tax rate and expanded CIT incentives

Preferential CIT rate:	Before	Now(Progressive tax rate)
Annual taxable income ≤RMB 1 million	10%	5%
RMB 1 million ≤ Annual taxable income ≤RMB 3 million	Not applicable	10%

Note 1: For CIT rate 10%, the official wording is 50% of annual income is taxable at a tax rate of 20%, the rest 50% income is tax free. For CIT rate 5%, the official wording is 25% of annual income is taxable at a tax rate of 20%, the rest 75% income is tax free.

2.
Corporate Tax (cont.)

C. Raise of VAT exemption threshold

Small-scale VAT taxpayers with monthly sales of less than RMB 100,000 will be exempt from VAT, the exemption threshold was RMB 30,000 previously.

D. Expanded preferential tax items

Governments of provinces, autonomous regions and municipalities are permitted to define tax cuts measures for tax items such as real estate tax, stamp duty and education surcharge, by up to 50 percent.

3.
Withholding tax rate (non-treaty)

	Resident		Non-resident	
	Individual	Corporation*	Individual	Corporation
Dividends	20%	NA	20%	5%-10%
Interest	20%	NA	20%	10%
Royalties/Know-how	20%	NA	20%	10%
Rents (for moveable property)	20%	NA	20%	10%
Management fees	20%-40%	NA	NA	NA
Technical fees	20%	NA	20%	NA
Directors' fees	20%-40%	NA	20%	NA

* Resident corporations are obliged to file income tax by themselves

4.
Goods and Services tax

Value Added Tax for transaction of goods and services. The tax rate for selling or importing goods is 13%; the tax rate for provision of services is 10% or 6%; the tax rate for exporting goods is 0%.

5.
Estate duty

Estate duty is not applicable in China.

6.
Stamp duty

Enterprises who execute or receive specific documents within China shall be taxpayers subject to stamp tax. Tax payer shall calculate the amount of tax payable and purchase the tax stamps. The stamps shall be affixed to taxable documents and be cancelled by drawing a line or sealing along its border with the document.

Tax item	Tax rate
Accounting books (except for the book for paid-in capital), Certificates evidencing rights or licenses	CNY5 per piece
Rent contract, Warehousing contract, Property insurance contracts	1‰
Processing contracts, Construction Survey and Design Contract, Transportation Contract, Transfer of property rights	0.5‰
Sales and purchase contract, Construction and installation contract, Technology Contract	0.3‰
Loan Contract	0.05‰
Accounting book for paid-in capital	

7. Property tax

The main property taxes in China include: building taxes, vehicle and vessel use tax, Vehicle purchase tax, deed tax, farm land occupation tax, and land value added tax.

8. Income tax filing deadlines

Types of Form		Deadlines
Tax return	Individual	Before 15 of the following month
Tax return	Companies	Before 31 May of the following year

Note: Provisional enterprise income tax payments shall be filed and made on a quarterly basis within 15 days after the end of each quarter and annual enterprise income tax returns and settlement shall be made within five months after the end of each tax year.

9. Double Tax Agreements

Certain payments by resident in China to non-residents are subject to domestic withholding tax rates. The rates of taxes may be reduced under the terms of a double tax agreement with a treaty country as those listed below:

Country	Dividends %	Interest %*	Royalties %
Australia	15	10	10
Austria	10/7	10/7	10/6
Bangladesh	10	10	10
Barbados	10/5	10	10
Belarus	10	10	10
Canada	10/15	10	10
France	10/5/0	10	10/6
Germany	15/10/5	10	10/6
India	10	10	10
Indonesia	10	10	10
Israel	10	10/7	10/7
Italy	10	10	10/7
Japan	10	10	10
Korea	10/5	10	10
Malaysia	10	10	10/15
Russia	10/5	0	6
Singapore	10/5	10/7	10/6
Switzerland	10/5/0	10	9
Thailand	15/20	10	15
U.K.	15/10/5	10	10/6
U.S.A	10	10	10/7
Viet Nam	10	10	10

HONG KONG

2021 TAX CARD (in Hong Kong Dollars)

1.
Basis of Taxation

Hong Kong adopts a territorial source principle of taxation. Only profits arisen in or derived from a trade or a business in Hong Kong are taxable. In other words, profits sourced elsewhere are not subject to Hong Kong Tax. In Hong Kong, a year of assessment runs from 1 April of a year to 31 March of the following year. The basis of assessment is the income accrued in the tax year for salaries tax and property tax. For profits tax, the basis of assessment is the accounting profits of the financial year ending within the year of assessment with appropriate adjustments for tax purposes.

2.
Corporate Tax

A person is chargeable to Hong Kong profits tax on any income from that trade, profession or business (excluding profits that are capital in nature) that are arisen in or are derived from Hong Kong.

		Tax rates
Companies	First HK$2,000,000	8.25%
	On the remainder	16.5%
Unincorporated businesses	First HK$2,000,000	7.5%
	On the remainder	15%

The Hong Kong government introduces two-tier profits tax rates regime in Hong Kong starting from the year of assessment ("YoA") 2018/19 onwards. Under the two-tiered profits tax rates regime, the profits tax rate for the first HK$2 million of assessable profits for companies and unincorporated business are 8.25% and 7.5% respectively, while the remaining balance will be calculated at the standard rates of 16.5% and 15% respectively. If the entity has one or more connected entity within a group, the two-tiered profits tax rates would only be applied to the one which is nominated to be chargeable at the two-tiered rates.

2.1. Tax relief for capital expenditure

Hong Kong offers a generous depreciation allowance with an initial allowance of 60% on the cost of qualifying fixed assets and an annual allowance of 10% to 30% on the reducing balance of plants and machineries. If the assets fall within the categories of prescribed fixed assets, such as computer hardware and software, the whole cost of purchase can be fully deductible in the year of purchase.

2.2. "Super tax deduction" on research and development ("R&D") expenditure

To encourage the development of innovation and technology in Hong Kong, the government has introduced a "Super tax deduction" for qualifying R&D expenditure incurred on or after 1 April 2018. Under the new regime, there are 2 types of qualifying R&D expenditure, namely Type A and Type B:

2. Corporate Tax (cont.)

	Type A	Type B
Deduction	100% deduction)	300% deduction for first HK$2 million
		200% deduction
Location of R&D	Inside or outside HK	Wholly inside HK
In-house expenditure	- Expenditure on R&D other than Type B	- Expenditure on employee who is engaged directly and actively in R&D activities - Expenditure on a consumable item used directly in R&D activities
Outsource expenditure	- Payment to a designated local research institution - Payment to a university or college	

3. Withholding tax rate (non-treaty)

	Resident (Note)	Non-resident Individual/ Corporation (Note)
Dividends	0%	0%
Interest	0%	0%
Royalties/know-how (Corporation)	4.95% / 16.5%	4.95% / 16.5%
Royalties/know-how(Non-corporation)	4.5% / 15%	4.5% / 15%
Rents (for moveable property)	16.5%	16.5%
Management fees	N/A	N/A
Technical fees	N/A	N/A

Note: Also subject to transfer pricing regulations if the above fee arrangement is made within a group, whether such group companies are located in or outside of Hong Kong.

4. Residential individual tax rates

Personal income from employment, less allowable deductions, concessionary deductions, and personal allowances, is chargeable to salaries tax at below progressive rates:

	Tax rates
First HK$50,000 at	2%
Next HK$50,000 at	6%
Next HK$50,000 at	10%
Next HK$50,000 at	12%
On the remainder at	17%

The maximum tax payable is limited to tax at the standard rate of 15% on the person's income from employment less allowable deductions and charitable donations, with no deduction for personal allowances.

4. Residential individual tax rates (cont.)

		HK$
PERSONAL ALLOWANCES		
Basic allowance		132,000
Married person's allowance		264,000
Child allowances		
1st to 9th child (each)	Year of birth	240,000
	Other years	120,000
Dependent parent / grandparent allowance (each)		
Aged 60 or above	Residing with taxpayer throughout the year	100,000
	Not residing with taxpayer	50,000
Aged 55 to 59	Residing with taxpayer throughout the year	50,000
	Not residing with taxpayer	25,000
Dependent brother / sister allowance (each)	(for whom no child allowance is claimed)	37,500
Single parent allowance		132,000
Personal disability allowance		75,000
Disable dependent allowance	(in addition to any allowances already granted for disabled person)	75,000
DEDUCTIONS	The following concessionary deductions are available:	
Self-education expenses		100,000
Elderly residential care expenses		100,000
Home loan interest		100,000
Mandatory Contributions to recognised retirement schemes		18,000
Qualifying premiums paid under the voluntary health insurance scheme policy (each taxpayer / specified relative)		8,000
Qualifying annuity premiums and mandatory voluntary contributions to recognised retirement schemes		60,000
Approved charitable donations		35% of assessable income

5. Non-residential individual tax rates

Non-resident tax rates are same as resident in Hong Kong.

6.
Goods and Services tax

Hong Kong does not levy a value-added or a goods and services tax.

7.
Estate duty

No estate duty is charged in Hong Kong from 11/2/2006.

8.
Stamp duty

Conveyance on sale of immovable property - Ad valorem stamp duty

Property consideration	Scale 1 rates (Note 2)	Scale 2 rates (Note 3)	Flat rate (Note 4)
Up to 2,000,000	1.50%	$100	15%
2,000,001 to 3,000,000	3.00%	1.50%	
3,000,001 to 4,000,000	4.50%	2.25%	
4,000,001 to 6,000,000	6.00%	3.00%	
6,000,001 to 20,000,000	7.50%	3.75%	
20,000,001 and above	8.50%	4.25%	

Note 1: Subject to marginal relief for entering into each higher value band.
Note 2: The scale 1 rates are applicable to transfer of non-residential property.
Note 3: The scales 2 rates are applicable to a Hong Kong Permanent Resident who does not own any other residential property in Hong Kong at the time of acquiring a residential property and certain other limited circumstances.
Note 4: The 15% flat rate is applicable to transfer of residential property on or after 5 November 2016 except circumstance where the Scale 2 rates are applicable.

Special stamp duty on disposal of residential properties

There is a Special Stamp Duty (SSD) on resale of residential property within certain months from the date of acquisition. The SSD is imposed on top of the ad valorem stamp duty payable on conveyance on sale or agreement for sale of residential property with a few exemptions. The SSD payable will be calculated based on the stated consideration or the market value (whichever is higher) of the resold property at the regressive rates indicated below.

Holding period	
For residential properties held for 6 months or less	20%
For residential properties held for more than 6 months but for 12 months or less	15%
For residential properties held for more than 12 months but for 36 months or less	10%

Buyer's stamp duty on acquisition of residential properties

There is a Buyer's Stamp Duty (BSD) on acquisition of Hong Kong residential properties by any person (including Hong Kong and foreign companies) other than a Hong Kong permanent resident.

The BSD will be charged at a flat rate of 15% of the stated consideration or the market value of the property acquired, whichever is the higher. The BSD will be imposed on top of the ad valorem stamp duty and the Special Stamp Duty (if applicable), with exemptions in certain situations.

8. Stamp duty (cont.)

Lease of immovable property in Hong Kong

For leases, stamp duty is calculated at a specified rate of the annual rental that varies with the term of the lease as indicated in the following table:

Lease period	Stamp duty
Where the lease term is not defined or is uncertain	0.25%
Not more than 1 year	0.25%
More than 1 year but does not exceed 3 years	0.5%
More than 3 years	1%

Hong Kong bearer instrument

Duty of 3% of the market value is charged for any Hong Kong bearer instrument issued in respect of any stock.

Hong Kong stock

The rate of stamp duty on stock transactions will be raised from 0.2% to 0.26% of the consideration (HK$2.6 per HK$1,000) per transaction (buyer and seller to bear 50% respectively).

Note: The increase was proposed during 2021-22 Budget Speech and subject to the completion of legislative process. The change shall take effect on August 1, 2021 according to two government sources confirmed as of the date of publishing this report.

9. Property tax

Property tax is charged on the owner of any land or buildings in Hong Kong on the net assessable value of such land and buildings. Property tax is charged at a flat rate at 15% on 80% of the rent receivable on non-corporate owners of real estate in Hong Kong.

Rental income derived by a company from a Hong Kong property is subject to profits tax. The company that is subject to profits tax may apply in writing for an exemption from property tax in respect of the property. If no exemption is applied, the property tax paid can be used to offset profits tax payable by the company.

10. Income tax filing deadlines

Types of Form		Deadlines
Individual income tax re-turn	Residential individual	1st June, 1-month extension for using electronic filing by eTax system
Individual income tax re-turn	Non-residential individual	1st June, 1-month extension for using electronic filing by eTax system
Employer's return	Companies (employer)	2nd May
Profits tax return	Companies	Refer to following table of filing deadlines
Profits tax return	Partnerships	

In the following table, it is assumed that the profits tax return is generally issued in early April of each year.

11. Double Tax Agreements

For accounting year ended between	Normal filing date for rep-resented cases	Due date for tax payment
1 April to 30 November	2nd May of the following year	As stipulated in the notice of assessment, generally be-tween November of the year in which the return is issued to April of the following year.
1 December to 31 December	15th August of the following year	
1 January to 31 March	15th November	

Certain payments made by non-residents to Hong Kong are subject to domestic withholding tax rates. With a valid double tax agreement in effect, the withholding tax rates may be reduced to a treaty rate. The below table shows all jurisdictions has currently already a double tax agreement with Hong Kong that has been in effect and the respective withholding tax rates under different categories.

No	Country	Dividend % (Note 1)	Interest % (Note 2)	Royalties % (Note 3)	Technical %
1	Austria	0% / 10%	-	3%	NA
2	Belarus	0% / 5%	5%	3% / 5%	NA
3	Belgium	0% / 5% / 15%	10%	5%	NA
4	Brunei	-	5% / 10%	5%	15%
5	Cambodia	10%	10%	10%	10%
6	Canada	5% / 15%	10%	10%	NA
7	Czech Republic	5%	-	10%	NA
8	Estonia	0% / 10% (Note 2)	0% or 10%	5%	NA
9	Finland	5% / 10%	-	3%	NA
10	France	10%	10%	10%	NA
11	Guernsey	-	-	4%	NA
12	Hungary	5% / 10%	5%	5%	NA
13	India	5%	10%	10%	10%
14	Indonesia	5% / 10%	10%	5%	NA
15	Ireland	-	10%	3%	NA
16	Italy	10%	12.5%	15%	NA
17	Japan	5% / 10%	10%	5%	NA
18	Jersey	-	-	4%	NA
19	Korea	10% / 15%	10%	10%	NA
20	Kuwait	0% / 5%	5%	5%	NA
21	Latvia	0% / 10%	0%/ 10%	0% / 3%	NA
22	Liechtenstein	-	-	3%	NA
23	Luxembourg	0% / 10%	-	3%	NA
24	Macao SAR	5%	5%	3%	NA
25	Mainland China	5% / 10%	7%	5% / 7%	NA
26	Malaysia	5% / 10%	10%	8%	5%
27	Malta	-	-	3%	NA
28	Mexico	-	4.9%/10%	10%	NA
29	Netherlands	0% / 10%	-	3%	NA
30	New Zealand	0% / 5% / 15%	10%	5%	NA

11. Double Tax Agreements (cont.)

31	Pakistan	10%	10%	10%	12.5%
32	Portugal	5% / 10%	10%	5%	NA
33	Qatar	-	-	5%	NA
34	Romania	3% / 5%	3%	3%	NA
35	Russia	0% / 5% / 10%	-	3%	NA
36	Saudi Arabia	5%	-	5%/8%	NA
37	Serbia	5% / 10%	10%	5% / 10%	NA
38	South Africa	5% / 10%	10%	5%	NA
39	Spain	0% / 10%	5%	5%	NA
40	Switzerland	0% / 10%	-	3%	NA
41	Thailand	10%	10% / 15%	5% / 10% / 15%	NA
42	United Arab Emirates	0% / 5%	5%	5%	NA
43	United Kingdom	0% /15%	Domestic rate	3%	NA
44	Vietnam	10%	10%	7% / 10%	NA

Note 1: depending on the beneficial owner's % of shares holds in the company paying dividend
Note 2: depending on the beneficial owner is natural person, corporation or financial institution
Note 3: depending on the industries/purpose of the royalties paid to

INDIA

2021 TAX CARD (Indian Rupee)

1.
Basis of Taxation

Income of the all assessees is taxed on a previous year (PY) to the assessment year (AY) basis. PY starts from 1st April and ends on 31st March. For example, income for PY 2021-22 is taxable in the AY 2022-23.

Tax is charged on-

Sr. No.	For Resident	For Non-Resident
	All Income • Received or deemed to be received in India • Accrue or arise or deemed to be accrue or arise in India • Accrue or arises to him outside India	All Income • Received or deemed to be received in India • Accrue or arise or deemed to be accrue or arise in India

2.
Corporate Tax

Tax Rates for companies shall be for FY 2021-22:

Particulars	Total Turnover up to Rs. 4000 million in FY 2018-19	Total Turnover exceeding Rs. 4000 million in FY 2018-19	Section 115BAA	Section 115BAB	Foreign Company
Basic Tax Rate	25%	30%	22%	15%	40%

Surcharge: In addition to tax rate above, surcharge is levied as under:

Residential Status of Company	If total income is Rs. 1 to 100 Million	If total income is → Rs. 100 Million
Domestic Company	7%	12%
Foreign Company	2%	5%

Note:Surcharge will be levied at flat rate of 10% if company opts for section 115BAA & section 115BAB.

Education & Health Cess:

- Education & Health Cess is levied @ 4% of income-tax and surcharge

Note: Section 115BAA has been inserted to provide for reduced tax rate of 22% in case of a domestic company whose total income is computed without providing for specified exemption, deduction or incentive available under the Act. Section 115BAB has been inserted to provide for a reduced tax rate of 15% in case of those domestic manufacturing companies which have been incorporated on or after October 1, 2019 and whose total income is computed without providing for specified exemption, deduction or incentive available under the Act.

2.
Corporate Tax (cont.)

Minimum Alternate Tax (MAT): Tax Rate for MAT is 15% (previously 18.5%) on Book profit plus applicable cess and surcharges for the FY 2021-22. If company opts for section 115BAA & 115BAB, then MAT would not be applicable.

However, if a company is located in an International Financial Services Centre and derives its income solely in convertible foreign exchange, the MAT will be 9% of Book profit. Surcharge and Education & Health cess is also applicable as applicable under normal tax provisions.

Dividend Distribution Tax (DDT): Dividend Distribution Tax (DDT) will be abolished from April 01, 2020 which means company is not required to deposit DDT as the liability shifted to shareholders at their applicable rate.

Tax Audit Limit: Tax Audit limits enhanced to Rs. 10 Crores from Rs. 5 Crores subject to fulfillment of certain condition.

Tax incentives to start-up: The tax holiday for start-ups has been extended by one more year up to 31st March 2022.

3.
Withholding tax rate (non-treaty)

	Resident	Non-resident Individual/ Corporation*
Dividends	10%	20%
Interest	10%	20% (5% in some cases)
Royalties/know-how	10%	10%
Rents for immoveable property	10%	30%
Rents for moveable property	2%	30%
Management fees	2%	10%
Technical fees	2%	10%
Directors' fees	2%	10%
Professional fees	10%	10%

*This rate of tax will be further increase by Surcharge and Education & Health Cess as applicable.

4.
Test or Basis of tax residence

Corporate residence	A company is said to be resident in India in any previous year, if (i) it is an Indian company; or (ii) its place of effective management, in that year is in India Explanation: For the purposes of this clause "place of effective management" means a place where key management and commercial decisions that are necessary for the conduct of business of an entity as a whole are, in substance made.]
Individual residence	For individual, tax residency is decided on the basis of number of days stayed in India. According to the tax laws, an individual is a tax resident if he or she is present in India for: 1) 182 days or more in a previous year or; 2) 60 days or more in a previous year and; 3) 365 days or more during the preceding 4 previous years. However, the 60 days may be extended to: a) 182 days, where an Indian citizen leaves India in any year for employment outside India; b) 120 days, where an Indian citizen or a foreign citizen of Indian origin (NRI), who is outside India, comes on a visit to India.

5. Residential individual tax rates

In case of an Individual (resident):

Taxable Income	Tax Rate (%)
Upto Rs. 2,50,000	Nil
Rs. 2,50,000 to Rs. 5,00,000	5%
Rs. 5,00,000 to Rs. 10,00,000	20%
Above Rs. 10,00,000	30%

In case of a resident senior citizen (who is 60 years or more at any time during the previous year but less than 80 years on the last day of the previous year):

Taxable Income	Tax Rate (%)
Upto Rs. 3,00,000	Nil
Rs. 3,00,000 to Rs. 5,00,000	10%
Rs. 5,00,000 to Rs. 10,00,000	20%
Above Rs. 10,00,000	30%

In case of a resident super senior citizen (who is 80 years or more at any time during the previous year):

Taxable Income	Tax Rate (%)
Upto Rs. 5,00,000	Nil
Rs. 5,00,000 to Rs. 10,00,000	20%
Above Rs. 10,00,000	30%

However, an optional tax slab rate is proposed for Individuals /HUF by insertion of section 115BAC in the Act, which provides the slab rate as below (subject to fulfilment of certain conditions):

Taxable Income	Tax Rate (%)
Up to Rs. 250,000	NIL
Rs. 250,001 to Rs. 500,000	5%
Rs. 500,001 to Rs. 7,50,000	10%
Rs. 7,50,001 to Rs. 10,00,000	15%
Rs. 10,00,001 to Rs. 12,50,000	20%
Rs. 12,50,001 to Rs. 15,00,000	25%
Above Rs. 15,00,000	30%

a) Surcharge: In case of Individuals/ HUF/ AOPs/BOI Surcharge are as under levied on categories of whose annual taxable income is as follows;

Taxable Income	Tax Rate (%)
Upto Rs. 50,00,000	Nil
Rs. 50,00,001 to Rs. 1,00,00,000	10%
Rs. 1,00,00,001 to Rs. 2,00,00,000	15%
Rs. 2,00,00,001 to Rs. 5,00,00,000	25%
Above Rs. 5,00,00,000	37%

However, rate of surcharge will be limited to 15% if income Short-term Capital Gain Section 111A and Long-term Capital Gain U/s 112A of the Act. The surcharge shall be subject to marginal relief.

5. Residential individual tax rates (cont.)	b. Education & Health Cess: The amount of income-tax and the applicable surcharge shall be further increased by education & health cess calculated at the rate of 4% of such income-tax and surcharge. c. Rebate under Section 87A: The rebate is available to a resident individual if his total income does not exceed Rs. 5,00,000. The amount of rebate shall be 100% of income-tax or Rs. 12,500, whichever is less.
6. Non-residential individual tax rates	Same as above.
7. Faceless Assessment/ Appeal	The Indian Tax Authority is following a conscious policy of making all the processes under the Act, therefore, fully faceless scheme is introduced by eliminating person to person interface between the taxpayer and the Department. Therefore, in line with this policy, and in order to enable centralized issuance of notices etc. in an automated manner, all assessment & appeal will be faceless which means now there is no need to visit Income tax department for such task.
8. Goods and Services tax	Most of the commodities and services that are subject to GST have been categorised under four tax slabs, viz. 5%, 12%, 18%, and 28%. In the GST Regime, for State & union territories, businesses whose turnover exceeds Rs. 20 lakhs (Rs 10 lakhs for Northern Eastern and hill states) is required to register as a normal taxable person. The limit has been extended up to Rs. 40 lakhs in case of supply of Goods. However, GST registration is mandatory if taxpayer is supplying inter-state supplies. Other types of Taxpayer that can be registered under GST are listed below: 1. Non-resident taxable person 2. Casual taxable person 3. Input service distributor 4. Online Information database access or retrieval services (OIDAR) 5. Person deducting TDS/TCS under GST GST registration for above taxpayers is mandatory. No turnover exemption to available to them. **Types of Return** to be filed under GST Act depends upon the type of the taxpayers, are GSTR-1, GSTR-3B, GSTR-5, GSTR-6, GSTR-7, GSTR-8 and Annual return compliance. Frequency of filing of those returns depends upon the type of taxpayer and their respective turnover. **Quarterly Return Filing & Monthly Payment (QRMP) scheme** has been implemented to give relief to the taxpayers having turnover up to INR 5 Crore. Under QRMP taxpayer needs to file Quarterly return with monthly payment of Taxes. **E-Invoicing** has been made mandatory from the April 01, 2021 for the taxpayer having turnover of INR 50 crore or more. E-Invoices shall contain Invoice reference number (IRN) which shall be generated from the portal provided by the government. Details filled in the E-invoice shall be automatically transmitted to GSTR-1 and the Part-a of the E-way bill.

8.
Goods and Services tax (cont.)

Harmonized System of Nomenclature Code (HSN) are made mandatory to be mentioned on Invoices with variation in number of digits basis turnover. For the taxpayer having turnover up to 50Million needs to mention 4 digits and for taxpayer having turnover of more than 50Million required to mention up to 6 digits of HSN code.

Sr. No.	Aggregate Turnover in the preceding Financial Year	Number of Digits of Harmonized System of Nomenclature Code
1	Up to rupees Fifty Million	4
2	more than rupees Fifty Million	6

9.
Estate duty

No estate tax in India as any amount received under a will or by way of inheritance or in contemplation of death of the payer is exempted under section 56(ii) from the levy of any income tax.

10.
Stamp Duty

Stamp Duty is a state subject in India. While some of the States in India have enacted their own Stamp Acts others have adopted the Indian Stamp Act, 1899 [ISA] with their state amendments.

11.
Property Tax

Gain on disposal of property is taxable under Income Tax Act. Property tax in India is to be paid on real property. It varies from Location to location and can be different in different cities and municipalities and states. It is the duty of the municipality of a particular area to do the assessment and determine the property tax which can be paid online on annual or semi-annual basis.

12.
Due Date of Filing of Income Tax Returns

*Form for A.Y. 2021-22 are pending for release by the Revenue Authorities

Types of Form	Residential Status	Deadlines
ITR -1,2,3,4	Resident Individual & HUF	31st July of following year (In case of Tax Audit, Due date will be 30th October of following years)
ITR-2	Non-Resident Individual	31st July of following year
ITR- 6	Companies	30th September of following year 30th October of following year (If Transfer Pricing Regulation applies)
ITR-5	Person other than- Individual, HUF, Company, Trust.	31st July of following year (In case of Tax Audit, Due date will be 30th October of following years)
ITR-7	Trust (Registered U/s 12AA)	

13. Double tax agreements

Certain payments by resident in India to non-residents are subject to domestic withholding tax rates. The rates of taxes may be reduced under the terms of a double tax agreements with a treaty country as those listed below.

Country	Dividend (%) (*)	Interest (%)	Royalty (%)	FeeforTechnical Services(%)
Albania	10	10	10	10
Armenia	10	10	10	10
Australia	15	15	10/15	10/15
Austria	10	10	10	10
Bangladesh	a) 10 (if at least 10 of the capital of the company paying the dividend is held by the recipient company); b) 15 in all other cases	10	10	No Separate Provision
Belarus	a) 10, if paid to a company holding 25 shares; b) 15, in all other cases	10	15	15
Belgium	15	15 (10 loan is if granted by a bank)	10	10
Bhutan	10	10	10	10
Botswana	a) 7.5, if shareholder is a company and holds at least 25 shares in the investee company; b) 10, in all other cases	10	10	10
Brazil	15	15	25 for use of trademark; 15 for others	No Separate Provision
Bulgaria	15	15	15 of royalty relating to literary, artistic, scientific works other than films or tapes used for radio or television broadcasting; 20 in other cases	20

13. Double tax agreements (cont)

Country	Dividend (%) (*)	Interest (%)	Royalty (%)	FeeforTechnical Services(%)
Canada	a) 15, if at least 10 of the voting powers in the company, paying the dividends, is controlled by the recipient company; b) 25, in other case	15	15-20	15-20
China	10	10	10	10
Columbia	5	10	10	10
Croatia	a) 5 (if at least 10 of the capital of the company paying the dividend is held by the recipient company); b) 15 in all other cases	10	10	10
Cyprus	10	10	15	10
Czech Republic	10	10	10	10
Denmark	a) 15, if at least 25 of the shares of the company paying the dividend is held by the recipient company; b) 25, in other cases	a) 10 if loan is granted by bank; b) 15 for others	20	20
Estonia	10	10	10	10
Ethiopia	7.5	10	10	10
Finland	10	10	10	10
Fiji	5	10	10	10
France	10	10	10	10
Georgia	10	10	10	10
Germany	10	10	10	10
Hong-Kong	5	10	10	10
Hungary	10	10	10	10
Indonesia	10	10	10	10
Iceland	10	10	10	10
Ireland	10	10	10	10
Israel	10	10	10	10
Italy	a) 15 if at least 10 of the shares of the company paying dividend is beneficially owned by the recipient company b) 25 in other cases;	15	20	20
Japan	10	10	10	10
Jordan	10	10	20	20

13. Double tax agreements (cont)

Country	Dividend (%) (*)	Interest (%)	Royalty (%)	FeeforTechnical Services(%)
Kazakhstan	10	10	10	10
Kenya	10	10	10	10
Korea	15	10	10	10
Kuwait	10	10	10	10
Kyrgyz Republic	10	10	15	15
Latvia	10	10	10	10
Lithuania	5*, 15	10	10	10
Luxembourg	10	10	10	10
Malaysia	5	10	10	10
Malta	10	10	10	10
Mongolia	15	15	15	15
Mauritius	a) 5, if at least 10 of the capital of the company paying the dividend is held by the recipient company; b) 15, in other cases	7.5	10	10
Montenegro	5 (in some cases 15)	10	10	10
Myanmar	5	10	10	No separate provision
Morocco	10	10	10	10
Mozambique	7.5	10	10	No separate provision
Macedonia	10	10	10	10
Namibia	10	10	10	10
Nepal	5**,10	10	15	No separate provision
Netherlands	10	10	10	10
New Zealand	15	10	10	10
Norway	10	10	10	10
Oman	a) 10, if at least 10 of shares are held by the recipient company; b) 12.5, in other cases	10	15	15
Philippines	a) 15, if at least 10 of the shares of the company paying the dividend is held by the recipient company; b) 20, in other case	a) 10, if interest is received by a financial institution or insurance company; b) 15 in other cases	15 if it is payable in pursuance of any collaboration agreement approved by the Government of India	No separate provision

13. Double tax agreements (cont)

Country	Dividend (%) (*)	Interest (%)	Royalty (%)	FeeforTechnical Services(%)
Poland	10	10	15	15
Portuguese Republic	10***/15	10	10	10
Qatar	a) 5, if at least 10 of the shares of the company paying the dividend is held by the recipient company; b) 10, in other cases	10	10	10
Romania	10	10	10	10
Russian Federation	10	10	10	10
Saudi Arabia	5	10	10	No separate provision
Serbia	a) 5, if recipient is company and holds 25 shares; b) 15, in any other case	10	10	10
Singapore	a) 10, if at least 25 of the shares of the company paying the dividend is held by the recipient company; b) 15, in other cases	a) 10, if loan is granted by a bank or similar institute including an insurance company; b) 15, in all other cases	10	10
Slovenia	a) 5, if at least 10 of the shares of the company paying the dividend is held by the recipient company; b) 15, in other cases	10	10	10
South Africa	10	10	10	10
Spain	15	15	10/20	20
Sri Lanka	7.5	10	10	10
Sudan	10	10	10	10
Sweden	10	10	10	10
Swiss	10	10	10	10
Syrian Arab Republic	a) 5, if at least 10 of the shares of the company paying the dividend is held by the recipient company; b) 10, in other cases	10	10	No separate provision

13. Double tax agreements (cont)

Country	Dividend (%) (*)	Interest (%)	Royalty (%)	FeeforTechnical Services(%)
Tajikistan	a) 5, if at least 25 of the shares of the company paying the dividend is held by the recipient company; b) 10, in other cases	10	10	No separate provision
Tanzania	5****, 10	10	10	No separate provision
Thailand	10	10	10	No separate provision
Trinidad and Tobago	10	10	10	10
Turkey	15	a) 10 if loan is granted by a bank, etc.; b) 15 in other cases	15	15
Turkmenistan	10	10	10	10
Uganda	10	10	10	10
Ukraine	a) 10, if at least 25 of the shares of the company paying the dividend is held by the recipient company; b) 15, in other cases	10	10	10
United Arab Emirates	10	a) 5 if loan is granted by a bank/similar financial institute; b) 12.5, in other cases	10	No separate provision
United Mexican States	10	10	10	10
United Kingdom	15/10	a) 10, if interest is paid to a bank; b) 15, in other cases	10/15	10/15
United States	a) 15, if at least 10 of the voting stock of the company paying the dividend is held by the recipient company; b) 25 in other cases	a) 10 if loan is granted by a bank/ similar institute including insurance company; b) 15 for others	10/15	10/15

13. Double tax agreements (cont)

Country	Dividend (%) (*)	Interest (%)	Royalty (%)	Fee for Technical Services(%)
Uruguay	5	10	10	10
Uzbekistan	10	10	10	10
Vietnam	10	10	10	10
Zambia	a) 5, if at least 25 of the shares of the company paying the dividend is held by a recipient company for a period of at least 6 months prior to the date of payment of the dividend; b) 15 in other cases	10	10	10

* If beneficial owner is a company (other than a partnership) which holds directly at least 10% of the capital of the company paying dividends.

** 5 % if beneficial owner of shares is a company and it holds at least 10% shares of company

*** If the beneficial owner is a company that, for an uninterrupted period of two fiscal years prior to the payment of the dividend, owns directly at least 25 per cent of the capital stock of the company paying the dividends

**** 5% if recipient company owns at least 25% share in the company paying the dividend.

MALAYSIA

2021 TAX CARD (Malaysian Ringgi)

1. Basis of Taxation

Income is taxed on a current year basis. All taxpayers are required to submit tax returns on a self assessment basis. Income tax for resident and non-resident is imposed on income accruing in or derived from Malaysia.

2. Corporate Tax

		YA 2021
Resident company with paid up capital of RM2.5million and below at the beginning of the basis period and having gross income from sources consisting of a business of not more than RM50 million for the basis period for a Y/A	- On first RM600,000 chargeable income	17%
	- On subsequent chargeable income	24%
Resident company with paid up capital above RM2.5 million at the beginning of the basis period or having gross income from source or sources consisting of a business of more than RM50 million for the basis period for a Y/A		24%
Non-resident company / branch		24%

SME is defined as a company resident in Malaysia with paid up capital of ordinary shares of RM2.5m or less at the beginning of the basis period of a year of assessment whereby such company does not control or is controlled directly or indirectly by another company which has a paid up capital of more than RM2.5m in respect of ordinary shares. In addition to, it having gross income from business from one or more sources for the relevant YA of not more than RM50 million.

3. Withholding tax rate (non-treaty) YA 2021

	Non-resident person including a company, a body of persons and corporation
Dividends	Nil
Interest	15%
Royalties/know-how	10%
Public Entertainer	15%
Rents (for moveable property)	10%
Technical fees	10%
Section 4(f) income (see note 1)	10%
Contract payment (see note 2)	10% + 3%

Note 1: Section 4(f) income refers to gains and profits not specifically provided for under section 4 of the Income Tax Act 1967. Such income includes commissions and guarantee fees. However, such income will not be liable to withholding tax if it relates to the business income of the non-resident in his home country.

Note 2: This is an interim tax, the differences between the actual tax payable and the 10% tax shall be refunded to the non-resident contractor or recovered from the non-resident contractor. The 3% tax would only be refunded to the non-resident contractor when the Director General deems it is appropriate.

4.
Resident individual tax rates (YA 2021)

Chargeable income RM	Tax Rate (%)	Tax Payable (RM)
1 – 2,500	0	0
2,501 – 5,000	0	0
5,001 – 10,000	1	50
10,001 – 20,000	1	150
20,001 – 35,000	3	600
35,001 – 50,000	8	1,800
50,001 – 70,000	13	4,400
70,001 – 100,000	21	10,700
100,001 – 150,000	24	22,700
150,001 – 250,000	24	46,700
250,001 – 400,000	24.5	83,450
400,001 – 600,000	25	133,450
600,001 – 1,000,000	26	237,450
1,000,000 – 2,000,000	28	280,000

5.
Non-resident individual tax rate

30%

6.
Estate duty

Had been abolished since I November 1991.

7.
Stamp duty

For stock, shares or marketable securities: RM3 per RM1,000 or part thereof.
For conveyance, assignment or transfer of properties (effective 01 January 2019):

On the first RM100,000	1%
On the next RM400,000	2%
RM500,001 to RM1,000,000	3%
In excess of RM1,000,001	4%

8. Real Property Gains Tax (RPGT)

	Rates of RPGT (w.e.f 01.01.2019) (Company incorporated in Malaysia / A Trustee of a Trust)	Rates of RPGT (w.e.f 01.01.2019) (Citizen / Permanent Resident) (*)
Date of Disposal		
Disposal within 2 years after date of acquisition	30	30
Disposal in the 3rd year after date of acquisition	30	30
Disposal in the 4th year after date of acquisition	20	20
Disposal in the 5th year after date of acquisition	15	15
Disposal in the 6th year after date of acquisition or thereafter	10	5

(*) Note:The acquisition price for the disposal of real properties acquired prior to year 2013 will be deemed as the market value as of 01 January 2013, effective from 12 October 2019.

Non-Citizen / Non-Permanent Resident/ Company Not Incorporated in Malaysia

	Rates of RPGT (w.e.f 01.01.2019)
Date of Disposal	
Disposal within 5 years after date of acquisition	30
Disposal after 5 years from the date of acquisition	10

9. Income tax filing deadlines

Types of Form		Deadlines
Form BE	Residential individual	30 April of following year
Form B		30 June of following year
Form M	Non-residential individual	30 April of following year
Form C	Companies	7 months from date of closing accounts
Form P	Partnerships	30 June of following year
Form PT	Limited Liability Partnership (LLP)	7 months from date of closing accounts
Form TP	Deceased person	30 April of following year (does not carry on business
		30 April of following year (does not carry on business
Form TF	Club/Associations/Co-Operative Societies	30 April of following year (does not carry 30 June of following year (carry on business)
Form TA	Trust body	7 months from date of closing accounts
Form TJ	Hindu Joint Family	30 April of following year (does not carry on business
		30 June of following year (carry on business)
Form TR	RealEstateInvestmentTrust / Property Trust Fund	7 months from date of closing accounts
Form E	Employer Return	30 March of following year

10. Double tax agreements

Country	Royalties %	Interest (%)	Technical Fee %	Section 4(f) Income %
Albania, Republic	10	Nil or 10	10	10
Argentina *	10	15	10	10
Australia	10	Nil or 15	Nil++	10
Austria	10	Nil or 15	10	10
Bahrain	8	Nil or 5	10	10
Bangladesh	Nil or 10	Nil or 15	10	10
Belgium #	10	Nil or 10	10	10
Bosnia & Herzegovina	8	Nil or 10	10	10
Brunei	10	Nil or 10	10	10
Cambodia **	10	Nil or 10	10	10
Canada	Nil or 10	Nil or 15	10	10
Chile	10	Nil or 15	5	10
China, People's Republic	Nil or 10	Nil or 10	10	10
Croatia	10	Nil or 10	10	10
Czech Republic	Nil or 10	Nil or 12	10	10
Denmark	Nil or 10	Nil or 15	10	10
Egypt	10	Nil or 15	10	10
Fiji	10	Nil or 15	10	10
Finland	Nil or 10	Nil or 15	10	10
France	Nil or 10	Nil or 15	10	10
Germany - Old agreement	Nil or 10	Nil or 15	Nil	Nil
- New agreement	7	Nil or 10	7	Nil
Hong Kong S.A.R	8	Nil or 10	5	10
Hungary	10	Nil or 15	10	10
India	10	Nil or 10	10	10
Indonesia #	Nil or 10	Nil or 10	10	10
Ireland	8	Nil or 10	10	10
Islamic Republic of Iran	10	Nil or 15	10	10
Italy	Nil or 10	Nil or 15	10	10
Japan	10	Nil or 10	10	10
Jordan	10	Nil or 15	10	Nil
Kazakhstan	10	Nil or 10	10	10
Korea, Republic	Nil or 10	Nil or 15	10	10
Kuwait #	10	Nil or 10	10	10
Kyrgyz, Republic	10	Nil or 10	10	10
Laos	10	Nil or 10	10	10
Lebanon	8	Nil or 10	10	10
Luxembourg	8	Nil or 10	8	10
Malta	10	Nil or 15	10	10
Mauritius	10	Nil or 15	10	10
Mongolia	10	Nil or 10	10	10
Morocco	10	Nil or 10	10	10
Myanmar	10	Nil or 10	10	10

10. Double tax agreements (cont.)

Country	Royalties %	Interest (%)	Technical Fee %	Section 4(f) Income %
Namibia	5	Nil or 10	5	10
Netherlands	Nil or 8	Nil or 10	8	10
New Zealand	Nil or 10	Nil or 15	10	10
Norway	Nil or 10	Nil or 15	10	10
Pakistan	Nil or 10	Nil or 15	10	10
Papua New Guinea	10	Nil or 15	10	10
Philippines	Nil or 10	Nil or 15	10	10
Poland - Old agreement	Nil or 10	Nil or 15	10	10
- New agreement **	8	Nil or 10	8	10
Qatar	8	Nil or 5	8	10
Romania	Nil or 10	Nil or 15	10	10
Russia	Nil or 10	Nil or 15	10	10
San Marino	10	Nil or 10	10	10
Saudi Arabia - Old agreement *	10	15	10	-
- New agreement	8	Nil or 5	8	10
Senegal **	10	Nil or 10	10	10
Seychelles #	10	Nil or 10	10	10
Singapore - Old agreement	10	Nil or 15	10	-
- New agreement	8	Nil or 10	5	10
Slovak Republic	10	Nil or 10	5	10
South Africa	5	Nil or 10	5	10
Spain	7	Nil or 10	5	10
Sri Lanka	10	Nil or 10	10	10
Sudan	10	Nil or 10	10	10
Sweden - Old agreement	Nil or 10	Nil or 15	10	-
- New agreement	8	Nil or 10	8	10
Switzerland	Nil or 10	Nil or 10	10	10
Syria	10	Nil or 10	10	10
Taiwan (2)	10	10	7.5	10
Thailand	Nil or 10	Nil or 15	10	10
	5 (JDA)		5 (JDA)	
Turkey#	10	Nil or 15	10	10
Turkmenistan	10	Nil or 10	Nil++	Nil
United Arab Emirates	10	Nil or 5	10	10
United Kingdom	8	Nil or 10	8	10
United States of America*	10	15	10	10
Uzbekistan	10	Nil or 10	10	10
Venezuela	10	Nil or 15	10	10
Vietnam	10	Nil or 10	10	10
Zimbabwe	10	Nil or 10	10	10

10. Double tax agreements (cont.)	1. Approved industrial royalties and interest on approved loans (as defined in each double tax agreement) to non-residents are usually tax exempt. 2. For Taiwan, double tax relief was given to the Taipei Economic and Cultural Office in Malaysia by way of exemption orders. * Limited double tax treaty. ** Gazetted DTAs; not yet entered into force. # Protocol has been gazetted but not entered into force. JDA : Joint Development Area ++ Based on the Practice Note No 2/2017 issued by the Inland Revenue Board on 23 June 2017, where an Australian or a Turkmenistan resident renders technical services in Malaysia, payments for such services are not subject to withholding tax if the non-resident has no permanent establishment in Malaysia.

NEW ZEALAND

2021 TAX CARD (in NZ dollars)

1. Basis of Taxation

The taxation authority in NZ is the Inland Revenue Department (IRD) and the primary income tax legislation is contained within the Income Tax Act 2007 (ITA07).

NZ uses a worldwide taxation model. The first step therefore is to determine the tax residency status of the particular taxpayer, using the residency tests set out in the ITA07.

A NZ tax resident is subject to taxation on their worldwide income, whereas a non- resident is only subject to NZ taxation with respect to any income that is deemed to have a NZ source.

The provisions of a DTA between NZ and the non-residents home State, may override NZ's domestic taxing rules.

NZ has an income tax year that ends on 31st March, although provision is made within the ITA07, for taxpayers to apply for a non-standard balance date e.g. a NZ subsidiary wishes to align with the balance date of its foreign parent.

NZ in essence has a voluntarily compliance taxation regime, which relies heavily on the taxpayer fully disclosing their income derived from all sources during a particular income year, and only claiming the correct level of allowable deductions in respect of that income derived. To encourage voluntary compliance, IRD has available to it a series of penalties, which can be quite onerous on occasions, which it can impose upon any taxpayer who is found to have not been fully compliant with their NZ taxation obligations. These range from shortfall penalties for inadequate disclosure of income, late payment penalties, late filing penalties for various tax returns and a use of money interest regime, to compensate the IRD for a taxpayer not paying the correct amount of tax on time.

For those NZ resident natural person taxpayers who solely derive employment income which has been subject to "pay as you earn" (PAYE) deductions by their employer, there is no requirement to file an annual income tax return, the individuals annual tax liability on their income having been satisfied by the PAYE payments their employer has made to IRD on their behalf.

With respect to other natural person taxpayers, recent upgrades to IRD's system, has seen a marked increase in the level of reportable income details provided by payers of interest, dividends, royalties and the like, to IRD on a payday basis throughout the income year. The consequence of this increase in reportable income, will see a reduction in the number of natural person taxpayers having to file an end of year income tax return, essentially only required where the taxpayer needs to fill in the gap between reportable and non-reportable income, once the IRD has issued a pre-populated account to the taxpayer post the end of the income year.

1. Basis of Taxation (cont.)

The quantum of the taxpayers annual tax liability (prior to the deduction of any tax payments made during the relevant income year), then determines whether the taxpayer becomes a provisional taxpayer for the following income year.

Where the quantum of the annual tax liability exceeds $5,000, the taxpayer enters the provisional tax payment regime for the following income year. For a standard balance date taxpayer (31st March), this will require instalment payments of their expected annual income tax liability for the coming tax year to be paid on 28th August, 15th January and 7th May.

As an example, in its simplest form ignoring uplift requirements and other technical aspects, in the March 2021 income year, the taxpayer's annual tax liability assessment is $9,000. As this exceeds $5,000, they become a provisional taxpayer in respect of the March 2022 income year, and should make payments of $3,000 in August 2021, January 2022 and May 2022.

For non-provisional taxpayers, or those provisional taxpayers who still have a shortfall to make up once all their payments have been taken into account, an amount referred to as terminal tax is due for payment on 7th February following the end of the relevant income year, extended to 7th April if the taxpayer uses an IRD registered tax agent. So in the previous example, the $9,000 of terminal tax payable in respect of the March 2021 income year would be due for payment to IRD by 7th February 2022/7th April 2022.

2. Corporate Tax

The NZ corporate tax rate is a flat 28%.

3. Withholding tax rate (non-treaty)

Where "Standard" is listed, the marginal tax rate of the recipient will apply.
Where "*" follows, indicates concessional rates to standard listed may apply.
Where "**" follows, assumes person is not in NZ providing the services, otherwise a 15% non-resident contractors withholding tax may apply.

	Resident	Non-resident Individu-al/ Corporation
Dividends	33%*	30%*
Interest	Standard	15%*
Royalties/know-how	0%	15%
Rents (for moveable property)	0%	0%
Management fees	0%	0%**
Technical fees	0%	0%**
Directors'fees	33%	0%**

4.
Test or Basis of tax residence

Corporate residence

A company is considered tax resident in NZ, if any of the following four tests are satisfied:

a) is incorporated in NZ
b) has its head office in NZ
c) has its centre of management in NZ, or
d) control of the company by the directors, acting in the capacity of directors, is exercised in NZ, whether or not decision-making is confined to NZ.

Individual residence

An individual is considered tax resident in NZ if either of the following two tests are satisfied:

a) an individual is deemed to be a resident if he or she has a permanent place of abode (PPOA) in NZ (irrespective of any other PPOA that person may have elsewhere)

b) subject to the first provision above, an individual who is personally present in NZ for one or more periods exceeding 183 days in the aggregate in any 12-month period is deemed to be resident from the first day in the 12-month period on which personal presence began

Once a person is deemed a NZ tax resident, they retain that status until they satisfy the 325 day absence test as follows:

c) a resident individual who becomes personally absent from NZ for one or more periods exceeding 325 days in the aggregate in any 12-month period is deemed not to be a resident from the first day in the 12-month period on which the personal absence began.

It is very important to note however, that the PPOA test is an overriding test and takes precedence over either of the presence tests. Consequently, where the 325 day absence test has been satisfied, if the person still has a NZ PPOA, they will remain a NZ tax resident until the day the PPOA ceases to exist.

5.
Resident individual tax rates

Effective 1st April 2021, NZ has a five tier scale with respect to personal income tax rates as follows:

Income Brackets	Tax Rates
$0–$14,000	10.5%
$14,001–$48,000	17.5%
$48,001–$70,000	30%
$70,001–$180,000	33%
$180,001 and above	39%

NZ also has a transitional tax resident's regime, which is essentially a four year window of exemption for any foreign sourced income (excluding foreign employment and personal services income). It can apply for any individual who has never been a NZ tax resident previously or has not held that status for at least 10 years. The TTR exemption can only be claimed once, and the four year period commences the first day the person meets the tax residence tests.

6. Non-resident individual tax rates	A non-resident who is required to file a NZ income tax return in respect of NZ sourced income, is subject to NZ taxation at the same rates as for a tax resident, although some types of income already subject to tax at source under the non-resident withholding tax rates set out in 3., may be considered a final tax, and will not be subject to any further taxation at the resident tax rates.
7. Goods and Services tax	The NZ GST legislation is contained in the Goods & Services Tax Act 1985. The NZ GST rate is presently 15%. GST registration is compulsory where annual supplies (sales) of goods and services in NZ, exceeds $60,000. Voluntary registration may also be permitted where the $60,000 threshold is not exceeded. Where a non-resident supplier is making a B2B supply to a NZ customer, the supply is usually deemed to be made outside of NZ unless the parties agree otherwise. Certain supplies of goods and services are referred to as being zero-rated, with GST charged at a 0% rate. Common examples are where the recipient of the supply is outside NZ, so that the cost of NZ GST does not impact on the recipients buying decision, thereby making NZ suppliers goods or services competitive with other foreign suppliers of similar goods or services. Having a zero-rated supply status, still permits the NZ supplier to recover any NZ GST costs incurred in making the supply. There are also exempt supplies, those supplies of goods and services considered to be outside of the GST regime. Common examples are the supply of financial services or residential rental properties. NZ GST costs incurred in making these supplies cannot be recovered by the supplier. The NZ GST regime also accommodates non-resident businesses, who may for whatever reason incur NZ GST costs (coming to NZ for a conference for example) but do not make any NZ supplies of goods or services. Special rules permit a special GST registration to proceed, in order for the non-resident to be able to recover these NZ GST costs. Most recently, NZ has introduced two new regimes targeted towards non-resident suppliers. Effective 1st October 2016, a remote services regime, predominantly targeting non-resident providers of remote services – Amazon, iTunes and the like, was introduced. Where the annual value of B2C remote service supplies (assuming these are the only supplies the non-resident presently makes to NZ customers) exceeds $60,000, these non-resident suppliers now have an obligation to register for NZ GST and account for GST on their NZ B2C supplies. Following on from the introduction of the remote services regime, NZ also introduced a GST on low value (<=$1000) imported goods with effect from 1st December 2019. This new regime requires non-resident suppliers of low value imported goods to NZ consumers (B2C) to register for NZ GST, where the total annual value of their supplies to NZ consumers exceed $60,000 (again assuming these are the only supplies the non-resident presently makes to NZ customers).

7.
Goods and Services tax (cont.)

Where a non-resident supplier is involved in supplying a combination of standard taxable supplies, supplies of remote services and/or supplies of low value imported goods to NZ customers, then it is the total value of all relevant supplies (usually excluding any B2B supplies) that needs to be taken into account when considering the $60,000 compulsory registration threshold.

8.
Estate duty

NZ has no estate duty presently.

9.
Stamp duty

NZ has no stamp duty presently.

10.
Property tax

NZ does not presently have a specific capital gains tax regime that taxes property disposal gains. However, certain provisions within the ITA07 do tax a number of land disposal gains, that would otherwise qualify as a tax-free capital gain.

Effective 1st October 2015, NZ introduced a bright-line test, which automatically subjects the gain made on a disposal of any residential land (excluding the taxpayers family home) to tax, if the ownership period is less than two years. Effective from 29th March 2018 in relation to residential land acquired post that date, the bright-line period was increased to 5 years.

It is important to note, that non-resident buyers and sellers of residential land must now provide a NZ IRD number to their land conveyancer, before the land transfer is permitted to be registered. The fishhook here is new requirements by IRD that IRD number applications cannot be approved, without the applicant providing details of an active NZ bank account. This issue is further complicated by the NZ banks imposing more stringent requirements due to AML/CFT legislation, that often require a new customer to physically present themselves to the bank, before a new account can be opened.

Where the bright-line test is considered to have application, and the vendor is defined as being an "overseas person", a residential land withholding tax (RLWT) will be deducted by their conveyancer. The RLWT rate varies depending on whether the vendor is an individual or company.

11.
Income tax filing deadlines

The filing date is dependent on whether the taxpayer is subject to an extension of time (EOT) arrangement due to being registered with an IRD approved tax agent. The first date listed below is the standard due date, with the second applying to those with an EOT status.

Types of Form		Deadlines
IR3	Residential individual	7th July/31st March
IR3NR	Non-residential individual	7th July/31st March
IR4	Companies	7th July/31st March
IR7	Partnerships	7th July/31st March

12. Double tax agreements

Certain payments by residents in NZ to non-residents are subject to domestic withholding tax rates. The rates of taxes may be reduced under the terms of a double tax agreements with a treaty country as those listed below.

Country	Royalties %	Interest (%)	Technical Fee %
Australia	0%, 5% or 15%	10%	5%
Austria	15%	10%	10%
Belgium	15%	10%	10%
Canada	0%, 5% or 15%	10%	5% or 10%
Chile	5% or 15%	10% or 15%	5%
China	5% or 15%	10%	10%
Czech Republic	15%	10%	10%
Denmark	15%	10%	10%
Fiji	15%	10% or 15%	15%
Finland	15%	10%	10%
France	15%	10%	10%
Germany	15%	10%	10%
Hong Kong	0%, 5% or 15%	10%	5%
India	15%	10%	10%
Indonesia	15%	10%	15%
Ireland	15%	10%	10%
Italy	15%	10%	10%
Japan	0% or 15%	10%	5%
Korea, South	15%	10%	10%
Malaysia	15%	15%	15%
Mexico	5%	10%	10%
Netherlands	15%	10%	10%
Norway	15%	10%	10%
Papua New Guinea	15%	10%	10%
Philippines	15%	10%	15%
Poland	15%	10%	10%
Russia	15%	10%	10%
Samoa	5% or 15%	10%	10%
Singapore	5% or 15%	10%	5%
South Africa	15%	10%	10%
Spain	15%	10%	10%
Sweden	15%	10%	10%
Switzerland	15%	10%	10%
Taiwan	15%	10%	10%
Thailand	15%	10% or 15%	10% or 15%
Turkey	5% or 15%	10% or 15%	10%
United Arab Emirates	15%	10%	10%
United Kingdom	15%	10%	10%
United States of America	0%, 5% or 15%	10%	5%
Vietnam	5% or 15%	10%	10%

PAKISTAN

2021 TAX CARD (in Pakistani rupee)

1.
Basis of Taxation

Residents are taxed on worldwide income/receipts from all sources, except specifically exempted under the Income Tax Ordinance, 2001. Non-residents are taxed on income/receipts from Pakistani source.

2.
Corporate Tax

The following tax rates are applicable on Corporate Sector in Pakistan for the Tax Year 2021:

Entity	Rate
Private Limited Company	29%
Banking Company	35%
Listed Company*	29%
Small Company	22%

A Small Company means a company having:

- Paid up Capital + Undistributed Reserves not exceeding Rs. 50 Million
- Employees not exceeding 250
- Annual turnover not exceeding Rs. 250 (Million);
- Not formed by reconstitution or splitting up of already existing company

* 20% tax credit in the year of enlistment.

3.
Withholding tax rate (non-treaty)

Pakistan tax authority i.e. Federal Board of Revenue, in order to increase tax return filers in the country, has continued the concept of Filer & Non-Filer persons and their taxability in the Income Tax Ordinance, 2001 (which it introduced in Tax Year 2015). Non-filers will suffer from enhanced tax rates:

Nature of Payment	Resident Resident Individual/ Corporation	Non-resident Individual/ Corporation (Subject to DTT)
Dividends	7.5% - 15%	7.5% - 25%
Interest	15% - 25%	20%
Royalties/Know-how	N.A.	15%
Rents(forimmovableproperty):	Maximum up to 15%	
Management fees	8-20%	8-20%
Technical fees	8-20%	15%
Directors 'fees (Individual)	20%	20%

4. Residential individual tax rates

The rate of tax shall be applicable on the following categories of taxpayer:

a.) Tax on Individuals Income having salary exceeds 75% of his taxable income

S. No.	Taxable Income		Rate of Tax	
	Above (Rs.)	Upto (Rs.)	Rate	of the amount exceeding..... (Rs.)
1.	0	600,000	0%	0%
2.	600,001	1200,000	5%	600,000
3.	1200,001	1,800,000	30,000 + 10%	1200,000
4.	1,800,001	2,500,000	Rs. 90,000 + 15%	1,800,000
5.	2,500,001	3,500,000	195,000 + 17.5%	2,500,000
6.	3,500,001	5,000,000	3700,000 + 20%	3,500,000
7.	5,000,001	8,000,000	670,000 + 22.5%	5,000,000
8.	8,000,001	12,000,000	1,345,,000 + 25%	8,000,000
9.	12,000,001	30,000,000	2,345,000 + 27.5	12,000,000
10.	30,000,001	50,000,000	7,295,000 + 30%	30,000,000
11.	50,000,001	75,000,000	13,295,000 + 32.5%	50,000,000
12.	Above 75,000,000		21,420,000 + 35%	75,000,000

b.) Tax on Individuals Income (Business):

S. No.	Taxable Income		Rate of Tax	
	Above (Rs.)	Upto (Rs.)	Rate	of the amount exceeding..... (Rs.)
1.	0	400,000	0%	0
2.	400,000	600,000	5%	400,000
3.	600,000	1,200,000	10,000 + 10%	600,000
4.	1,200,000	2,400,000	70,000 + 15%	1,200,000
5.	2,400,000	3,000,000	250,000 + 20%	2,400,000
6.	3,000,000	4,000,000	370,000 + 25%	3,000,000
7.	4,000,000	6,000,000	620,000 + 30%	4,000,000
8.	Above 6,000,000		1,220,000 + 35%	6,000,000

5. Non-residential individual tax rates

Pakistan Source Income of Non-residents is taxed as per above specified slabs or the rates given based on source of income.

**6.
Goods and Services tax**

GST is applicable @ 17% under Federal Sales Tax Law.
Tax on Services within provinces is imposed ranging from 5% to 16%.

**7.
Estate duty**

Estate duty is not applicable in Pakistan.

**8.
Stamp duty**

Stamp duty in Pakistan varies in accordance with nature of instrument and location with maximum up to 4.5%.

**9.
Property tax**

Varying slabs in accordance with the size and location of the property.

**10.
Income tax filing deadlines**

Types of Form	Status	Deadlines
IT – 2	Residential individual	
	Salaried	31st August
	Others	30th September
IT – 2	Non-residential individual	
	Salaried	31st August
	Others	30th September
IT – 1	Companies	
	Year Ending (1st Jan to 30th Jun)	31st December
	Others	30th September
IT – 2	Partnerships	
	(under Final Tax Regime)	31st August
	Others	30th September

**11.
Double Tax Agreements**

Certain payments by resident in Pakistan to non-residents are subject to domestic withholding tax rates. The rates of taxes may be reduced under the terms of a double tax agreements with a treaty country as those listed below.

Country	Dividend (%)	Interest (%)	Royalties (%)
Austria	10 – 20	20	20
Azerbaijan	10	10	10
Bahrain	10	20	10
Bangladesh	15	15	15
Belgium	10 – 15	15	15 – 20
Canada	15 – 20	25	15 – 20
China	10	10	12.5
Denmark	15	15	15
Finland	12 – 20	10 – 15	10
France	10 – 15	10	10

11. Double tax agreements (cont.)

Country	Dividend (%)	Interest (%)	Royalties (%)
Germany	10 – 15	10 – 20	10
Hungary	15 – 20	15	15
Indonesia	10 – 15	15	15
Ireland	10	Exempt	Exempt
Italy	15 – 25	30	30
Jordan	10	10	10
Kazakhstan	12.5 – 15	12.5	15
Korea	10 – 12.5	12.5	10
Kuwait	10	10	10
Kyrgyz Republic	10	10	10
Lebanon	10	10	7.5
Libya	10	10	15
Malaysia	15 – 20	15	15
Malta	15	10	10
Mauritius	10	10	12.5
Morocco	10	10	10
Netherlands	10 – 20	10 – 20	5 – 15
Nigeria	12.5 – 15	15	15
Norway	15	10	12
Oman	10 – 12.5	10	12.5
Philippines	15 – 25	15	15 – 25
Poland	15	20	15 – 20
Qatar	5 – 10	10	10
Romania	5 – 10	10	12.5
Singapore	10 – 15	12.5	10
Sri Lanka	15	10	20
South Africa	10 – 15	10	10
Switzerland	10 – 20	10	10
Syria	10	10	10 – 18
Thailand	15 – 25	10 – 25	10 – 20
Tunisia	10	13	10
Turkey	10 – 15	10	10
Turkmenistan	10	10	10
Tajikistan	5 – 10	10	10
U.A.E.	10 – 15	10	12
U.K.	15 - 20	15	12.5
Ukraine	10/15	10	10
U. S. A.	15/Exempt*	Exempt*	20
Uzbekistan	10	10	15
Vietnam	15	15	15
Hong Kong	10	10	10
Brunei Darussalam	10	15	15
Czech Republic	5/15	10	10
Nepal	10/15	10/15	15

11. Double tax agreements (cont.)

Country	Dividend (%)	Interest (%)	Royalties (%)
Kyrgyz Republic	10	10	10
Ukraine	10/15	10	10
Spain	5/7.5/10	10	7.5
Serbia	10	10	10
Yemen	10	10	10
Vietnam	15	15	15
Saudi Arabia	5/10	10	10
Sweden	15	15	10
Portugal	15/10	10	10
Japan	5/7.5/10	10	10
Iran	5	10	10
Egypt	15/30	15	15
Bosnia and Herzegovina	10	20	20
Belarus	10/15	10	15

SINGAPORE

2021 TAX CARD (in Singapore Dollars)

1.
Basis of Taxation

Income is taxed on territorial basis, in other words, tax is chargeable on income accrued in or derived from Singapore or received from outside Singapore. Foreign sourced income is exempt in the hands of individuals. Certain foreign sourced income is exempt for resident companies subject to conditions being satisfied. Income is assessable to tax on a preceding year basis, for example, income for 2020 is taxable in the year of assessment ("YA") 2021.

2.
Corporate Tax

The current corporate tax rate is 17%. There is partial exemption on the first $200,000 chargeable income that can reduce the effective tax rates ranging from 6.38% to 8.29%. Please note that prior to YA 2020 the partial exemption was on the first $300,000 chargeable income, with lower effective tax rates ranging from 5.67% to 8.36%. Additional tax rebates were available from YAs 2013 to 2020 as follows.

	Tax Rebate Rate	Tax Rebate Cap
YA 2013 to 2015 (each YA)	30%	$30,000
YA 2016	50%	$20,000
YA 2017	50%	$25,000
YA 2018	40%	$15,000
YA 2019	20%	$10,000
YA 2020	25%	$15,000

There are tax incentives available such as the Development Expansion Incentive, Global Trader Program, Financial Sector Incentives that provide for concessionary tax rates ranging from 5, 10 and 15%.

The Productivity Innovation Credit Scheme ("PIC") introduced in YA 2011 has expired after YA 2018. The Scheme previously allowed 400% enhanced tax deduction on qualifying expenditure on 6 qualifying activities for YA 2013 to YA 2015 with expenditure capped at $1.2m and from YA 2016 to YA 2018 with expenditure capped at $1.2m.

Further the PIC+ targeted at qualifying small and medium sized enterprises increases the expenditure cap for YA 2013 to YA 2015 at $1.4m and YA 2016 to YA 2018 at $1.8m

3.
Withholding tax rate (non-treaty)

	Resident	Non-resident Individu-al/ Corporation
Dividends	Nil	Nil
Interest	Nil	15%
Royalties/know-how	Nil	10%
Rents (for moveable property)	Nil	15%
Management fees	Nil	17%
Technical fees	Nil	17%
Directors' fees	Nil	22%

4. Basis of Tax Residence	**Corporate Residence** A company will be considered to be a Singapore tax resident for a particular YA if the control and management of its business was exercised in Singapore in the preceding calendar year. "Control and management" is the making of decisions on strategic matters, such as those on company policy and strategy. The location of the company's Board of Directors meetings, during which strategic decisions are made, is a key factor in determining where the control and management is exercised. The place of incorporation of a company is not necessarily indicative of the tax residence of a company. **Individual Residence** An individual would generally be a tax resident of Singapore if the individual is physically present or exercises an employment in Singapore for at least 183 days in a calendar year. In addition, under the qualitative test, a Singapore citizen or a Singapore permanent resident with a permanent home in Singapore will ordinarily be regarded as a Singapore tax resident, even if the individual has been physically away from Singapore on a temporary basis, so long as the period of absence is reasonable.
5. Residential Individual Tax Rates	The residential individual is subject to graduated rate of taxes ranging from 0 to 20%. With effect from YA 2017 onwards the graduated tax rates have increased from 0 to 22%. Under the Not Ordinarily Resident ("NOR") Scheme, foreign talents working in Singapore can enjoy time apportionment basis of taxation, whereby they would be required to pay tax on attributed employment income based on days worked/ spent in Singapore. The NOR Scheme has lapsed after YA 2020, leaving only the last NOR status awarded in YA 2020 to run up to its 5th and final YA 2024.
6. Non-residential Individual Tax Rates	Short term visiting employee working in Singapore for not more than 60 days in a calendar year is exempt. The non-residential individual tax rate is the higher of a flat rate of 15% or applicable resident personal tax rates.
7. Goods and Services Tax	The current Goods and Services Tax rate is at 7%. The planned increase to 9% will take place between 2022 and 2025. It is a requirement to register for GST when taxable supplies are or exceeds S$1 million. Reverse charge on importation of services into Singapore has been introduced with effect from 1 Jan 2020. Importation of overseas services by a business which is partially exempt or is not entitled to claim full input tax credit are generally affected. Overseas vendor registration ("OVR") is required for suppliers of digital services from I Jan 2020. Under the OVR regime, overseas digital service providers with a yearly global turnover of more than S$1 million that sell more than S$100,000 worth of digital services to customers in Singapore in a 12-month period are required to register for GST and charge GST.

8.
Estate duty

Estate duty has been abolished from 15 February 2008.

9.
Stamp duty

For property transfer stamp duty ranges from 1% to 2% on the first $360,000 and 3% thereafter on the higher of purchase price or market value. With effect form 20 Feb 2018, the top marginal buyer's stamp duty rate for residential properties had been further raised from 3% to 4%, and applied on the value of residential property in excess of $1 million. Additional sellers' and buyers' stamp duty has been introduced since 2011 to curb residential property speculations.

For share transfer, stamp duty is levied at 0.2%. The transfer of listed company shares does not attract any stamp duty.

10.
Property tax

Owner occupied residential property is subject to progressive tax rates ranging from 0 to 16%, depending on the annual value of the property. The tax rates for residential property that is not owner occupied range from 10% to 20%. Commercial and industrial (i.e. non-residential) properties are taxed at 10%.

11.
Income Tax Filing Deadlines

Types of Form		Deadlines
Form B / B1	Resident individual	15 April
Form M	Non-resident individual	15 April
Form C	Companies	30 November
Form P	Partnerships	15 April

12.
Double Tax Agreements

Certain payments by resident in Singapore to non-residents are subject to domestic withholding tax rates. The rates of taxes may be reduced under the terms of a double tax agreements with a treaty country as those listed below.

Country	Dividend %	Interest (%)	Royalties %
Albania	Nil	5	5
Australia	Nil	10	10
Austria	Nil	5	5
Bahrain	Nil	5	5
Bangladesh	Nil	10	10
Barbados	Nil	12	8
Belarus	Nil	5	5
Belgium	Nil	5	3/5
Brunei	Nil	5/10	10
Bulgaria	Nil	5	5
Cambodia (wef 1-1-2018)	Nil	10	10
Canada	Nil	15	10 #
China (People's Republic)	Nil	7/10	6/10

12.
Double tax agreements (cont.)

Country	Dividend %	Interest (%)	Royalties %
Cyprus	Nil	7/10	10
Czech Republic	Nil	Nil	5/10
Denmark	Nil	10	10
Ecuador	Nil	10	10
Egypt	Nil	15	10 #
Estonia	Nil	10	7.5
Ethiopia (wef 1-1-2018)	Nil	5	5
Fiji	Nil	10	10
Finland	Nil	5	5
France	Nil	10	Nil
Georgia	Nil	Nil	Nil
Germany	Nil	8	8
Guernsey	Nil	12	8
Hungary	Nil	5	5
India	Nil	10/15	10
Indonesia	Nil	10	10 #
Ireland	Nil	5	5
Isle of Man	Nil	12	8
Israel	Nil	7	5
Italy	Nil	12.5	10 #
Japan	Nil	10	10
Jersey	Nil	12	8
Kazakhstan	Nil	10	10
Korea, Republic of	Nil	10	10 #
Kuwait	Nil	7	10
Laos	Nil	5	5
Latvia	Nil	10	5
Libya	Nil	5	5
Liechtenstein	Nil	12	8
Lithuania	Nil	10	7.5
Luxembourg	Nil	Nil	7
Malaysia	Nil	10	8
Malta	Nil	7/10	10
Mauritius	Nil	Nil	Nil
Mexico	Nil	5/15	10
Mongolia	Nil	5/10	5
Morocco	Nil	10	10
Myanmar	Nil	8/10	10
Netherlands	Nil	10	Nil
New Zealand	Nil	10	5
Nigeria	Nil	7.5	7.5
Norway	Nil	7	7
Oman	Nil	7	8
Pakistan	Nil	12.5	10
Panama	Nil	5	5

12. Double tax agreements (cont.)

Country	Dividend %	Interest (%)	Royalties %
Papua New Guinea	Nil	10	10
Philippines	Nil	15	10 #
Poland	Nil	5	2/5
Portugal	Nil	10	10
Qatar	Nil	5	10
Romania	Nil	5	5
Russian Federation	Nil	Nil	5
Rwanda San Marino	Nil	10	10
San Marino	Nil	12	8
Saudi Arabia	Nil	5	8
Seychelles	Nil	12	8
Slovak Republic	Nil	Nil	10
Slovenia	Nil	5	5
South Africa	Nil	7.5	5
Spain	Nil	5	5
Sri Lanka	Nil	10	10
Sweden	Nil	10/15	Nil
Switzerland	Nil	5	5
Taiwan	Nil	15	10 #
Thailand	Nil	10/15	5/8/10
Turkey	Nil	7.5/10	10
Ukraine	Nil	10	7.5
United Arab Emirates	Nil	Nil	5
United Kingdom	Nil	5	8
Uruguay	Nil	10	5/10
Uzbekistan	Nil	5	8
Vietnam	Nil	10	5/10

where the withholding tax for royalties provided under Double Tax Treaty is higher than 10%, then the withholding tax of 10% based on domestic legislation is applicable to payment of royalties to non-resident of Singapore

13. COVID-19 Support Measures and Tax Treatment	In light of the global COVID-19 outbreak, a series of support tax measures have been introduced to help businesses and individuals to ease their cash flow. This included: • Exemption of various government payouts targeted to support individuals through the exceptional circumstances arising from the COVID-19 pandemic, help employers retain their local employees and mitigate the financial impact of COVID-19 containment measures. • Provide flexibility in determination of tax residence status or permanent establishment of a company due to the travel restrictions relating to COVID-19. • Exemption for employment benefits for accommodation, food, transport and daily necessities to support employees who are affected by movement restrictions imposed within and across borders. • Introduce Property Tax Rebate and Rental Relief Framework to provide additional support to property owners and tenants.

TAIWAN

2021 TAX CARD (in New Taiwan dollar)

1.
Basis of Taxation

Profit-Seeking Enterprise Income Tax

A profit-seeking enterprise (proprietorship, partnership, or company) having its head office in Taiwan shall be taxed on worldwide income. A profit-seeking enterprise having its head office outside Taiwan shall be taxed only on income sourcing from Taiwan. The tax year for a profit-seeking enterprise is calendar year, unless it obtains approval from tax authority to apply fiscal year.

In 2016, the tax authority introduced the "controlled foreign company" (CFC) rule in the income tax law. A Taiwan enterprise will be required to include its pro rata share of CFCs' profits in its current taxable income rather than deferring the taxation to receiving dividends from the offshore controlled foreign companies. The tax authority also introduced the "permanent establishment" (PEM) regime in the same year. A foreign enterprise with a place of effective management in Taiwan shall be deemed as a profit-seeking enterprise having its head office in Taiwan. That foreign enterprise shall be subject to profit-seeking enterprise income tax in accordance with the Taiwan tax laws and regulations. However, the CFC rule and the PEM regime have not been implemented and the execution date is to be decided by the Taiwan Executive Yuan.

Individual Income Tax

An individual (tax resident or non-tax resident) shall be taxed on income sourcing from Taiwan. The tax year for an individual is calendar year.

Effective since January 1st, 2016, capital gains on sale of real property (land and houses), which is purchased after January 1st, 2016, should be subject to income tax at a maximum rate of 45%, The tax rate can be gradually reduced to 15% if holding period is more than 10 years. For non-tax resident, the capital gains should be taxed at 45% (reduced to 35% if holding more than 1 year).

2.
Corporate Tax

Profit-Seeking Enterprise Income Tax

The minimum taxable income and the tax rate are as follows (applicable to fiscal years starting on or after January 1st 2018):

- If total taxable income is NTD 120,000 or less, the profit-seeking enterprise is exempt from income tax.
- If total taxable income is more than NTD120,000, the income tax rate shall be 20%. The income tax payable shall not exceed one half of the portion of taxable income more than NTD 120,000.

2.
Corporate Tax (cont.)

Surtax

5% Surtax is imposed on profits generated in fiscal years starting on or after January 1st 2018 and not distributed in the next year.

Starting from January 1st, 2019, due to the abolishment of the "Two-Tax-In-One" rule, Surtax paid by an enterprise can no longer be claimed as tax credit against withholding tax on dividend/earnings repatriated by the enterprise to its foreign owners.

Alternative Minimum Tax

A profit-seeking enterprise is subject to alternative minimum tax (AMT), provided that:

- It has a fixed place of business or business agent in Taiwan;
- It earns specific tax-exempt income or enjoys specific tax exemption incentives;
- Its adjusted taxable income (basic income) is more than NTD500,000;
- Its AMT (the portion of basic income over NTD 500,000 multiplied by 12%) is more than its profit-seeking enterprise income tax (general income tax);
- The AMT in excess of the general income tax should be paid.

3.
Withholding tax rate (non-treaty)

Income	Resident		Non-resident Individual/ Corporation
	Individual	Corporation	
Dividends	N/A	N/A	21%
Interest	10%	10% (corporation other than banks)	20%
Royalties/know-how	10%	N/A (if GUI issued)	20%
Rents (for moveable property)	10%	N/A (if GUI issued)	20%
Management fees	10%	N/A (if GUI issued)	20%
Technical fees	10%	N/A (if GUI issued)	20%
Directors' fees	5%	N/A (if GUI issued)	Individual: 18% Corporation: 20%"

Note: GUI means "Government Uniform Invoice", which is the standard local invoice designed, printed, and controlled by tax authority.

For a resident company, dividends received from other resident companies are exempted from corporate income tax. For a resident individual, dividends received from resident companies should be taxed in one of the following ways:

- Included in individual's consolidated income and subject to progressive tax rate ranging from 5% to 40% with tax credit equivalent to 8.5% of dividend income capped at NTD80,000; or
- Separately subject to a flat tax rate at 28%

4.
Test or Basis of tax residence

Corporate residence

A profit-seeking enterprise resides in Taiwan if its head quarter is located in Taiwan. In 2016, the tax authority introduced the "place of effective management" ("PEM") regime in the income tax law. A foreign enterprise with its PEM in Taiwan will be treated as a Taiwan resident enterprise and subject to income tax liability and all compliance duties as a Taiwanese enterprise. However, the PEM rule will become officially effective only if the specific conditions can be fulfilled.

Individual residence

An individual is considered a Taiwan tax resident if one of the following conditions is met:

- The individual has domicile (house registration) in Taiwan, and either stays in Taiwan for 31 days or more in a calendar year or has vital life/economic interests in Taiwan.
- The individual does not have domicile (house registration) in Taiwan but resides in Taiwan for no less than 183 days in a calendar year.

5.
Residential individual tax rates

Consolidated Income Tax

Income tax is levied on consolidated Taiwan-source income of residential individuals. The tax rates are progressive and ranges from 5% to 40%.

Taxable Income (NTD)	Tax Rate	Progressive Deduction in Tax
0 ~ 540,000	5%	0
540,001 ~ 1,210,000	12%	37,800
1,210,001 ~ 2,420,000	20%	134,600
2,420,001 ~ 4,530,000	30%	376,600
4,530,001 ~	40%	829,600

A resident individual is granted a personal exemption of NTD 80,000 and may claim either a standard personal deduction (NTD 120,000) or itemized deductions. Special deductions may also be claimed for salary income (NTD200,000), interest income (NTD270,000), capital loss, etc.

Alternative Minimum Tax

A resident individual is subject to alternative minimum tax (AMT) at a rate of 20%, provided that:

- He/she earns non-Taiwan source income, receives specific insurance payment, earns income on transaction of specific securities, or claims deduction for non-cash donation;
- AMT ((basic income minus NTD6,700,000, then multiplied by 20%) is more than consolidated income tax (general income tax);
- The AMT in excess of the general income tax should be paid additionally.

Parallel to the CFC regime applying to profit-seeking enterprise, the same rule has been introduced in the AMT law for individual taxation. CFCs' profits will be included in the calculation of basic income and AMT liability of the resident individual based on his/her shareholding percentage in the CFCs. However, the CFC rule will become officially effective only if the specific conditions can be fulfilled.

6. Non-residential individual tax rates	Income tax is levied on Taiwan-source income of non-residential individuals. The tax should be withheld upon payment of income (not on consolidated basis). Wages and salaries are subject to withholding tax at a rate of 18%. Commissions, bank interests, royalties, fees for professional services, rents, and prizes are subject to withholding tax at 20%. Dividend is subject to a 21% withholding tax (increased from 20%) starting from January 1st 2018. Preferential withholding tax rate could be available under tax treaty. Except for wages and salaries, income tax return needs not be filed with tax authority unless specifically requested.
7. Goods and Services tax	Enterprises have to register with tax authority before doing business, which is regulated by the Value-Added and Non-Value-Added Business Tax Act ("BT Act"). For enterprises completing taxation registration, business tax is imposed in two different regimes: **Value-Added Tax (VAT)** VAT is levied on 1) sale of goods in Taiwan, 2) provision of services in Taiwan, and 3) good imported into Taiwan. VAT paid on purchase (Input VAT) should offset against VAT collected from clients/customers (Output VAT). Any excess of Output VAT should be paid to tax authority. Any excess of Input VAT should be carried forward (or claimed for tax refund under specific conditions). The VAT collection rate is currently 5%. 0% rate may apply to exports, export-related services, goods sold to tax-free zone, etc. VAT exemption is only applicable to specific business activities listed out in the BT Act. **Non-Value-Added Tax (ST)** Financial institutions (e.g. bank, insurance company, security trading company), enterprises doing specific business (e.g. provision of special food/beverage services, wholesales of agricultural products), and micro enterprises are subject to ST. ST is based on gross sales amount and the tax rate ranges from 0.1% to 25%. **E-Commerce** Effective from May 1st 2017, foreign suppliers (enterprise, institution, organization) which render "e-commerce" services to Taiwanese individuals are requested to make taxation registration, file bimonthly VAT return and pay VAT if the annual e-commerce service revenue is over NTD 480,000. Input VAT can be claimed as credit against Output VAT if adequate documents are provided. The compliance obligations should be done by the suppliers or its tax-filing agent in Taiwan. The e-commerce service should also be subject to profit seeking enterprise income tax in Taiwan The term "e-commerce" means services provided through internet or other electronic methods, which could be downloaded/stored onto computers/mobile devices, used online without download/storage, or involves a physical place of consumption located in Taiwan (e.g., accommodation and car rental services).

8.
Estate duty

Estate and gift tax is levied on worldwide assets of Taiwanese-domiciled individuals. The same tax is levied only on assets located in Taiwan for non-Taiwanese-domiciled individuals. Taxable asset (the value of gross estate or gift less exemptions and deductions) shall be taxed at progressive tax rates ranging from 10%~20%.

9.
Stamp duty

The following documents drawn up in Taiwan should be subject to stamp tax:

Documents	Tax Rate / Tax
Monetary receipts	0.4% of cash received (0.1% of money deposited by bidders as deposit of bid bonds)
Contracting agreements	0.1% of contract price
Contracts for sale, transfer, or partition of real estate	0.1% of contract price
Contracts for sale of movable property	NTD 4 per contract

10.
Property tax

Land Value Tax

Land value tax is imposed on urban land and rural land which is not assigned a land value. The tax is levied at progressive rates (from 1% to 5.5%) based on land value published by government. Preferential tax rate at 0.2% may apply to self-use residential land under conditions.

House Tax

House tax is levied on houses attached to land and on such other buildings which enhance the utility value of those houses. The tax basis is the current value of houses published by government. Houses used for residency are subject to tax rates from 1.2% to 3.6%. Houses used for business are subject to tax rates from 3% to 5%. For houses used by NPO, the rates vary from 1.5% to 2.5%.

11.
Income tax filing deadlines

Types of Form	Tax Payer	Deadlines
Simple return Ordinary return	Residential individual	May 31st
Nil	Non-residential individual	Tax should be withheld upon payment. Tax return needs not be filed.
Ordinary return Blue return*	Companies	May 31st (or the last date in the fifth month after fiscal year end)
Ordinary return Blue return*	Partnerships	May 31st (or the last date in the fifth month after fiscal year end

*Only qualified enterprises can use "blue return" after obtaining tax authority's approval.

12. Double Tax Agreements

Certain payments by resident in Taiwan to non-residents are subject to domestic withholding tax rates. The rates of taxes may be reduced under the terms of a double tax agreements with a treaty country. As for December 31st, 2020, Taiwan has signed double tax agreements with 33 countries as listed below.

Country	Dividend %	Interest (%)	Royalties %
Non-treaty Countries	21	15/20	20
Australia	10/15	10	12.5
Austria	10	10	10
Belgium	10	10	10
Canada	10/15	10	10
Czech Republic	10	10	5/10
Denmark	10	10	10
France	10	10	10
Gambia	10	10	10
Germany	10	10/15	10
Hungary	10	10	10
India	12.5	10	10
Indonesia	10	10	10
Israel	10	7/10	10
Italy	10	10	10
Japan	10	10	10
Kiribati	10	10	10
Luxembourg	10/15	10/15	10
Macedonia	10	10	10
Malaysia	12.5	10	10
New Zealand	15	10	10
Netherlands	10	10	10
Paraguay	5	10	10
Poland	10	10	3/9
Senegal	10	15	12.5
Singapore	40*	Nil	15
Slovakia	10	10	5/10
South Africa	5/15	10	10
Swaziland	10	10	10
Sweden	10	10	10
Switzerland	10/15	10	10
Thailand	5/10	10/15	10
UK	10	10	10
Vietnam	15	10	15

* The withholding tax so charged shall not exceed an amount which together with the corporate income tax payable on the profits of the Taiwanese company paying the dividends constitutes 40 per cent of that part of the taxable income out of which the dividends are declared. The term "corporate income tax payable" shall be deemed to include the corporate income tax which would have been paid but for the reduction or exemption under the laws designed to promote economic development.

12. Double Tax Agreements (cont.)	Taiwan has implemented the OECD Common Reporting Standard (CRS) since January 1, 2019. Reporting financial institutions need to obtain information on nonresident account and report to Taiwan tax authorities. The Taiwan tax authorities will exchange the information with the tax authorities of reportable jurisdictions where the account holder is resided. The Ministry of Finance has been communicating with the countries that Taiwan has signed double tax agreement with and announces annually a list of reportable jurisdictions that agree with automatic information exchange with Taiwan. For 2021, the reportable jurisdictions shall include Japan, Australia, and the U.K.

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