



KPMG's Individual Income Tax and Social Security Rate Survey 2009

TAX

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KPMG's Individual Income Tax and Social Security Rate Survey: Commentary

There are many surveys that provide a snapshot of taxes on personal incomes around the world for the current year. But very few look at how taxes have changed over a period of time, with the aim of drawing conclusions on how people are taxed in different parts of the world, and how different governments approach the difficult task of raising funds for necessary public services without losing the support of their citizens.

Commentary

Welcome to the 2009 edition of KPMG's Individual Income Tax and Social Security Rate Survey.* This is the second year that our International Executive Services (IES) practice has produced this resource, reporting on global movements in personal taxes. Drawing on our global network of professionals from KPMG international member firms around the world, IES has compiled personal income tax and social security rates from 86 countries for each of the past seven years.

For ease of comparison, we have again concentrated on the highest rates of personal income tax payable to central governments in each country. This year, however, as the new survey title suggests, we have extended our review to include a greater look at social security—often a forgotten item when considering taxes.

With respect to personal income tax rates, the picture that emerges is similar and consistent with that reported in 2008. We have seen a slow global decline in top personal income tax rates with the average rate dropping another 0.3 percent this year. While rates have remained static in most locations, several countries in Europe and Asia-Pacific have seen significant movement.

The highest personal income taxes in the world are still paid by citizens of the European Union (EU). But the downward trend persists, fuelled in most recent years by the Eastern European countries, with average rates falling from 41.1 percent in 2003 to 36 percent in 2009.

The introduction of flat rate taxes continues to be a key contributing factor and the momentum, first created by Estonia back in 1994, has yet to falter. Bulgaria, with a 10 percent flat rate introduced last year, still has the lowest personal tax rate within the EU but others are on the move. Lithuania has seen the biggest rate change dropping a remarkable 18 percent over the past three years including a 9 point drop to 15 percent in 2009. Latvia, a long-standing stable member of the flat rate tax community, has also seen rates fall from 25 percent in 2008 to 23 percent in 2009. Poland as well takes a step closer to the flat rate tax methodology by implementing a two bracket approach in 2009 with the top rate falling from 40 percent to 32 percent this year.

In Western Europe, aside from Finland where the steady year-to-year drop in the national rate continues, we did not see any further cuts in 2009. Ireland actually reversed the trend by introducing an income levy that progressively hits high income earners. The impact of the levy increases the Irish top rate from 41 percent in 2008 to 46 percent in 2009—the highest rate increase seen globally this year.

After the Europeans, the next highest taxes are paid by the people of the Asia-Pacific region but the margin is spreading. Average rates in Asia-Pacific have declined from 36.1 percent in 2003 to 33.9 percent in 2009 with a 0.7 percent drop in 2009.

This decrease is driven by some of the smaller countries in the region as larger countries such as China, India, and

Japan have not seen any rate changes over the past seven years. Vietnam and Indonesia led the 2009 moves with each dropping their top rate by 5 percent to 35 percent and 30 percent, respectively. The Malaysian top rate fell from 28 percent, where it has been for the past six years, to 27 percent. New Zealand likewise fell by 1 percent in 2009 to a 38 percent rate. Rate competition in the region continues to be led by Hong Kong and Singapore. With Hong Kong dropping its top rate to 15 percent last fiscal year, it confirms its place as the lowest tax rate location in the region.

Turning to Latin America, personal income taxes in this region remain relatively low and stable. In fact, there were no changes in tax rates from 2008 to 2009. The introduction of income tax in Paraguay and Uruguay in 2007 increased the average tax rate to 26 percent for the region, but this masks historic downward trends elsewhere. Mexico, Colombia, and Panama in particular have all seen rate drops over the past seven years.

In terms of the highest income tax rates in the world, these are still charged to the people of Denmark. With the formerly separate social security piece rolled into income tax, the Danes have a top rate of 62.3 percent in 2009. For the Asia-Pacific region, the top rate at 50 percent belongs to Japan. For the Latin America region, the top rate at 40 percent goes to Chile.

A country's highest personal income tax rate is only one indicator of what individuals will pay on their income. Just as influential are which other

* The information contained in this survey was gathered from KPMG member firm professionals from March to May 2009.

taxes may apply and on which income thresholds are those tax rates charged. Our analysis comparing both effective income tax and social security rates on 100,000 USD and 300,000 USD of gross income emphasizes this point. While Denmark is clearly at the higher end of each scenario, it does not actually have the top rate. On the 100,000 USD basis for example, Slovenia, Croatia and Hungary all have higher combined effective rates ranging from 48.1 to 54.9 percent. The primary difference here is social security, which begs the question, is social security another tax?

This is difficult to answer as it depends on who you are and what you mean by social security. Social security components can vary significantly by country, employer, and employee type. For ease of comparison across countries, we have restricted our review to recognized core contribution requirements for employees earning gross income of 100,000 USD and 300,000 USD. We have included both the employee and employer contributions for completeness. The results show France has the highest combined rate at approximately 60 percent under either scenario, followed by Belgium at 47 percent, and then Hungary and Italy both in the lower 40 percent range. While these rates may seem exceptionally high, about one-third of the countries within this review had effective rates of 20 percent or more. Although European countries dominate the list, included are Latin American countries like Costa Rica at over 30 percent and Argentina at over 25 percent. Whether social

security is a true tax may be debated, but in terms of cost, it can be material and should not be forgotten.

We extended the social security review to address whether highly compensated individuals can expect a return on their contributions. Our analysis simply compared current benefit payouts versus current annual contributions. Looking at the situation today and considering that several decades of contributions are generally required to achieve full payout, our study suggests minimal return on investment can be expected. In the Netherlands, for example, the annual 2009 employee and employer contributions almost double the expected current year payout, never mind the 40 years of required contributions to achieve this payout.

While through this survey we wish to raise the profile on social security, in reality, its complexities go well beyond any straightforward return on investment review. For those high income earners who stay healthy and work until full retirement, social security could be viewed as just another tax. But for the rest of the population, many of whom will rely on the support of their country's social security system at some point, the coverage offers much-needed assistance. Given ageing populations and today's poor economic climate, these support schemes are more important now than ever before. With current and future increased demands on the social security infrastructures of the countries surveyed here, we expect further stress on many already fragile systems.

In these turbulent times, considering the numerous government bailouts and increasing public deficits, we also anticipate upward pressure on personal income tax rates. While the trend has been a general decline in rates over the past seven years, there are some preliminary indicators that a reversal may be on the way. In 2009, as mentioned above, Ireland introduced the income levy where higher rates are charged at income levels over 250,120 EUR. In 2010, the UK budget is slated to raise the top personal income tax rate to 50 percent on income levels over 150,000 GBP. In the United States, where the top federal rate has historically kicked in at relatively high levels of income, there is also speculation of increasing the top rates.

While perhaps popular in certain opinion polls, this would be a reversal of previous trends and may present new pitfalls. Should high income earners spend less on goods and services due to reduced income, this would have a negative impact on the collection of indirect taxes on the corporate side. High income earners also have more choice in mobility where both the past and present confirm countries are still eager to attract such individuals via a competitive personal tax rate market.

Rosheen Garnon
Global Chair
International Executive Services
KPMG in Australia

Highest Rates of Personal Income Tax

OECD	European Union	Asia-Pacific	Latin American	Country	2003	2004	2005	2006	2007	2008	2009
			■	Argentina	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
				Armenia	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
■		■		Australia	47.0%	47.0%	47.0%	47.0%	45.0%	45.0%	45.0%
■	■			Austria	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
				Bahamas	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
				Bahrain	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
■	■			Belgium	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
				Bermuda	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
			■	Brazil	27.5%	27.5%	27.5%	27.5%	27.5%	27.5%	27.5%
	■			Bulgaria	29.0%	29.0%	24.0%	24.0%	24.0%	10.0%	10.0%
■				Canada	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%
			■	Cayman Islands	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
			■	Chile	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
		■		China	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%
			■	Colombia	35.0%	35.0%	38.5%	38.5%	34.0%	33.0%	33.0%
			■	Costa Rica	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
				Croatia	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%
	■			Cyprus	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
■	■			Czech Republic	32.0%	32.0%	32.0%	32.0%	32.0%	15.0%	15.0%
■	■			Denmark	59.0%	59.0%	59.0%	59.0%	59.0%	62.3%	62.3%
			■	Ecuador	25.0%	25.0%	25.0%	25.0%	25.0%	35.0%	35.0%
				Egypt	34.0%	34.0%	34.0%	20.0%	20.0%	20.0%	20.0%
	■			Estonia	26.0%	26.0%	24.0%	23.0%	22.0%	21.0%	21.0%
■	■			Finland	35.0%	34.0%	33.5%	32.5%	32.0%	31.5%	30.5%
■	■			France	48.1%	48.1%	48.1%	40.0%	40.0%	40.0%	40.0%
■	■			Germany	48.5%	45.0%	42.0%	42.0%	45.0%	45.0%	45.0%
				Gibraltar	45.0%	45.0%	45.0%	42.0%	40.0%	40.0%	40.0%
■	■			Greece	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
				Guatemala	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%
				Guernsey	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
		■		Hong Kong	15.5%	16.0%	16.0%	16.0%	16.0%	15.0%	15.0%
■	■			Hungary	40.0%	38.0%	38.0%	36.0%	36.0%	36.0%	36.0%
■				Iceland	25.8%	25.8%	24.8%	36.7%	35.7%	35.7%	37.2%
		■		India	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
		■		Indonesia	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	30.0%
■	■			Ireland	42.0%	42.0%	42.0%	42.0%	41.0%	41.0%	46.0%
				Isle Of Man	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%
				Israel	50.0%	49.0%	49.0%	49.0%	48.0%	47.0%	46.0%
■	■			Italy	45.0%	45.0%	43.0%	43.0%	43.0%	43.0%	43.0%
			■	Jamaica	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
■		■		Japan	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
				Jersey	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
				Kazakhstan	30.0%	20.0%	20.0%	20.0%	10.0%	10.0%	10.0%
■		■		Korea (South)	36.0%	36.0%	35.0%	35.0%	35.0%	35.0%	35.0%
				Kuwait	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

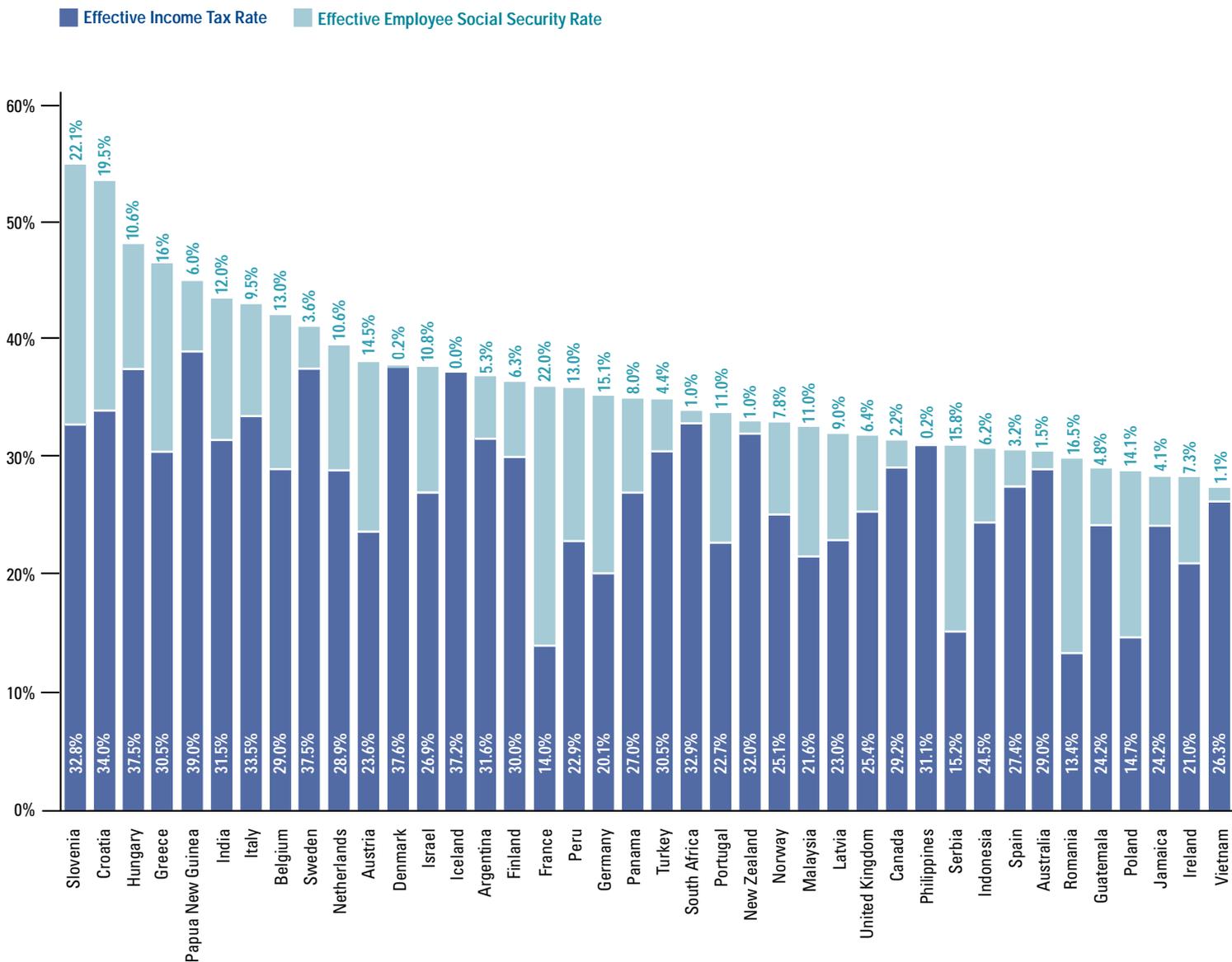
OECD	European Union	Asia-Pacific	Latin American	Country	2003	2004	2005	2006	2007	2008	2009
	■			Latvia	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	23.0%
	■			Lithuania	33.0%	33.0%	33.0%	33.0%	27.0%	24.0%	15.0%
■	■			Luxembourg	39.0%	39.0%	39.0%	39.0%	39.0%	39.0%	39.0%
		■		Malaysia	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	27.0%
	■			Malta	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
■			■	Mexico	34.0%	33.0%	30.0%	29.0%	28.0%	28.0%	28.0%
■	■			Netherlands	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%
■		■		New Zealand	39.0%	39.0%	39.0%	39.0%	39.0%	39.0%	38.0%
■				Norway	47.5%	47.5%	47.5%	40.0%	40.0%	40.0%	40.0%
				Oman	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		■		Pakistan	30.0%	30.0%	30.0%	30.0%	20.0%	20.0%	20.0%
			■	Panama	33.0%	33.0%	27.0%	27.0%	27.0%	27.0%	27.0%
		■		Papua New Guinea	47.0%	47.0%	47.0%	45.0%	42.0%	42.0%	42.0%
			■	Paraguay	0.0%	0.0%	0.0%	0.0%	10.0%	10.0%	10.0%
			■	Peru	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
		■		Philippines	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%
■	■			Poland	40.0%	40.0%	50.0%	40.0%	40.0%	40.0%	32.0%
■	■			Portugal	40.0%	40.0%	40.0%	42.0%	42.0%	42.0%	42.0%
				Qatar	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	■			Romania	40.0%	40.0%	16.0%	16.0%	16.0%	16.0%	16.0%
				Russia	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
				Saudi Arabia	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
				Serbia	10.0%	10.0%	10.0%	10.0%	15.0%	15.0%	15.0%
		■		Singapore	22.0%	22.0%	21.0%	20.0%	20.0%	20.0%	20.0%
■	■			Slovakia	38.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
	■			Slovenia	50.0%	50.0%	50.0%	50.0%	41.0%	41.0%	41.0%
				South Africa	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
■	■			Spain	45.0%	45.0%	45.0%	45.0%	43.0%	43.0%	43.0%
		■		Sri Lanka	30.0%	30.0%	30.0%	30.0%	35.0%	35.0%	35.0%
■	■			Sweden	57.0%	56.7%	56.8%	56.8%	56.8%	56.7%	56.7%
■				Switzerland	40.4%	40.4%	40.4%	40.4%	40.4%	40.0%	40.0%
		■		Taiwan	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
		■		Thailand	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%
■				Turkey	45.0%	40.0%	35.0%	35.0%	35.0%	35.0%	35.0%
				Ukraine	40.0%	13.0%	13.0%	13.0%	15.0%	15.0%	15.0%
				United Arab Emirates	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
■	■			United Kingdom	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
■				United States	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
			■	Uruguay	0.0%	0.0%	0.0%	0.0%	25.0%	25.0%	25.0%
			■	Venezuela	25.0%	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%
		■		Vietnam	50.0%	40.0%	40.0%	40.0%	40.0%	40.0%	35.0%
				Average	31.2%	30.4%	29.9%	29.5%	29.5%	29.2%	28.9%

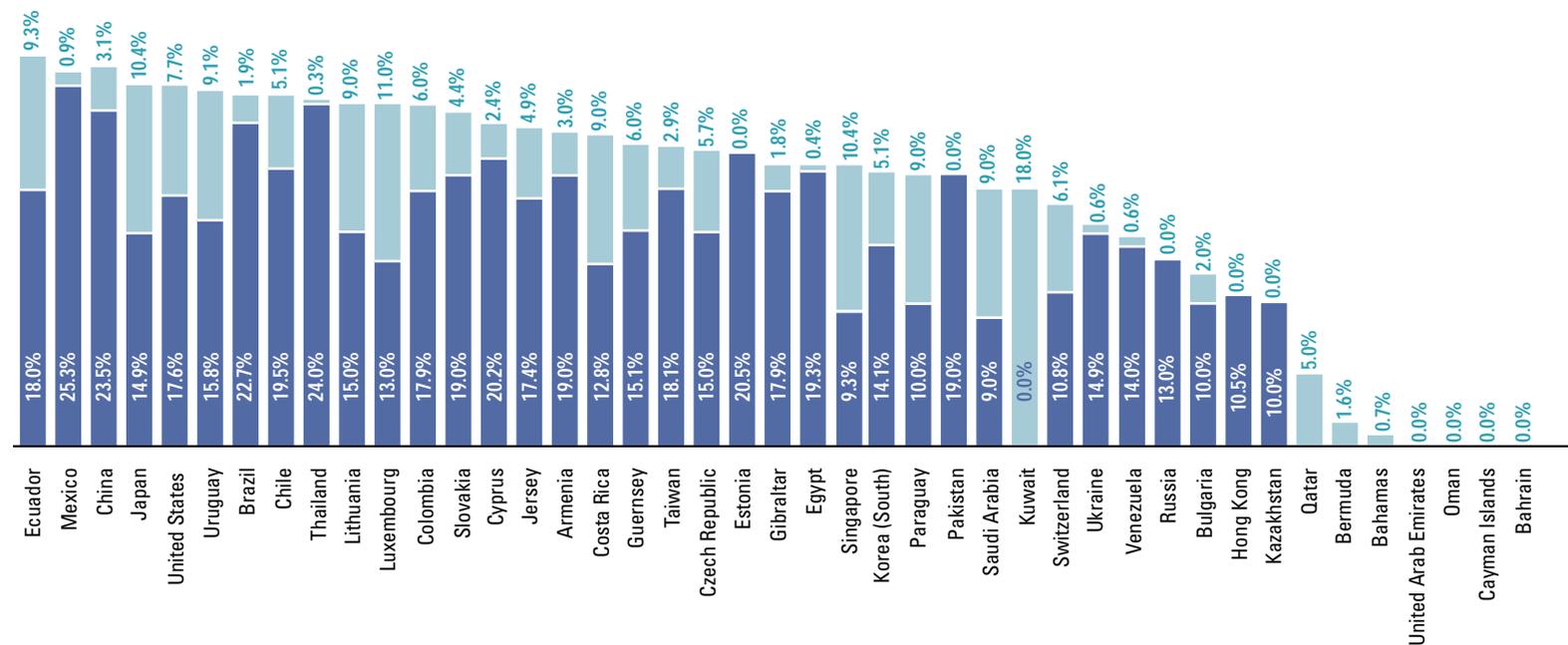
Notes:

- 0.0% = No taxes are levied.
- For countries that tax sections of income at different levels, only the top level is presented.
- All tax rates are for residents.
- With the exception of Switzerland where the figure quoted includes the Zurich cantonal and communal rate. For Canada, Finland, the United States, and other countries with similar structures, the tax rates for provinces, states, etc., are not included.
- No other taxes have been included (such as social security tax, employment tax, etc.). The exception includes Denmark and Sweden where a social security component is included.

Source: Tax rate and social security information for each country provided by the KPMG international member firm in each respective country

Effective Income Tax and Social Security Rates on 100,000 USD of Gross Income





Notes**

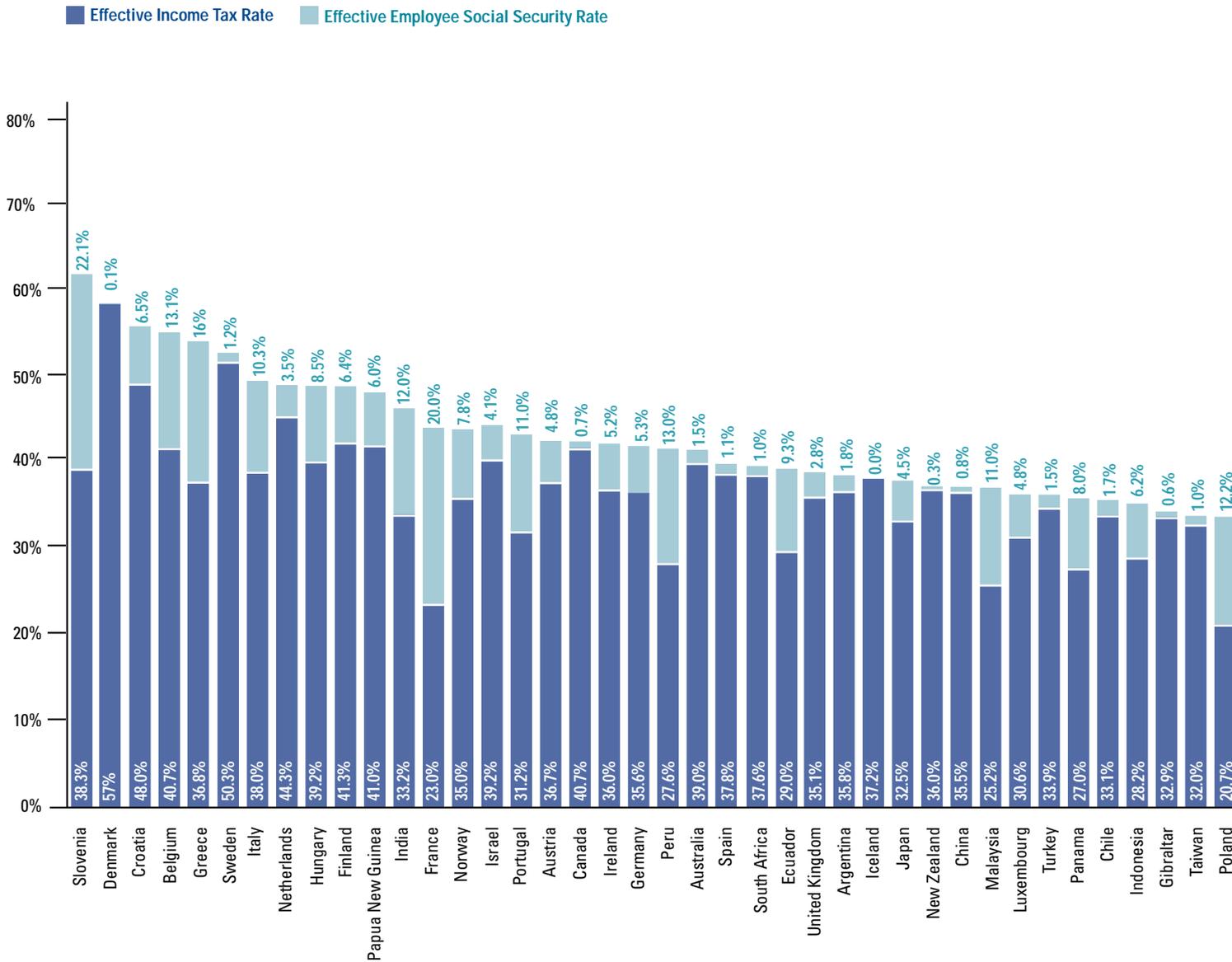
Effective rates were derived by taking total income tax and/or social security over gross income prior to any deductions (which may include social security). This allows for better comparison as deductions can vary greatly across countries.

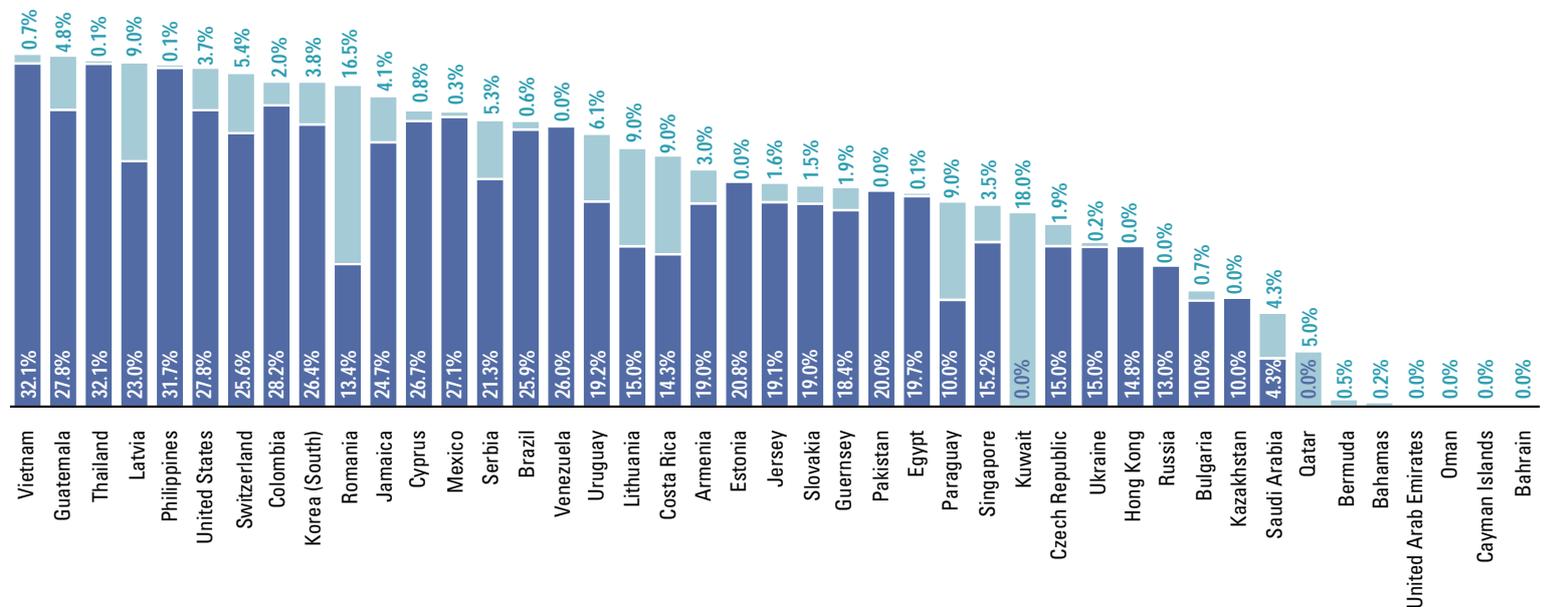
In addition to federal taxes, the U.S. calculation factors in the state of New York; the Canadian calculation factors in the province of Ontario; the Finnish calculation factors in Helsinki; and the Swiss calculation factors in Zurich canton and community.

Tax calculations assume married, no children.

Source: Tax rate and social security information for each country provided by the KPMG international member firm in each respective country

Effective Income Tax and Social Security Rates on 300,000 USD of Gross Income





Notes**

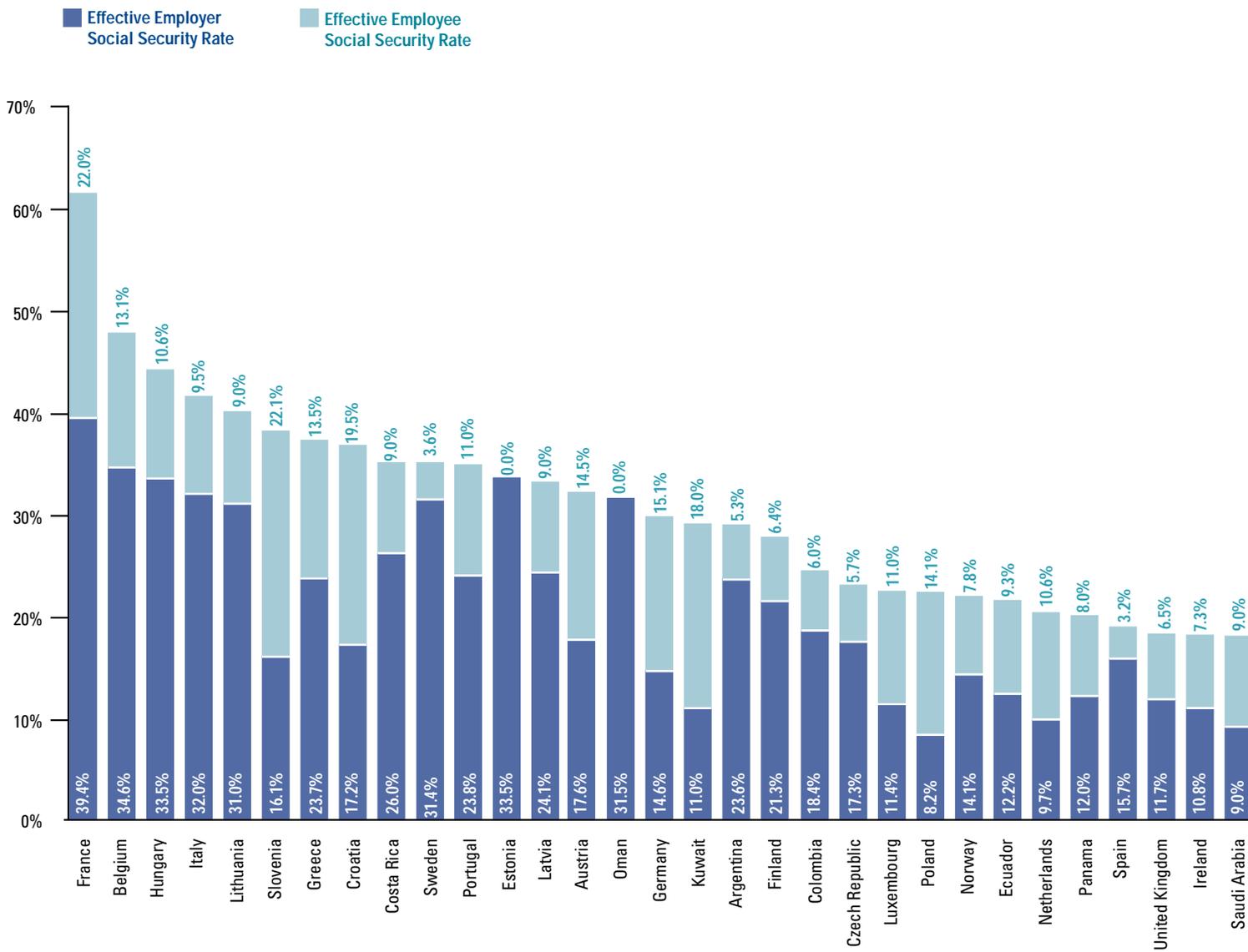
Effective rates were derived by taking total income tax and/or social security over gross income prior to any deductions (which may include social security). This allows for better comparison as deductions can vary greatly across countries.

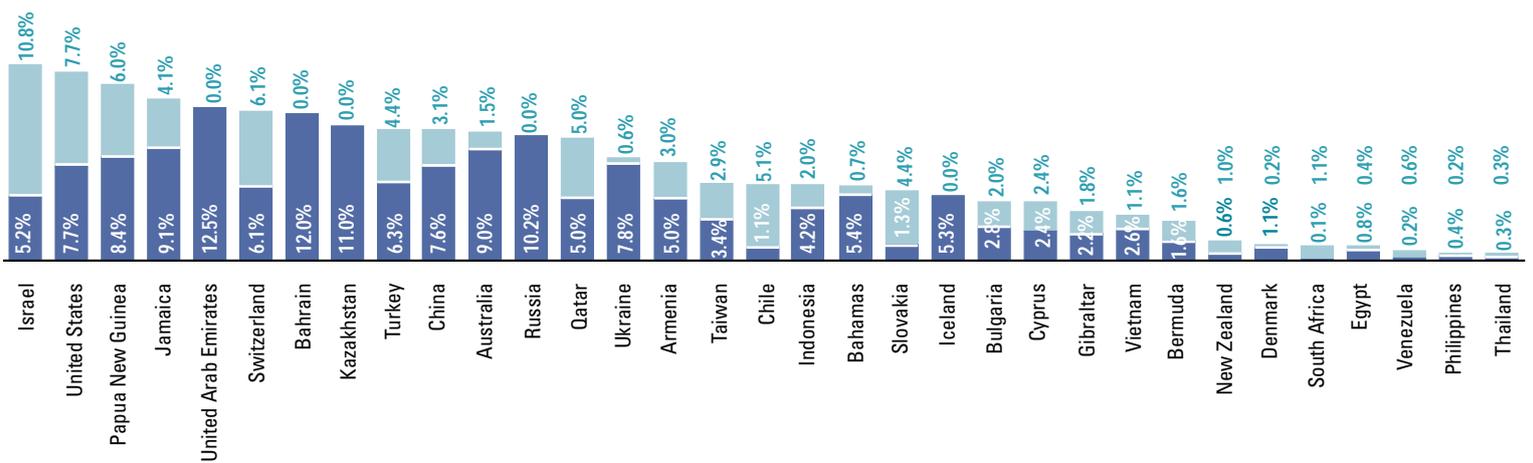
In addition to federal taxes, the U.S. calculation factors in the state of New York; the Canadian calculation factors in the province of Ontario; the Finnish calculation factors in Helsinki; and the Swiss calculation factors in Zurich canton and community.

Tax calculations assume married, no children.

Source: Tax rate and social security information for each country provided by the KPMG international member firm in each respective country

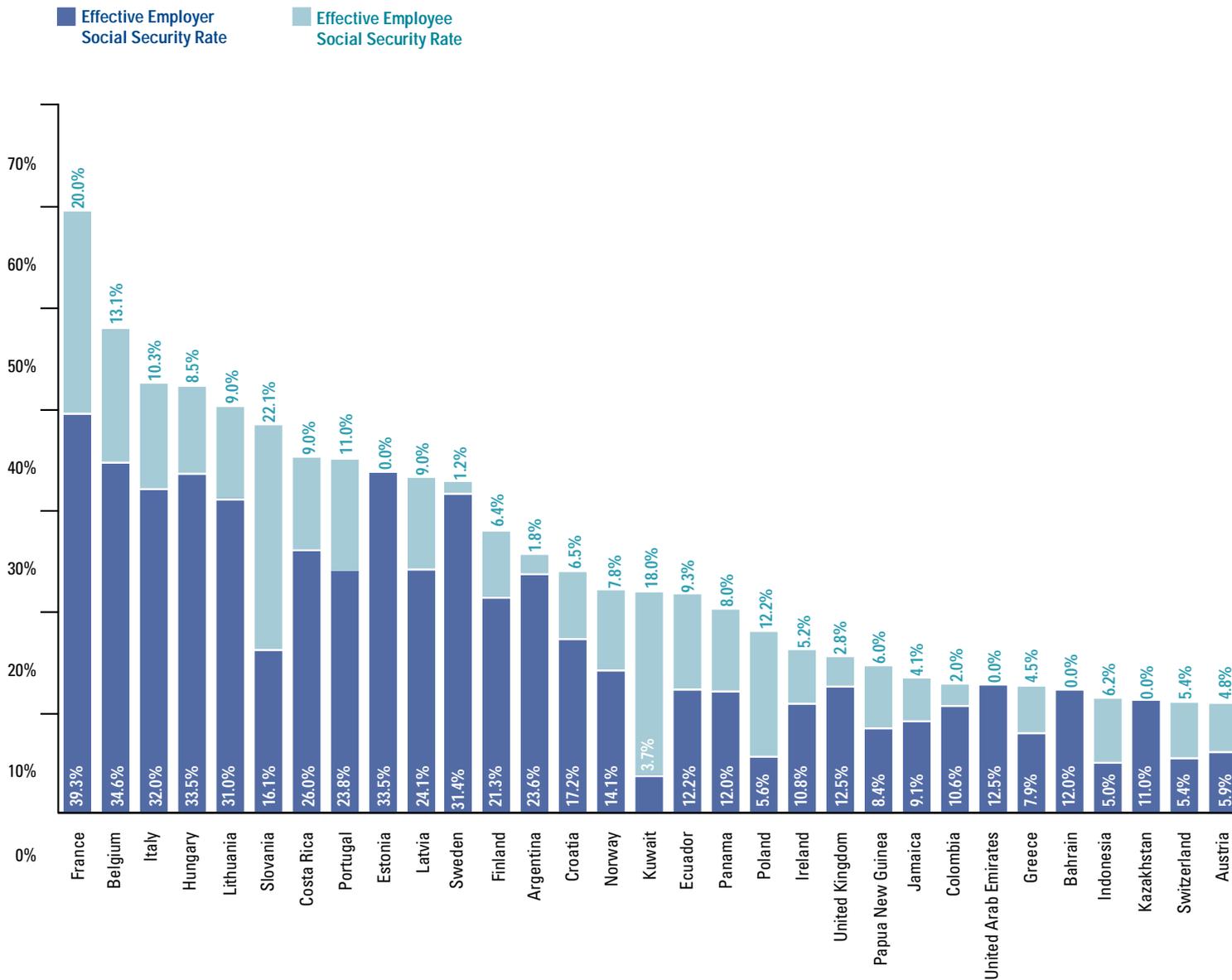
Effective Employer and Employee Social Security Rates on 100,000 USD of Income

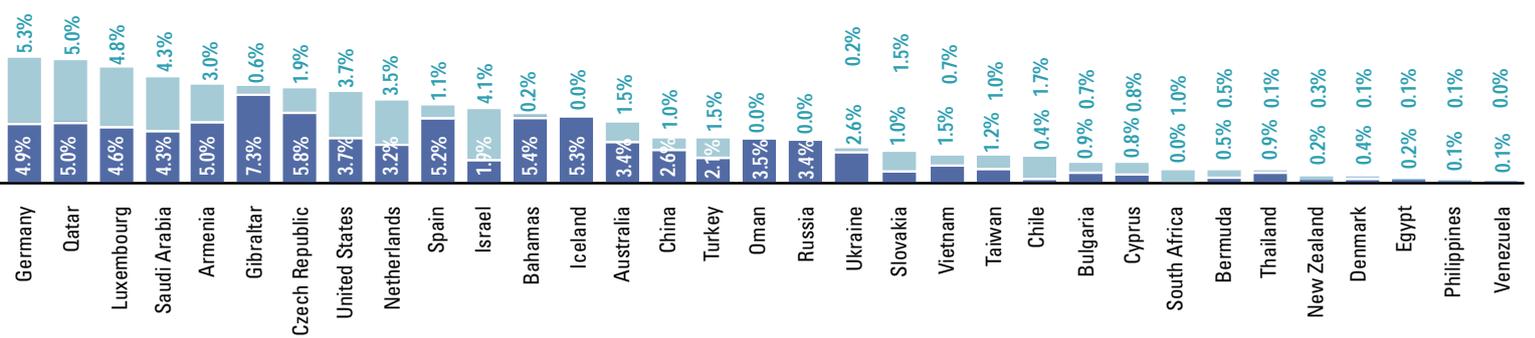




Source: Tax rate and social security information for each country provided by the KPMG international member firm in each respective country

Effective Employer and Employee Social Security Rates on 300,000 USD of Income



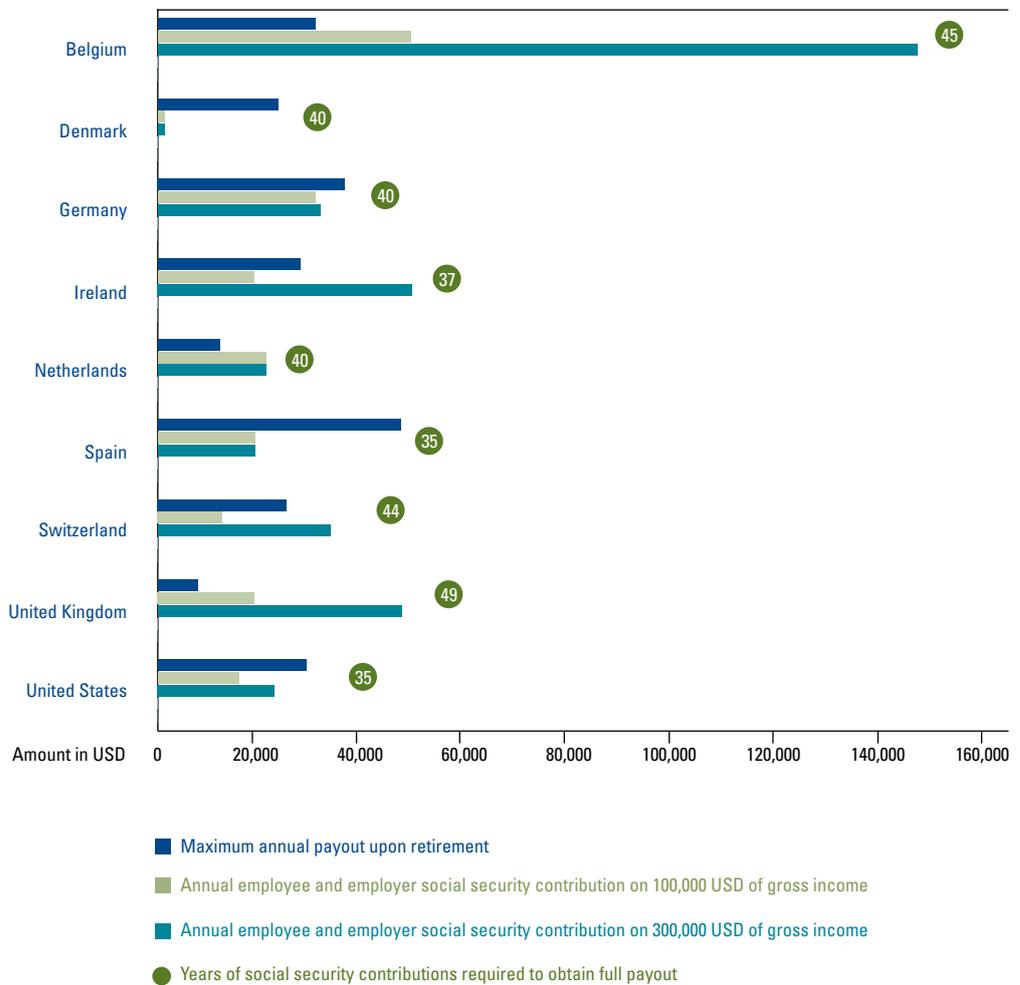


Source: Tax rate and social security information for each country provided by the KPMG international member firm in each respective country

Social Security Payout Upon Retirement vs. Annual Contributions

In terms of extremes, Belgium seems to provide the lowest and Spain the highest return. In Belgium, 45 years of contributions are required to obtain the maximum annual payout of less than 30,000 USD while the annual contributions for someone with gross income of 100,000 USD and 300,000 USD are relatively high at over 47,000 USD and 142,000 USD, respectively. In Spain, however, only 35 years of contributions are required to obtain the maximum annual payout of more than 45,000 USD and the annual contributions for someone with gross income of 100,000 USD and 300,000 USD are capped at a relatively low level that is less than 19,000 USD.

All annual payouts and contributions are on an assumed single taxpayer basis.

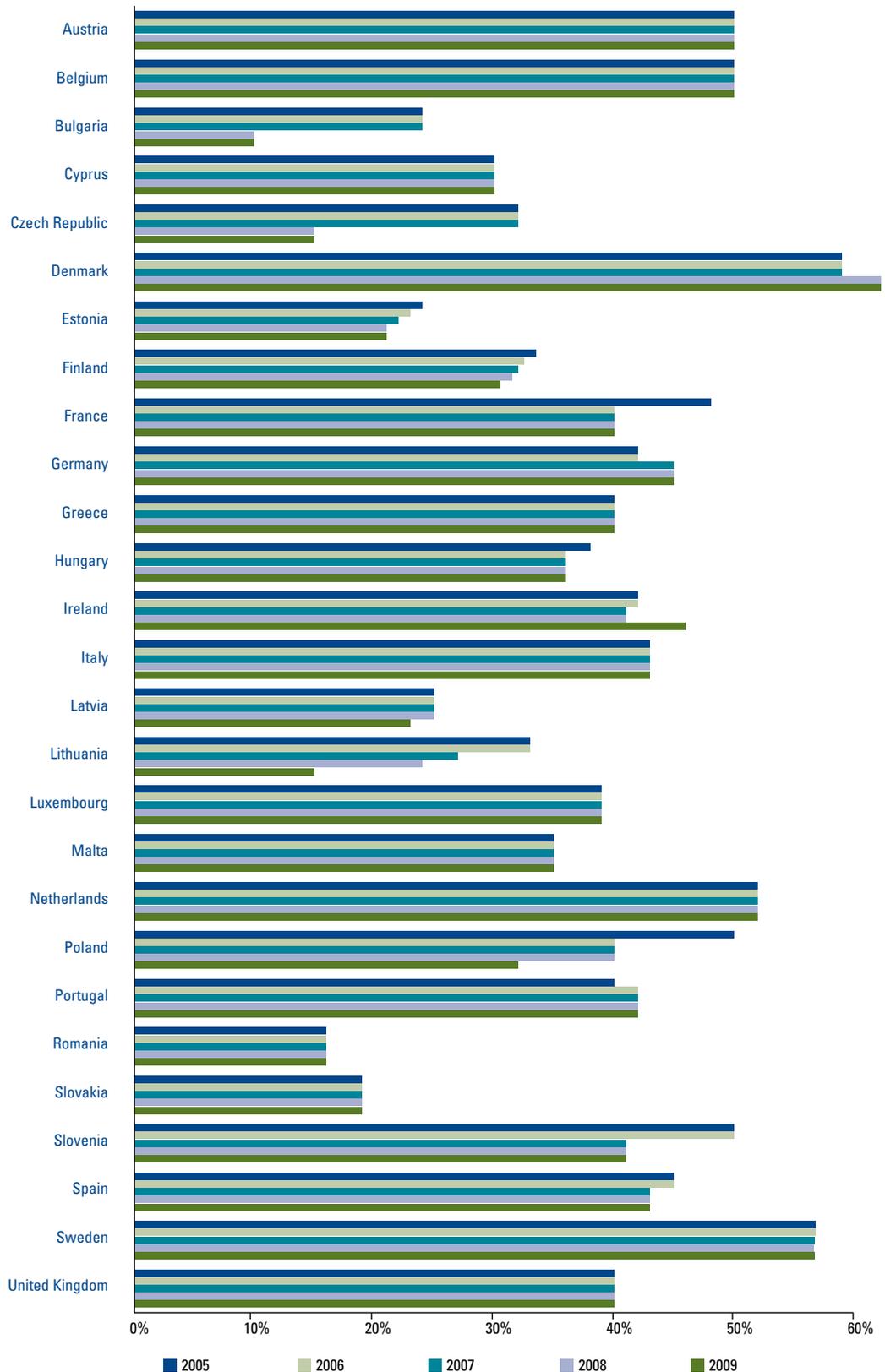


Source: Tax rate and social security information for each country provided by the KPMG international member firm in each respective country



Highest Rates of Personal Income Tax: 2005 to 2009

European Union



Notes**

The rate for Finland only includes federal tax. Municipal taxes are significant and can add an additional 16 percent to 21 percent.

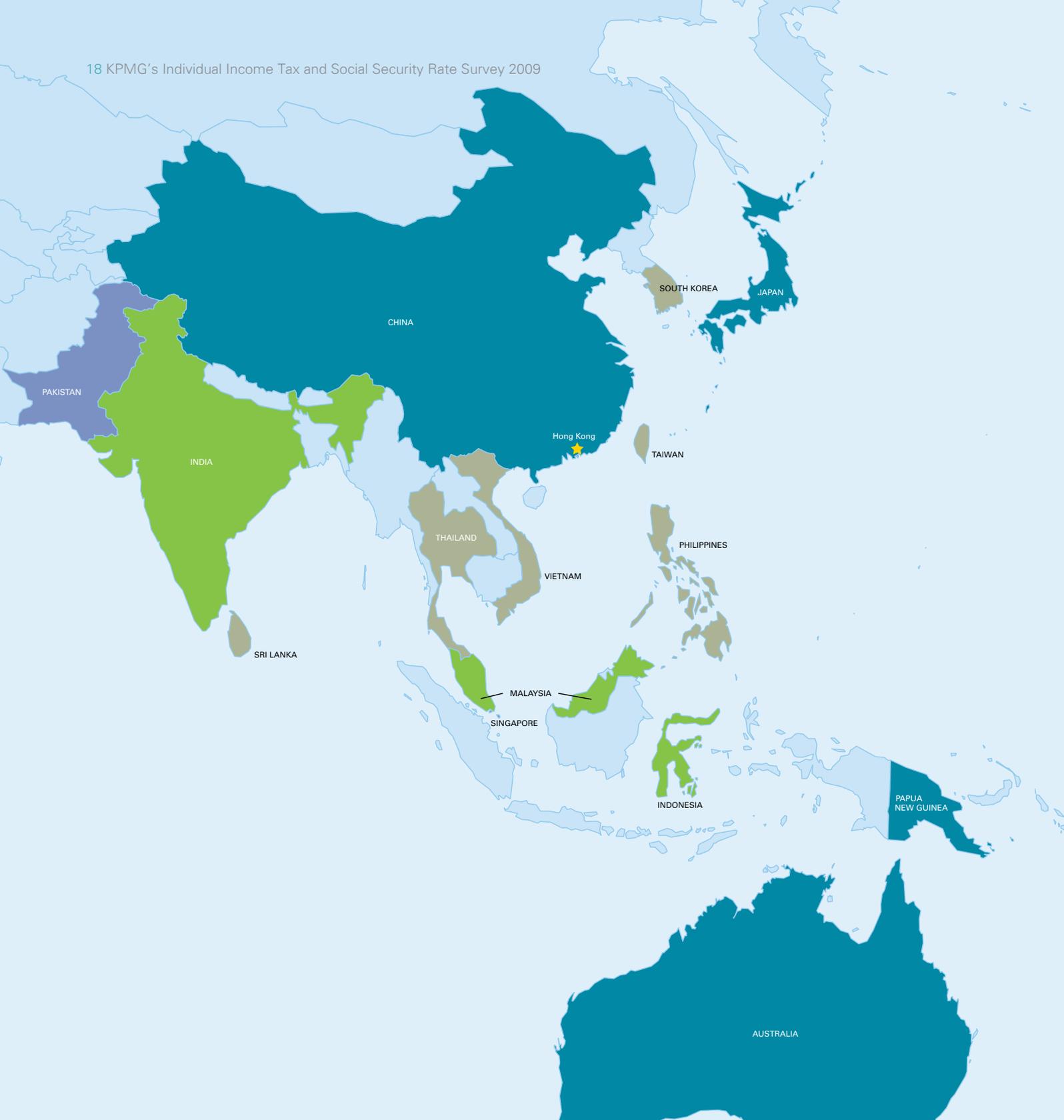
Source: Tax rate and social security information for each country provided by the KPMG international member firm in each respective country



Highest Rates of Personal Income Tax – 2009

- 1–10% Bulgaria
- 11–20% Czech Republic, Lithuania, Romania, and Slovakia
- 21–30% Cyprus, Estonia, and Latvia
- 31–40% Finland, France, Greece, Hungary, Luxembourg, Malta, Poland, and United Kingdom
- 41–50% Austria, Belgium, Germany, Ireland, Italy, Portugal, Slovenia, and Spain
- 50%+ Denmark, Netherlands, and Sweden
- ★ Flat Rate Bulgaria, Czech Republic, Estonia, Latvia, Lithuania, Romania, and Slovakia

Source: Tax rate and social security information for each country provided by the KPMG international member firm in each respective country



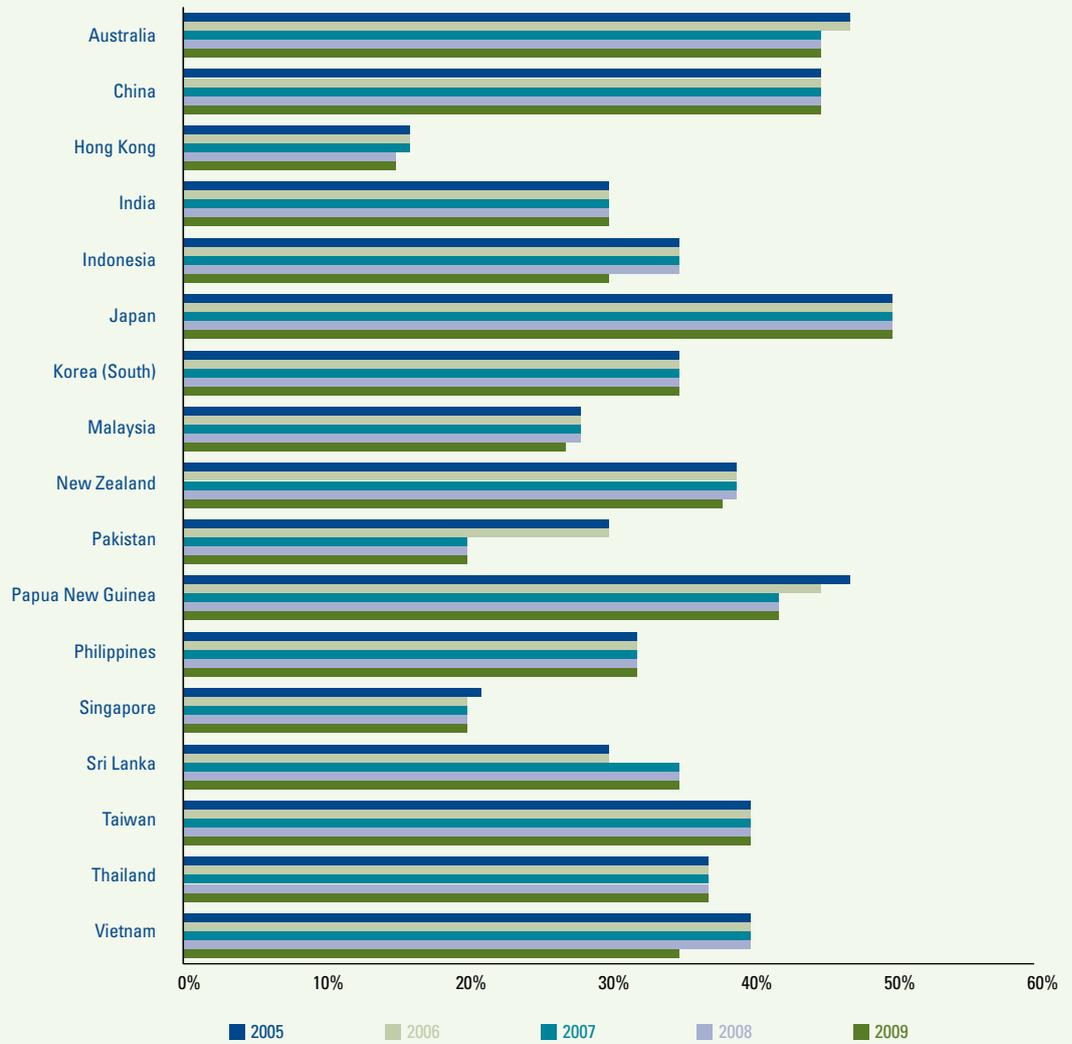
Highest Rates of Personal Income Tax – 2009

■ 1–10%	Not Applicable
■ 11–20%	Hong Kong, Pakistan, and Singapore
■ 21–30%	India, Indonesia, and Malaysia
■ 31–40%	Korea (South), New Zealand, Philippines, Sri Lanka, Taiwan, Thailand, and Vietnam
■ 41–50%	Australia, China, Japan, and Papua New Guinea
■ 50%+	Not Applicable
★ Flat Rate	Hong Kong

Source: Tax rate and social security information for each country provided by the KPMG international member firm in each respective country

Highest Rates of Personal Income Tax: 2005 to 2009

ASPAC

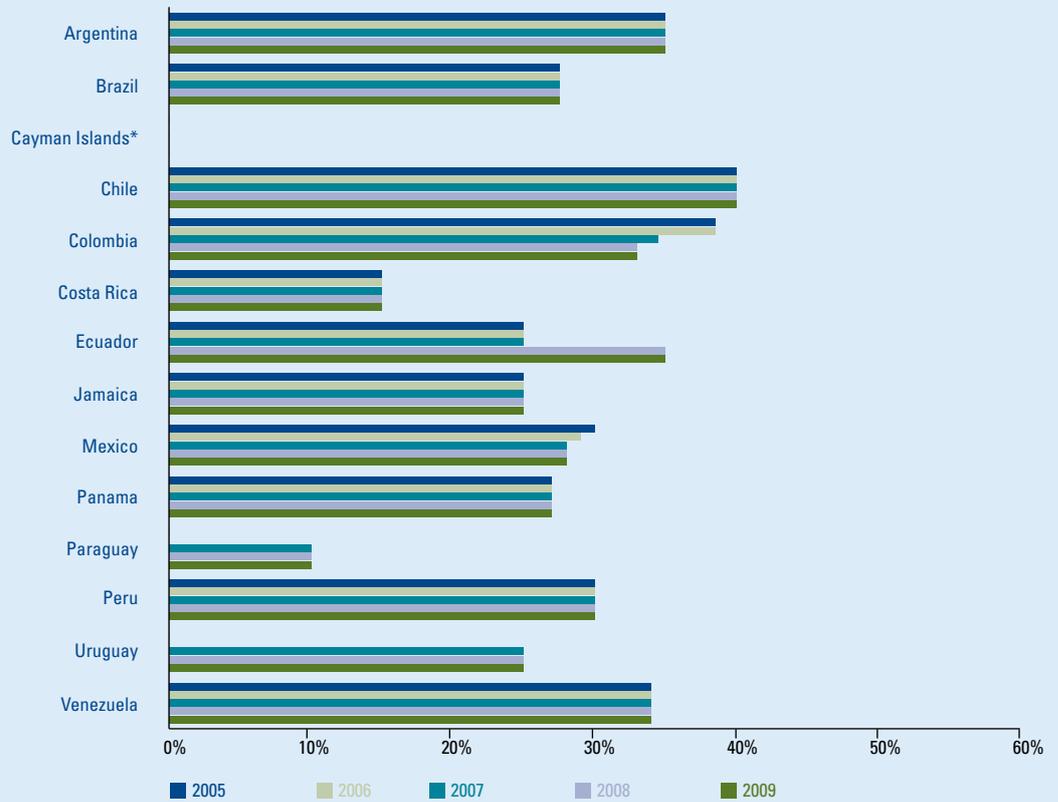


Source: Tax rate and social security information for each country provided by the KPMG international member firm in each respective country



Highest Rates of Personal Income Tax: 2005 to 2009

Latin America



Notes

*Cayman Islands intentionally left blank due to no income tax.

Source: Tax rate and social security information for each country provided by the KPMG international member firm in each respective country





Highest Rates of Personal Income Tax – 2009

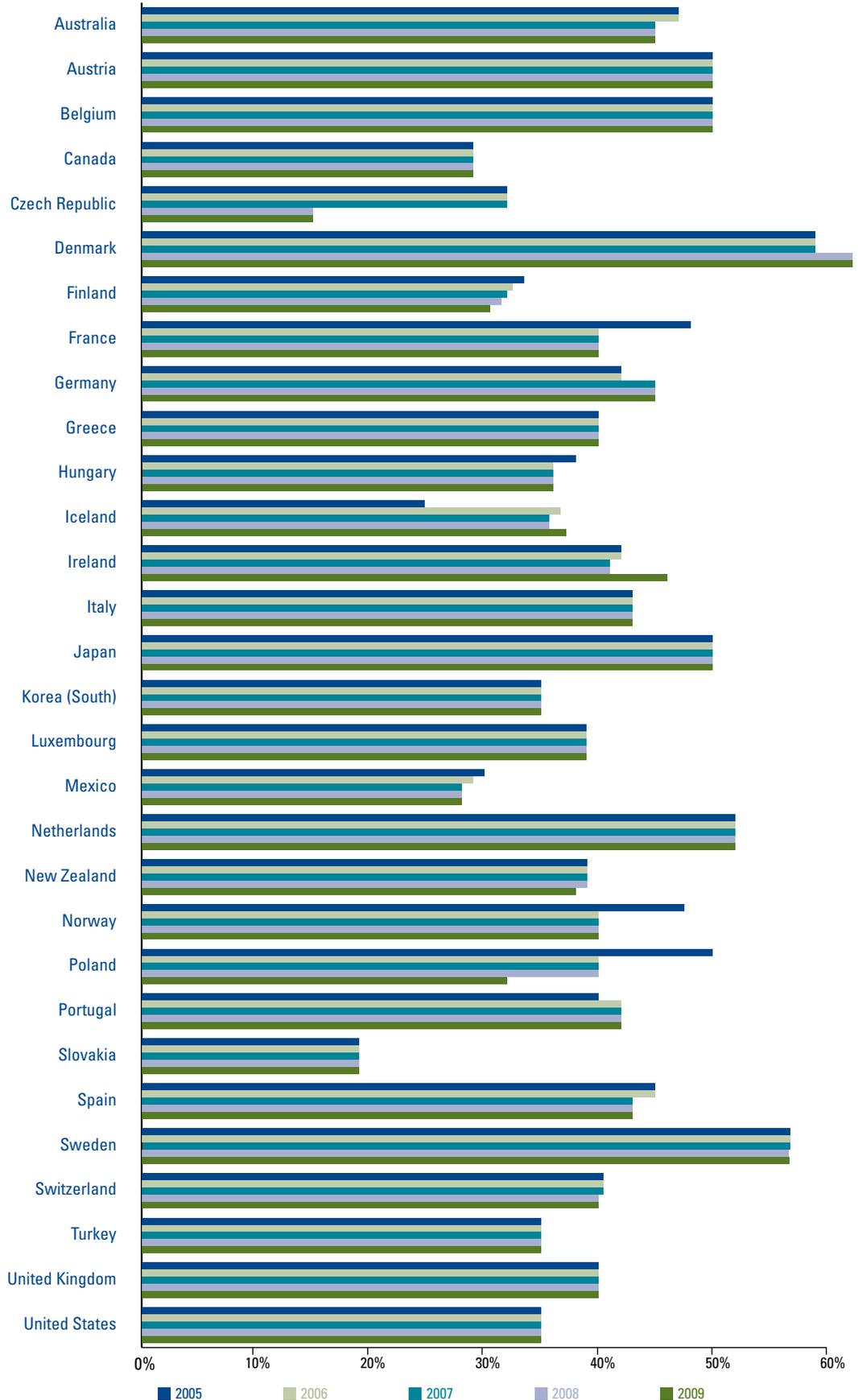
■ 1–10%	Paraguay
■ 11–20%	Costa Rica
■ 21–30%	Brazil, Jamaica, Mexico, Panama, Peru, and Uruguay
■ 31–40%	Argentina, Chile, Colombia, Ecuador, and Venezuela
■ 41–50%	Not Applicable
■ 50%+	Not Applicable
★ Flat Rate	Jamaica

Source: Tax rate and social security information for each country provided by the KPMG international member firm in each respective country



Highest Rates of Personal Income Tax: 2005 to 2009

OECD



Notes**

The rate for Canada only includes federal tax. When provincial taxes are included, the combined highest personal income tax rates vary from approximately 38 percent to over 48 percent.

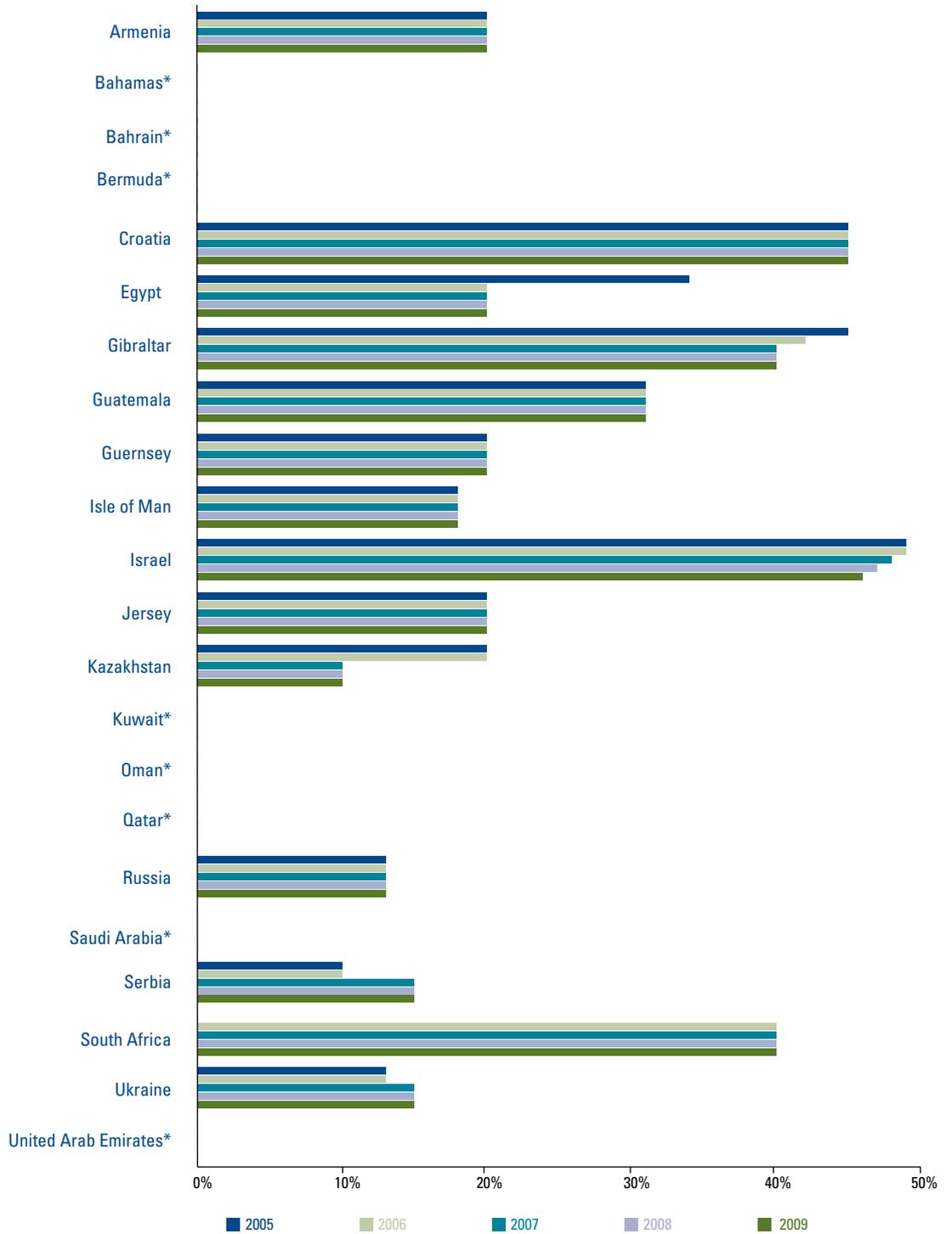
The rate for Switzerland includes federal tax along with Zurich cantonal and communal taxes. Combined highest personal income tax rates vary across Switzerland from approximately 20 percent to over 43 percent.

The rate for the United States only includes federal tax. State and local taxes vary significantly and range from 0 to over 10 percent.

Source: Tax rate and social security information for each country provided by the KPMG international member firm in each respective country

Highest Rates of Personal Income Tax: 2005 to 2009

Others

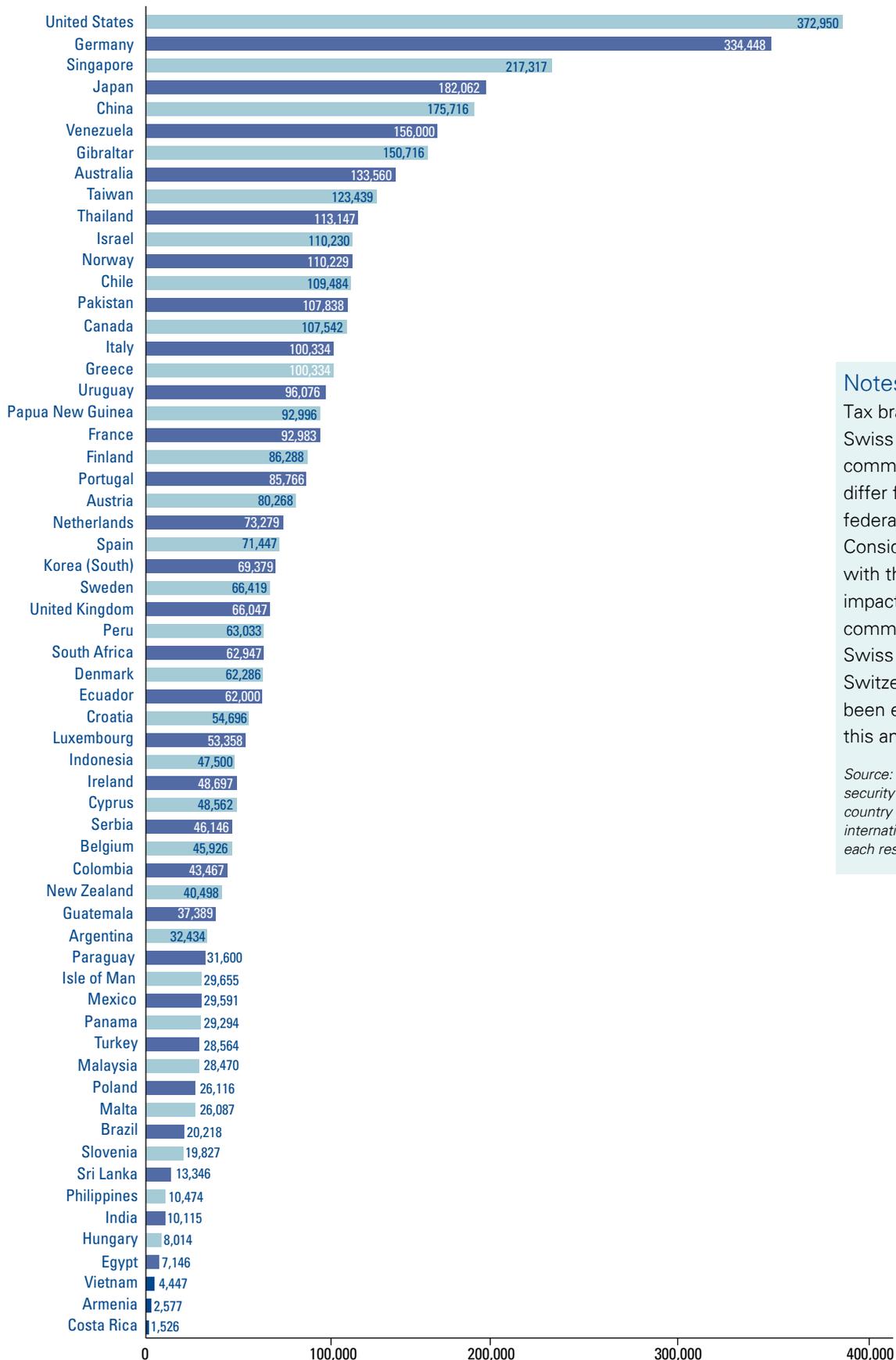


Notes

*Bahamas, Bahrain, Bermuda, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates intentionally left blank due to no income tax.

Source: Tax rate and social security information for each country provided by the KPMG international member firm in each respective country

Taxable Income Level (in USD) Where Highest Rates of Personal Income Tax Take Effect



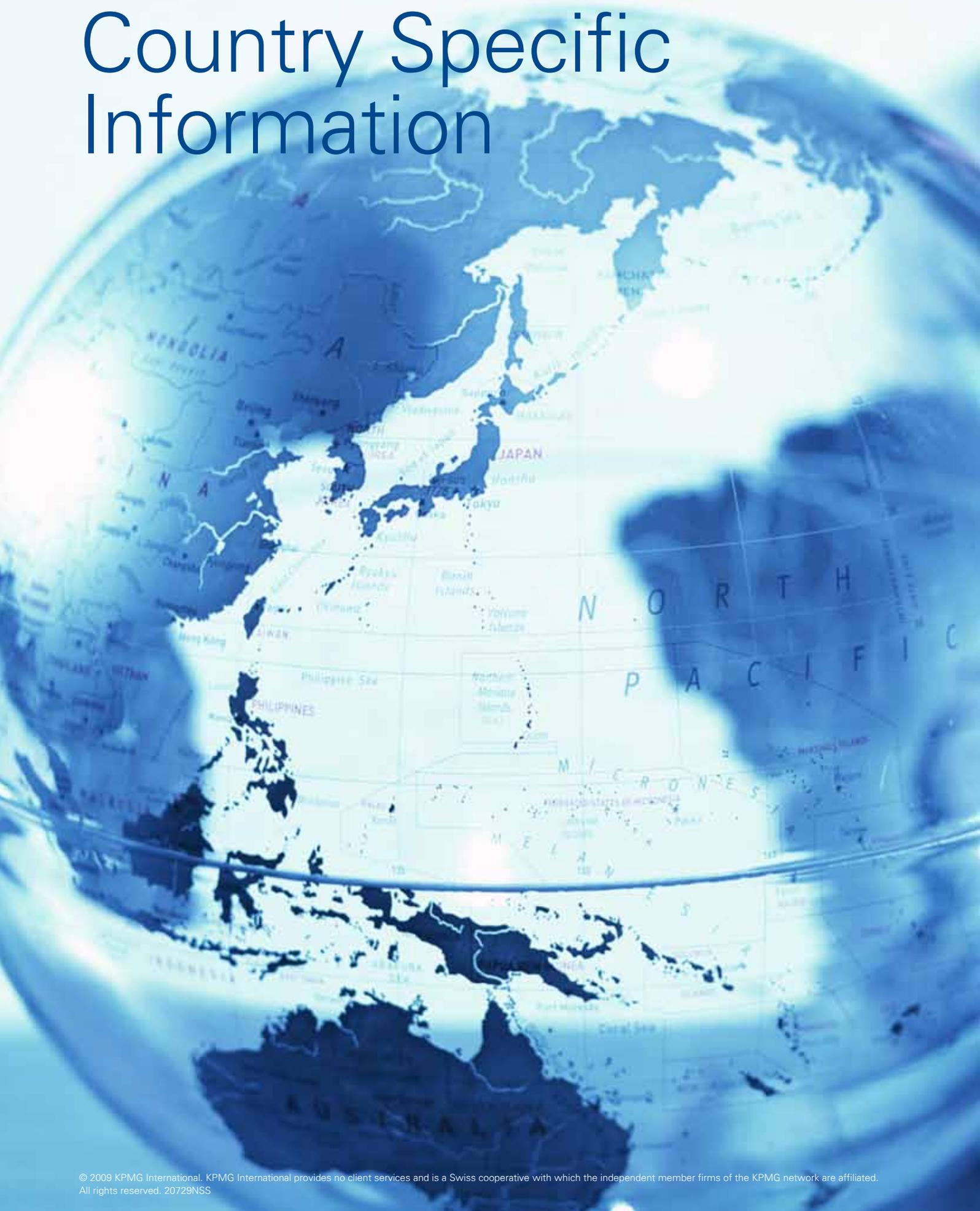
Notes**

Tax brackets for Swiss cantons and communities can differ from Swiss federal tax brackets. Considering this along with the material impact of canton and communities within Swiss tax rates, Switzerland has been excluded from this analysis.

Source: Tax rate and social security information for each country provided by the KPMG international member firm in each respective country

KPMG's Individual Income Tax and Social Security Rate Survey:

Country Specific Information





Argentina

(2009 rate = 35 percent)

- Top marginal rate kicks in at 120,000 ARS of taxable income.
- Tax year-end is 31 December.
- Tax return filing due date is 15 April to 20 April with no extensions. However, for individuals whose only source of income is employment income that has been subject to withholding at source, there is no need to file a tax return unless their annual gross salary exceeds 144,000 ARS. The deadline for filing annual informative income tax returns is 16 June.
- Employee social security rate is 17 percent but maximum assessable base is subject to a cap. Employer social security rate is up to 27 percent and is calculated considering total compensation paid to the employee.
- Capital gains tax (CGT) is not applicable in Argentina.
- Argentina has a wealth tax ("tax on personal assets"), which is levied on worldwide assets held at the end of each year. Tax rates range from 0.5 percent to 1.25 percent as detailed below:
- A tax credit is allowed for similar wealth taxes paid abroad, limited to the Argentine tax on assets located abroad.
- There is a tax on real property, which is computed by reference to the market value or the surface area of the land and buildings that an individual owns or rents in Argentina. Rates vary and are dependent on the location of the property.
- Married couples file returns separately.

Worldwide wealth in ARS	Tax rate
0–305,000	0%
305,00–750,000	0.50%
750,001–2,000,000	0.75%
2,000,001–5,000,000	1%
More than 5,000,000	1.25%



Armenia

(2009 rate = 20 percent)

- Top marginal rate kicks in at 80,000 AMD of monthly taxable income.
- Tax year-end is 31 December.
- Tax return filing due date is 15 April. However, individuals whose only source of income is employment income, which has been subjected to withholding at source, need not file a tax return.
- Employee social security payment rate is 3 percent.
- Property tax is levied on the owner of real property (buildings and vehicles). The rates depend on the cadastral value for buildings and power (horsepower) of vehicles.
- Dividends are not subject to income tax.
- Royalties, income from leasing, and interest are taxed at a 10 percent flat rate.



Australia

(2009/10 rate = 45 percent)

- Top marginal rate kicks in at 180,000 AUD of taxable income.
- Tax year-end is 30 June (fiscal year filing).
- Tax return filing due date is generally 31 October. However, filing and payment extensions are possible if the taxpayer is enrolled with a tax agent before 31 October.
- Taxpayers are required to pay a Medicare Levy of 1.5 percent on employment income. The Medicare Levy is only applicable to Australian citizens and permanent residents and taxpayers from the United Kingdom, Northern Ireland, Italy, Malta, Sweden, the Netherlands, Finland, and Norway.
- Taxpayers with taxable income exceeding 50,000 AUD (or 100,000 AUD for families) and not maintaining appropriate private healthcare insurance are liable for an additional Medicare Levy of 1 percent of their taxable income.
- Employers are required to withhold 9 percent of gross salary and transfer the withheld amount into a superannuation fund of their choice to a maximum earnings level of 38,180 AUD per quarter (private pension plan). Above this level of earnings, contributions do not need to be made.
- Generally, all noncash fringe benefits provided to employees are subject to the Fringe Benefits Tax (FBT), which is a tax payable by the employer, with the value of such benefits being exempt from income tax in the hands of the employees.
- The Australian taxation system includes a general capital gains tax (CGT), which in broad terms applies to assets acquired after 19 September 1985. Gains taxed under the CGT provisions are not taxed separately but are included in assessable income and taxed at the individual's marginal rates. If the asset is held for more than 12 months, the gain may be discounted by up to 50 percent. Alternatively, indexation of the cost basis may be available.
- Land tax is an annual tax assessed to the owner of real estate property. It is imposed at the state level and is normally based on ownership or use of the land. Generally, there is an exemption from land tax for an owner occupied principal place of residence.
- Temporary tax residents are exempt from taxation on foreign nonemployment income. Accommodations, food, and certain other benefits may also be paid tax free to employees living away from their usual place of residence.
- Married couples file returns separately.



Austria

(2009 rate = 50 percent)

- Top marginal rate kicks in at 60,000 EUR of taxable income.
- Tax year-end is 31 December.
- Tax return filing due date is generally 30 June for electronic filing and 30 April in case electronic filing is not possible. Upon formal written request, extensions are granted. If the return is prepared by a tax consultant, an automatic extension until 30 April of the next following year is granted without an application.
- Austrian social security rate (employee portion) is 18.07 percent (for regular salary, and the monthly maximum assessable base in 2009 is 4,020 EUR).
- Special payments for employees (*i.e.*, the Christmas bonus and holiday bonus, respectively constituting a thirteenth and fourteenth month's pay, and other one-time payments) are taxed, up to a limit of one-sixth of annual regular compensation, at a flat rate of only 6 percent.
- Gains taxed under Austrian CGT provisions are not taxed separately but are included in assessable income and taxed at the individual's marginal rates albeit some relief may be available.
- There is no inheritance and gift tax in effect since 31 July 2008. There are, however, reporting requirements in the event the gifted/inherited amount/value exceeds a certain limit.
- Real estate tax is levied by the municipalities on the assessed value of real property at a rate of about 0.5 percent–1.0 percent.
- Married couples file returns separately.



Bahamas

(no income tax)

- There is a form of social security called National Insurance. The maximum rate for an employed person is 8.8 percent of salary up to a maximum of \$20,800 BSD per annum, payable at 3.4 percent by the employee and 5.4 percent by the employer.
- There are no income, capital gains, wealth, succession, or gift taxes in the Bahamas.
- The only direct taxes are the real property tax and license fees.
- The majority of the tax revenue in the Bahamas is derived from import and excise duties, stamp duties, casino tax, and license fees.



Bahrain

(no income tax)

- Employees must pay the following contributions: 6 percent of gross salary to cover old age, disability, and death (applicable only to Bahraini employees). This rate will be increased to 7 percent as of May 2009. There is 1 percent of gross salary to cover unemployment risk (applicable to Bahraini and non-Bahraini employees).
- Employers must pay the following contributions: 9 percent of gross salary to cover old age, disability, and death (applicable only to Bahraini employees). This rate will be increased to 11 percent as of May 2009. There is 3 percent of gross salary to cover employment injuries (applicable to Bahraini and non-Bahraini employees) and 1 percent of gross salary to cover unemployment risk (applicable to Bahraini and non-Bahraini employees).



Belgium

(2009 rate = 50 percent)

- Top marginal rate kicks in at 34,330 EUR of taxable income.
- Tax year-end is 31 December.
- Tax returns are due within six weeks after receipt of the tax form from the tax authorities. The due date of the tax return is officially 30 June. However, in practice, the Belgian tax authorities annually set the due date for the resident and nonresident income tax return. Resident personal income tax returns are most often due on 30 June. Non-resident personal tax returns are most often due in October/November but extensions are possible.
- Belgium's employee social security rate is 13.07 percent of total income and fully deductible for income tax purposes. Employer contributions are approximately 35 percent of total income.
- Municipal income taxes are also assessed and determined as a percentage of the national income tax due. For resident taxpayers, this percentage is fixed by the municipal authorities and varies from community to community (between 0 percent and 11 percent). For a nonresident taxpayer, it is fixed at 7 percent.
- Capital gains are exempt if realized in the normal management of private assets. CGT exists for speculative capital gains and short-term capital gains on the sale of real estate. Capital gains are taxed separately at flat rates (usually 16.5 percent or 33 percent) and relief may be available.
- Private income is taxed at separate flat rates, *i.e.*, 15 percent for interest income and 25 percent for dividend income (in some cases, the dividend flat rate may be reduced to 15 percent).
- Belgium has an inheritance and gift tax, albeit relief is available. Inheritance and gift tax are regional taxes.
- For owned property, a so-called "cadastral income" will be attributed. This is the deemed rental value, by reference to the real estate market in 1975, taking into consideration costs of 40 percent. An annual real estate tax, where the amount depends on the place where the house is situated, will be subsequently due.
- Married couples are required to file jointly (except for the year of marriage, year of declaration of legal cohabitation, or if they are living separately).
- Expatriate tax concessions are available for executives temporarily assigned to Belgium or directly recruited from abroad. These concessions provide for substantial income tax relief. Assuming the executive is traveling 25 percent of his/her time on business, the top marginal rate is reduced to 37.50 percent and increased with the municipal income tax to 40.125 percent.



Bermuda

(no income tax)

- Bermuda does not assess a comprehensive income tax.
- There are mandatory social insurance contributions of 60.80 USD per week (half paid by employer, half by employee).
- While there is no income tax in Bermuda, a payroll tax equal to 14 percent of compensation is payable by employers on the first 350,000 USD of compensation income per employee. A portion of the payroll tax (4.75 percent) may be recovered from the employee at the discretion of the employer.



Brazil

(2009 rate = 27.5 percent)

- Top marginal rate kicks in at 42,984 BRL of taxable income.
- Tax year-end is 31 December.
- Tax return filing due date is 30 April with no extensions.
- Brazilian social security rate is upwards of 11 percent (and the monthly maximum assessable base is approximately 334.29 BRL).
- Flat rate of 15 percent generally applies to gains taxed under Brazil CGT.
- An inheritance and gift tax (4 percent total rate) was implemented for the State of São Paulo. This rate may differ in other states within Brazil. Under certain circumstances, a portion of the inheritance or gift may be exempt from tax.
- A municipal building tax is imposed on property owners, which is normally passed on to tenants.
- Married couples may file their returns jointly or separately.



Bulgaria

(2009 rate = 10 percent)

- As of 1 January 2008, Bulgaria introduced a 10 percent flat tax applicable for all income levels, *i.e.*, there is no nontaxable income threshold.
- Tax year-end is 31 December.
- There are two deadlines for the filing of returns and payment of any outstanding liabilities: a preliminary (10 February of the following year) and final (30 April of the following year). If the preliminary filing and payment deadline is met, the individuals will be granted a 5 percent deduction from their outstanding personal income tax liabilities. The same deduction is also applicable if the tax return is filed electronically. But the two are not cumulative.
- No extensions are possible beyond the final deadline.
- The employee part of the Bulgarian mandatory social security amounts to 13 percent, while the employer portion is approximately 20.5 percent (depending on the industry in which the employer is involved as the employment accident fund varies accordingly between 0.4 and 1.1 percent). The maximum insurable income for year 2009 is capped at 2,000 BGN per month.
- Depending on the circumstances, certain local taxes may apply: immovable property tax, inheritance tax, donation tax, and vehicle tax.



Canada

(2009 rate = 29 percent federal, provinces can vary significantly)

- Canadian income tax includes a federal and provincial component. The tax rate varies with the province of residence/employment. The top marginal federal rate of 29 percent kicks in at 126,265 CAD of taxable income. When provincial taxes are included, total top marginal tax rates vary from approximately 39 to 48.25 percent.
- Tax year-end is 31 December.
- Tax return filing due date is 30 April with no extensions.
- Canadian social security rate is upwards of 6.68 percent but caps out. Maximum employee contribution is approximately 2,851 CAD per annum.
- Gains taxed under the Canadian CGT provisions are not taxed separately but are included in assessable income and taxed at the individual's marginal rates, albeit the gain may be discounted by up to 50 percent.
- Property tax is assessed on the owner of real property according to the value of the property (generally the tax is in the range of 1 to 2 percent of the property's assessed value per year). The rates vary among municipalities.
- Although there is potential relief, individuals are deemed to dispose of all property on ceasing Canadian residency and are subject to a depart tax accordingly.
- In all provinces but Québec, an individual files a single tax return with the federal government who collects both federal and provincial taxes.
- Married couples file returns separately.



Cayman Islands

(no income tax)



Chile

(2009 rate = 40 percent)

- Top marginal rate kicks in at 64,166,400 CLP of annual taxable income. (This amount changes on a monthly basis, due to price level adjustments.)
 - Tax year-end is 31 December.
 - Employee social security rate is approximately 20 percent, calculated over annual compensation capped at approximately 15.7 million CLP.
- In addition, the employee is subject to contribute to the unemployment insurance at a 0.6 percent rate, calculated over annual compensation capped at approximately 23.5 million CLP. the employer is also compelled to contribute to unemployment insurance at a 2.4 percent rate, calculated over annual compensation capped at approximately 23.5 million CLP. In addition, the employer is compelled
- to contribute to an accidental and work diseases insurance which has a rate between 0.9 percent and 3.4 percent depending on the risk and the work place, calculated over annual compensation capped at approximately 15.7 million CLP. All annual compensation caps are floating amounts and change regularly with the consumer price index.



China

(2009 rate = 45 percent)

- Top marginal rate (applicable for each month) kicks in at 100,000 CNY of monthly taxable income.
- For Annual Individual Income Tax Return, tax year-end is 31 December for those individuals earning more than 120,000 CNY and have full residence in China. Tax return filing due date is 31 March after the close of the year.
- For individual income tax returns: filed on a monthly basis, the returns should be filed and tax paid by the seventh day of the month following the month of receipt of income.
- Chinese social security is mandatory for individuals of China domicile employed in China. Rates vary by local government. Generally, social security is assessed against salary, and the maximum salary assessed is capped at three times the average city salary of the prior year.
- Gains taxed under the Chinese CGT provisions are generally subject to a rate of 20 percent.
- Married couples file returns separately.



Colombia

(2009 rate = 33 percent)

- Top marginal rate kicks in at 97,428,300 COP of taxable income.
- Tax year-end is 31 December.
- The tax return filing due dates follow an annually published schedule. For 2008 Tax Return, the filing period is from August until October 2009.
- Colombian social security rate is upwards of 10 percent but subject to a cap as follows:

Type of Insurance	Paid by Employer	Paid by Employee	Total
Pension Plan	12%	4%	16%
Medical Plan	8.5%	4%	12.5%
Family Welfare Fund	9%	0	9%
Total	29.5%	8%	37.5%

Employees who earn a salary between 4 and 15 minimum legal monthly salaries (SMLMs) must contribute an additional 1 percent to

the pension solidarity fund. Likewise, employees earning more than 16 SMLMs must make an additional contribution capped at 2 percent.



Costa Rica

(2009 rate = 15 percent)

- Top marginal rate kicks in at 879,000 CRC of taxable income.
- Tax year-end is 30 September (fiscal year filing). Employed individuals are however subject to monthly final withholdings levied by the employer. Employed individuals are not required to file personal tax returns. The income tax withholding returns are due by the 15th day of the following month.
- Costa Rican social security rate is 9 percent (withholding from the employed individual) and 26 percent (contribution due by the employer), uncapped.
- Please note that this calculation assumes the current rates. Rates in Costa Rica are updated on 1 October each year. Also, there is a mandatory annual Christmas bonus (*i.e.*, a 13th month) that is not subject to social security or income tax. In this report, the 100k and 300k have been divided by 12; you could also divide them by 13 in order to have a more accurate result (and include this 13th month bonus).



Croatia

(2009 rate = 45 percent)

- On a monthly basis, top marginal rate kicks in when taxable income exceeds 25,200 HRK. Therefore, for the year 2009, this annual basis should amount to 302,400 HRK (25,200*12 HRK), unless new changes are introduced.
- Tax year-end is 31 December.
- Tax return filing due date is 28 February. Extensions possible in VERY limited cases (*i.e.*, natural hazards prevented the taxpayer from filing).
- Social security contributions on employment income earned from Croatian company are assessed as follows: employee pension contributions assessed at the rate of 20 percent (deducted from the gross salary capped at monthly amount of 44,760 HRK), employer contributions assessed at the rate of 17.20 percent (including health insurance, contributions for unemployment, and contributions against injuries at work) applied on gross salary.
- If the individual is a Croatian tax resident, then he/she is subject to city surtax (not all cities impose city surtax and rates vary greatly). The highest city surtax rate is in Zagreb, 18 percent. City surtax is applied on the total amount of tax due.
- In addition to employment income, the following types of income are also taxable in Croatia:
 - Income from self-employment
 - Income from property and property rights
 - Income from capital (dividends, if paid from profits earned after year 2004 are not taxable)
 - Certain types of insurance income
 - Other income (*i.e.*, authorship income, income earned based on work on contracts, benefits in kind provided by a third party and not the employer, etc.).
- Married couples file returns separately.



Cyprus

(2008/09 rate = 30 percent)

- Top marginal rate kicks in at approximately 36,300 EUR of taxable income.
- Tax year-end is 31 December.
- Tax return filing due date is 30 April.
- Cyprus social security rate is upwards of 6.3 percent (monthly maximum assessable base is approximately 4,004 EUR) and 6.8 percent from 1 April 2009.
- Gains taxed under the Cyprus CGT provisions are generally subject to a rate of 20 percent. Foreign nationals who reside in Cyprus are not liable for capital gains tax for property outside Cyprus.
- Immovable property tax (up to 4 percent rate) is payable annually on or before 30 September on all immovable property situated in Cyprus.
- Married couples file returns separately.



Czech Republic (2009 rate = 15 percent)

- Czech Republic introduced a 15 percent flat tax in 2008.
- Tax year-end is 31 December.
- Tax return filing due date is 31 March but can be extended up to three months if a taxpayer grants a power of attorney to a certified tax advisor.
- Czech social security rate is 11 percent (employee's part) and 34 percent (employer's part) and it is capped. There is an upper limit on

the salary subject to contributions in the amount of 1,130,640 CZK set for 2009.

- Inheritance and gift tax is levied on persons who acquire property by inheritance or gift, at rates depending on the closeness of the relationship between deceased/donor and recipient. Please note that there is no inheritance nor gift tax provided the property is inherited or donated between persons people

provided they meet the definition of an exempt relationship to the donor (closest relations).

- Real estate tax is paid by house and landowners. The tax on land is based on prices of land in various parts of the Czech Republic, which depend also on the number of inhabitants in a respective part. The tax rate ranges from 0.25 percent to 0.75 percent of the tax base and is multiplied by the price of land.



Denmark (2009 rate = 62.28 percent)

- Taxation is based on categories of income and different tax rates apply to the different categories. The combined top marginal rate in the ordinary scheme, which applies to employment income and certain types of investment income, kicks in at 347,200 DKK (377,391 DKK before deduction of AM-contribution). The marginal tax rate (including AM-contribution, which is considered an income tax as from 1 January 2008) on ordinary income is up to 62.28 percent.

Generally, share income (certain dividends and capital gains) is taxed in a separate tax scheme at 28, 43 or 45 percent (2009), depending on income level, while certain types of share income are taxed in the ordinary tax scheme at rates up to 59 percent.

- Tax year-end is 31 December.
- The filing due date is 1 May of the following year if the taxpayer receives a preprinted form from the tax authorities; otherwise, the due date is 1 July the following year.
- Danish employee social security rate is an annual fixed ATP contribution of

1,080 DKK for a full-time employee. The employer contributes 2,160 DKK per year to ATP for a full-time employee, as well as other minor contributions to other schemes.

From 1 January 2008, the 8 percent employee contribution is considered an income tax (which is included in the top marginal rate of 62.28 percent) in respect of double tax treaties and domestic tax relief provisions (there are no social security benefits related to the 8 percent contribution); however, Danish legislation still (2009) provides for exemptions under the EEC Regulation 1408/71 and other social security conventions.

- Members of the Danish church are liable for church tax although membership in the church is voluntary.
- Danish inheritable tax is payable, provided the deceased was domiciled in Denmark at the time of death, or if the property in question is real property situated in Denmark or property regarding a permanent establishment in Denmark. The rate depends on the relationship between the heir and the deceased. Estates above 2,595,100 DKK are also subject to tax.

- Gifts to unrelated parties are treated as personal income in the hands of the recipient, while gifts over a certain threshold to certain close relatives are subject to 15 percent gift tax.
- Property value tax is calculated on the basis of the taxable value of any real property, when the property is used or can be used by the owner as a private residence. The rates range from 1 percent to 3 percent of the taxable value. Taxable value is the lower of the property value on 1 January 2001 + 5 percent or 1 January 2002 or 1 October in the income year.
- Married couples file returns separately; certain unused allowances are transferred between the partners in the tax calculation.
- The Danish government has proposed a tax reform that includes significant changes to the Danish tax system. Among other changes, the Danish government proposes to reduce the marginal tax rate on ordinary employment income to approximately 55.38 percent (excluding church tax) instead of the current 62.28 percent (excluding church tax).



Ecuador

(2009 rate = 35 percent)

- Top marginal rate kicks in at 87,300 USD of taxable income.
- Tax year-end is 31 December.
- A tax return is not required for employees. The employer should issue a certificate of income paid and tax withheld, certification that is the equivalent to a return. However, if the employee has income other than that under a labor relationship or if income is not derived from a labor relationship, the tax return filing is due between 10 and 28 March following the end of the tax year.
- Employee social security rate is 9.35 percent uncapped.
- Married couples file returns separately.



Egypt

(2009 rate = 20 percent)

- Top marginal rate kicks in over 40,000 EGP of taxable income per annum.
- Tax year-end is 31 December.
- Tax filing is the employer's responsibility (handled via quarterly salary tax returns).
- Employee social security rate is upwards of 14 percent on the basic salary and 11 percent on the variable elements (e.g., allowance, overtime, etc.). The annual maximum social insurance required to be paid by the employee amounts to 1,400 EGP per month until the end of June 2009.
- The employer is required to pay 3 percent to the social insurance office to cover work injuries in the presence of a reciprocity agreement between Egypt and the foreign jurisdiction of the employee.
- There are no capital gain taxes on individuals except in the case of disposals of land or buildings within a city, which are subject to tax at 2.5 percent of the value of the property (provided that the sale has not taken the attributes of profession).
- Property tax is levied on the annual rental value of land and buildings, at approximately 10 percent.
- It is the employer's responsibility to withhold the tax due and remit it to the Tax Authority within 15 days following the month-end.



Estonia

(2009 rate = 21 percent)

- Estonia applies flat income tax rate of 21 percent.
- Tax year-end is 31 December.
- Tax return filing due date is 31 March with no extension. Certain exceptions apply in case of bankruptcy of a resident individual and in case of nonresidents.
- Social security tax (33 percent) and employer's unemployment insurance premium (0.3 percent; as of 1 July 2009 it increased to 0.6 percent) are fully borne by employer for most employees.
- Employee unemployment insurance premium of 0.6 percent (as of 1 July 2009 it increased to 1 percent) has to be withheld by the employer. Funded pension insurance premium of 2 percent has to be withheld as well if the employee has joined funded pension scheme or the employee was born after 1983.
- Fringe benefits are not taxable at the level of employee; employers pay income tax and social tax on fringe benefits granted to employee.
- Real estate tax ranges between 0.5 percent and 2.5 percent of the taxable value of the land.
- Married couples may file their returns jointly.



Finland

(2009 rate = 30.5 percent, state/municipal rates can vary significantly)

- Top marginal rate kicks in at 64,500 EUR of taxable income. Note however that municipal tax rates are significant in Finland (vary between approximately 16 percent and 21 percent). If the individual belongs to a Finnish church, church tax of approximately 1 to 2.25 percent may also be due.
- Tax year-end is 31 December.
- All individual taxpayers will receive a precompleted tax return in April (covering prior year). The tax return has to be filed for corrections with the tax office on 8 May or 15 May. If a taxpayer has not received a precompleted tax return form, he or she has to file a tax return by the 15th of May.
- Employee social security rate is 0.58 percent for unemployment insurance, 2.3 percent for sickness insurance, and 4.3 percent (5.4 percent if employee is older than 53) for pension insurance.



France

(2009 rate = 40 percent)

- Top marginal rate kicks in at 69,505 EUR (for single taxpayer – double if married) of net taxable income.
- Tax year-end is 31 December.
- While the official filing deadline is 1 March, in the recent year, the tax administration has extended the date to the end of May.
- Social security contributions are tax deductible.
- French social security is a broad term that covers obligatory health insurance, basic and complementary pension contributions, unemployment insurance, and a variety of other charges and surtaxes. Rates for some of these items may vary from company to company and according to industry. The employee portion of social charges and surtaxes ranges from approximately 18 to 22 percent of gross remuneration.
- Capital gains on the disposal of securities, where not otherwise exempt, are taxed at a flat rate of 18 percent, plus 12.1 percent surtaxes if the annual proceeds exceed the threshold (25,730 EUR for 2009).
- Capital gains on the disposal of real property, where not otherwise exempt, are taxed at a flat rate of 16 percent, plus 12.1 percent surtaxes.
- Wealth tax is applicable to individuals whose household net assets exceed a legal threshold on 1 January of each tax year (790,000 EUR for 2009).
- France imposes a progressive inheritance tax ranging from 5 percent to 60 percent, with different rates applied to the spouse's inheritance and that of the children.
- Married couples must file their returns jointly.
- There is a favorable tax regime for inbound under certain conditions. Consult your tax advisor.



Germany

(2009 rate = 45 percent)

- Top marginal rate kicks in at 250,000 EUR (for single taxpayer – double that if married) of taxable income. In addition to income tax, there is a solidarity surcharge of 5.5 percent of the income tax and where applicable, a church tax of 8 or 9 percent of the income tax may be levied.
- Tax year-end is 31 December.
- Tax return filing due date is 31 May. If the tax return is prepared by a tax consultant, an automatic extension until 31 December is granted without application. Upon formal written request, further extensions can be granted as an exception.
- Employee social security rate for pension and unemployment contributions is approximately 11.35 percent capped at monthly income of 5,400 EUR. Contribution to health and long-term care is approximately 9.18 percent capped at monthly income of 3,675 EUR.
- A real estate transfer tax at a rate of 3.5 or 4.5 percent is levied on the acquisition of German real estate.
- Married couples can file tax returns jointly or as separate individuals.



Gibraltar

(2009 rate = 38 percent to 40 percent)

- Gibraltar has a dual tax system, based on either allowances or gross income. On the allowance based system, the top rate of 40 percent kicks in at 16,000 GIP of taxable income. Allowances are given for married couples, children, mortgage interest, home purchases, life insurance policies, medical insurance policies, and pension contributions.
- On the Gross Income Based System, the taxpayer is not entitled to any allowances and/or reliefs. Instead, the individual's gross income is taxed according to income bands ranging from 20 percent on the first 25,000 GIP, 30 percent on the next 75,000 GIP, and a top rate of 38 percent kicks in at 100,000 GIP of taxable income.
- There are also special tax concessions for High Net Worth Individuals (HNWIs) and High Executives Possessing Specialist Skills (HEPSS).
- HNWIs have in excess of 2,000,000 GIP in net assets and reside in Gibraltar. They only pay tax on the first 60,000 GIP of assessable income.
- Tax year-end is 30 June.
- Tax return filing deadline for individuals is three months after the tax year-end (30 June), which is 30 September.
- Social security tax is as follows: employer's contribution is 20 percent of employee's gross earnings subject to a maximum of 28.82 GIP per week and a minimum of 15 GIP per week.
- Employee's contribution is 10 percent of employee's gross earnings subject to a maximum of 22.83 GIP per week and a minimum of 5 GIP per week.
- There are no other individual taxes. No capital gains tax. No inheritance tax. No wealth tax. No VAT.
- Married couples file tax returns jointly.



Greece

(2009 rate = 40 percent)

- Top marginal rate kicks in at 75,000 EUR of taxable income.
- Tax year-end is 31 December.
- Tax return filing due dates range between 1 March and 31 May (date depends on the category of income earned and on the last digit of an individual's Greek tax number).
- Greece does not have a uniform social security system. There are many different social security funds covering various sectors of the population. In addition to the basic social security funds, employed persons must also be covered by a supplementary retirement fund. The main funds applicable to employed persons are

the Social Insurance Fund (IKA) and the Employees' Supplementary Insurance Fund (TEAM). The social security contribution rates (both IKA and TEAM) are 16 percent for the employee and 28.06 percent for the employer limited to a monthly salary ceiling. For 1 January 2008 to 30 September 2008, the respective ceiling is 2,384.50 EUR and for 1 October 2008 to 31 December 2008, the respective ceiling is 2,432.25 EUR, for employees who have been insured before 1 January 1993. For employees who have been insured after 1 January 1993 for the first time, the ceilings are 5,437.96 EUR and 5,543.55 EUR, respectively. Respective ceilings are yet to be announced for 2009.

- These ceilings are changed periodically in line with the rate of inflation.
- As of 2009, an annual flat duty is levied on all real estate owned as of 1 January in Greece by individuals or legal entities. The annual flat real estate duty for individuals is 0.1 percent on the objective value of such real estate and 0.6 percent for legal entities (or 0.3 percent for nonprofit legal entities). Exemption from the annual flat real estate duty is provided to individuals' main residence of up to 200 square meters, provided that its value does not exceed 300 000 EUR. In addition, plots of land that are located outside the city planning zone or recognized communities owned by individuals are also exempted from the flat real estate duty.
- Married persons are taxed separately. However, a joint income tax return is filed.



Guatemala

(2009 rate = 31 percent)

- Top marginal rate kicks in when the taxable income is higher than 295,000 GTQ per year.
- Tax year-end is at 31 December.

• The employer is required to withhold Personal Income Tax on a monthly basis. Monthly tax withheld by the employer from the employee shall be declared and remitted to the local tax authority by the 10th working day of the following month.

- Employees of a local company are required to make contributions to Social Security on a monthly basis. The rates are 4.83 percent and 12.67 percent for the employee and the employer, respectively.



Guernsey

(2009 rate = 20 percent)

- Guernsey applies a flat tax rate of 20 percent.
- Tax year-end is 31 December.
- A return should be filed within 180 days of issue by the local authority. An individual chargeable with income tax who has not received a return should notify the local tax authority by 30 June in the taxable period.
- Guernsey social security rate is 6 percent (monthly maximum assessable base is approximately 5,759 GBP).
- There is no capital gains tax; however, gains realized on dwellings located in Guernsey are subject to dwellings profits tax in certain circumstances (please note that the dwellings profits tax has been suspended indefinitely due to the economic downturn).
- Married couples file tax returns jointly.



Hong Kong

(2009/10 rate = 15 percent)

- Hong Kong Salaries Tax is charged using graduated tax rates ranging from 2 to 17 percent, but cannot exceed the standard tax rate of 15 percent of net assessable income less charitable donations and allowable deductions.
- Tax year-end is 31 March.
- Tax return filing due date is one month after date of issue of the tax return form by the Inland Revenue Department (IRD). The granting of an extension is at the discretion of the IRD.
- There is no employee social security in Hong Kong. All employees, the self-employed, and employers are required to make contributions to a mandatory provident fund (MPF). The MPF contribution rate is 5 percent of relevant income. Maximum mandatory contributions are capped at 1,000 HKD per month.
- There are no capital gains, estate, gift, or wealth taxes in Hong Kong.
- A husband and wife can elect to be assessed jointly. Generally, they will be separately assessed on their respective income on the same basis as unmarried taxpayers. Each spouse is individually responsible for the lodgment of returns.



Hungary

(2009 rate = 36 percent PIT + 4 percent solidarity tax)

- Top marginal rate kicks in at 1,900,000 HUF of taxable income. (There is a "solidarity tax" that is levied on annual income above 7,446,000 HUF.)
- Tax year-end is 31 December.
- Tax return filing due date is 20 May with no extensions.
- Employee social security rate is 17 percent. It consists of health insurance (6 percent uncapped), pension (9.5 percent capped at annual income of 7,446,000 HUF), and unemployment insurance (1.5 percent uncapped). Employer pays 32 percent social security contribution (uncapped), 5 percent to health insurance, 24 percent to pension and 3 percent to unemployment insurance.
- Generally, individuals pay 25 percent for capital gains and other investment-like income.
- Married couples file returns separately.



Iceland

(2009 rate = 37.2 percent)

- There is no progressive tax structure, as Iceland applies a flat tax. National tax amounts to 24.1 percent and municipal tax averages to approximately 13.1 percent. All individual taxpayers are entitled to a personal tax credit (personal allowances) against the computed income tax from all categories. The credit amounts to <506.466 ISK for 2009. Payments up to 4 percent into an obligatory pension fund and up to 4 percent into a mandatory pension fund are deductible from the employment income tax base. Tax on capital gain is 10 percent. The personal tax credit that is not used against other incomes is deducted for tax on capital gain in the ratio 10/36.
- Tax year-end is 31 December.
- At the beginning of each year the director of Internal Revenue determines when tax returns have to be filed. In 2009, the deadline for an individual to file a 2008 tax return was 23 March 2009.
- Employees do not make separate social security contributions. However, employers pay social security contributions on all remuneration paid for dependent personal services. For the income year 2009, the general rate is 5.34 percent of the taxable base. An additional 0.65 percent is payable with respect to seamen.
- Residents are subject to an assessment as a contribution to the Construction Fund for the Elderly of 7,534 ISK or 17,200 ISK if their income tax base is higher than 1,143,362 ISK.
- Married couples and cohabiting persons who fulfill certain requirements for taxation as married couples are taxed together. Net financial revenues of both spouses are taxed in the hands of the spouse whose total income is higher.



India

(2009/10 rate = 30 percent)

- Top marginal rate kicks in at 500,000 INR of taxable income. A surcharge of 10 percent applies to the total tax due if the employee's total income for the fiscal year exceeds 1,000,000 INR. An education cess at the rate of 3 percent is applicable on the amount of tax (including surcharge). The maximum marginal income tax rate on employment income is 33.99 percent including an education cess of 3 percent levied on the total of the tax and surcharge.
- Tax year-end is 31 March.
- An individual's tax return must be filed by 31 July immediately following 31 March, which is the end of the tax year. An individual, whose total income includes business income and where the accounts are required to be audited, has to file the return by 30 September following the tax year.
- Broadly, both employees and employers are required to make contributions (12 percent of salary) to the Provident Fund (PF) Act.
- Recently, the Government of India has issued a notification whereby a new concept of "International Workers" (IW) has been introduced, which includes expatriates (foreign passport holders) working for an employer in India to which the PF Act applies and Indian employees working overseas in countries with which India has entered into a totalization agreement. Existing IW(s) would be required to become a member by joining the local PF and the Pension Scheme effective from 1 November 2008. A relief has been provided in the case of "Excluded Employee," which primarily refers to IWs coming from a country with which India has entered into a totalization agreement.
- No other individual taxes are applicable.
- Married persons file tax returns as separate individuals.



Indonesia

(2009 rate = 30 percent)

- Top marginal rate kicks in at 500,000,000 IDR of taxable income.
- Tax year-end is 31 December.
- Tax return filing due date is 31 March but can be extended to 31 May.
- Employee social security: employee's contribution is 2 percent; while employer's mandatory contribution is 4.24–5.74 percent (depending on the industry). The employer's contribution is considered a deductible expense for the company.
- Individuals are taxed on worldwide income. Onshore bank interest, rental income, and capital gains from sale of property and shares are taxed at final rates. Other onshore income and all offshore income are combined with employment income and taxed at regular rates.



Ireland

(2009 rate = 46 percent)

- Top marginal rate of 41 percent kicks in at 36,401 EUR of taxable income. With the new levies, the combined rate of 46 percent kicks in at 250,120 EUR. The income levy on gross income applies for 2009 as follows: 1.67 percent on first 75,036 EUR, 3 percent on the next 25,064 EUR, 3.33 percent on the next 74,880 EUR, 4.67 percent on the next 75,140 EUR, and 5 percent on the remainder.
- Tax year-end is 31 December.
- Tax return filing due date is 31 October.
- Employee social security has two components: Pay Related Social Insurance (PRSI) is 4 percent up to an earnings cap of 75,036 EUR; health levy is 3.33 percent on first 75,036 EUR, 4.00 percent on next 25,064 EUR, and 4.167 percent on remainder.
- The capital gains tax rate is 20 percent for individuals.
- Married couples file tax returns jointly. A married couple may alternatively opt to file as single persons.



Isle Of Man

(2009/10 rate = 18 percent)

- Top marginal rate kicks in at 19,700 GBP for single, 38,700 GBP for married.
- Tax year-end is 5 April.
- Tax return filing due date is 6 October.
- Employee social security rate is 10 percent (weekly maximum assessable base is 695 GBP).
- There are no capital gains, gift, or estate taxes.
- Married couples file joint returns, and assessments are made on a married couple as a single entity. Both husband and wife are responsible for filing the return of their income and are jointly and severally liable for any outstanding tax liability. However, either husband or wife may apply for separate assessment and will then file separate returns and pay tax liabilities separately.
- For individuals who have taxable income exceeding 569,073 GBP, their tax liability is capped at 100,000 GBP.



Israel

(2009 rate = 46 percent)

- Top marginal rate kicks in at 454,681 ILS.
- Tax year-end is 31 December.
- The tax return filing due date is 30 April.
- Employee social security rate is 3.50 percent (0.4 percent social security, 3.1 percent mandatory health insurance) on income up to a monthly ceiling of 4,757 ILS. On income exceeding 4,757 ILS per month, the employee social security rate is 12 percent (7 percent social security, 5 percent mandatory health insurance) on income up to 38,415 ILS.
- A municipality tax is payable based on details of the individual's residence and the charge varies from district to district.
- Married couples may elect to file tax returns jointly or separately.



Italy

(2009 rate = 43 percent)

- Top marginal rate kicks in at 75,000 EUR. There may be an additional regional tax (from 0.9 percent up to 1.4 percent) and municipal tax (up to 0.8 percent) depending on the location in which the individual has his/her domicile.
- Tax year-end is 31 December.
- The filing due date is 31 July if the tax return is prepared electronically and filed by electronic submission, which means by an approved intermediary. The tax return may be filed late, but within 90 days from the deadline by paying a penalty. After this time frame of 90 days, the tax return is considered omitted.
- The employee social security rate ranges from 9.19 percent to 10.19 percent of taxable compensation, depending on the classification of the employee (worker, executive, or manager) and depending upon the employer's activity.
- Capital gains are treated as miscellaneous income and, depending on underlying nature of the asset, may be taxed with a final tax rate at 12.5 percent (nonqualifying shareholdings) or may contribute for 40 percent to the personal income of the employee and it is consequently taxed with the Italian progressive tax rates (qualifying shareholdings).
- Real estate tax (0.4 percent to 0.9 percent), so called ICI, is annually levied, on the cadastral value, for each property located in Italy, apart from the habitual abodes that are tax exempt.
- Married couples file tax returns as separate individuals.



Jamaica

(2009 rate = 25 percent)

- For nonresident individuals, Jamaica applies a flat tax rate of 25 percent. For resident individuals, Jamaica applies a nil rate on the first 270,504 JMD of income and a rate of 25 percent on any income exceeding 270,504 JMD.
- Tax year-end is 31 December.
- The tax return filing due date is 15 March. Extensions are at the discretion of authorities.
- Employee social security has several components: national insurance scheme (2.5 percent caps out at annual income of 500,000 JMD); national housing trust (2 percent uncapped); and education tax (2 percent uncapped).
- There is no capital gains tax but there is a transfer tax on the transfers of land, leases of land and securities, and beneficial interest under certain types of settlements.
- Married couples file tax returns as separate individuals. However, they may elect to attribute the wife's income to the husband.



Japan

(2009 rate = 50 percent)

- Top marginal rate (40 percent) kicks in at 18,000,000 JPY of taxable income. Local inhabitant (municipal and prefectural) tax of an additional 10 percent is also payable.
- Tax year-end is 31 December.
- The tax return filing due date is 15 March. Provided there is no other income, there is no obligation to file a tax return if gross employment income is less than 20,000,000 JPY and the tax liability is settled through withholding.
- Employee social security has several components and can vary by employer and/or age of employee. Generally, the breakdown is as follows: welfare insurance (7.675 percent capped at 47,585 JPY a month); health insurance (4.1 percent capped at 49,610 JPY a month); and employment insurance (0.6 percent uncapped).
- The capital gains from stock transactions are taxed at 20 percent (15 percent National Tax and 5 percent Local Inhabitant Tax) if the listed shares are traded through a securities company located outside Japan. However, if the listed shares are traded through a securities company located in Japan, the capital gains are taxed at 10 percent (7 percent National Tax and 3 percent Local Inhabitant Tax) for the period from 1 January 2003 to 31 December 2011, and 20 percent (15 percent National Tax and 5 percent Local Inhabitant Tax) thereafter.
- All taxpayers (including spouses and children) file tax returns separately.



Jersey

(2009 rate = 20 percent)

- Jersey applies a flat tax rate of 20 percent. This kicks in after relief for personal allowances dependent on circumstances.
- Tax year-end is 31 December.
- Returns are issued to taxpayers by the local authorities on the first working day in January following the end of the tax year. The return should be filed within 60 days of issue. Notices are placed in the local official Gazette in May each year advising individuals to notify the local tax authorities if they have not received a return. If a return is not filed by the final Friday of May, then a penalty of GBP 200 is assessed. If, however, the taxpayer has engaged a professional agent to complete the return, then the deadline is extended to the final Friday in July. The GBP 200 penalty is imposed if the return is not submitted by this deadline.
- Jersey social security rate is 6 percent (monthly maximum assessable base is approximately 3,000 GBP).
- There are no capital gains, gift, or estate taxes.
- Married couples generally file tax returns jointly. Separate filing is possible upon request; however, there must be no reduction in tax liability gained by separate assessment.



Kazakhstan

(2009 rate = 10 percent)

- Flat tax of 10 percent was introduced in 2007.
- Tax year-end is 31 December.
- The tax return filing due date is 31 March. Official filing extensions are not typically granted to individuals. However, individuals may gain a de facto extension by filing a nil tax return by the filing deadline and then submitting an amended tax return at a later date.
- There is no employee-paid portion of social tax in Kazakhstan. However, local employees should remit 10 percent of their gross salaries as obligatory contributions to a pension fund. Currently, the maximum monthly amount of income subject to obligatory pension contributions is approximately 6,740 USD. Employers must pay social tax at a flat rate of 11 percent on the gross income of their employees. Pension contributions are deductible for social tax purposes, and they are for personal income tax purposes.
- There are no inheritance and gift taxes in Kazakhstan. The value of property received by an individual as a gift or inheritance from another individual is also not subject to income tax.



Korea (South)

(2009 rate = 35 percent)

- Top marginal rate kicks in at 88,000,000 KRW of taxable income. Individuals are also assessed a resident surtax at the rate of 10 percent of the income tax liability.
- Instead of the regular progressive tax rates, foreigners can elect the flat tax rate (15 percent) in calculating their taxes on Korea-sourced earned income. When the flat tax rate is elected, no deductions or credits are allowed (as such, the flat tax rate election is generally more beneficial to high income individuals earning approximately 300,000,000 KRW or more annually).
- Tax year-end is 31 December.
- The tax return filing due date is 31 May of the year following the tax year. If the taxpayer's only source of income is earned income on which the employer withholds taxes, the year-end withholding tax reconciliation statement submitted by the employer (by March 10 of the year following the tax year) on behalf of the employee is deemed to be the final return and no further return is required.
- Employee social security has several components: national pension (4.5 percent capped at 162,000 KRW a month); employment insurance (0.45 percent); and health insurance (2.66 percent capped at 1,750,943 KRW a month).
- Capital gains tax is charged using either flat rates or a progressive schedule, depending on the category of assets. There is preferential treatment for securities.
- As a rule, Korea has only one filing status. Accordingly, married couples file tax returns individually and the income of a child is reported under the name of the child.



Kuwait

(no income tax)

- For Kuwaiti national employees, the employer is required to make a monthly social security contribution of 11 percent of the salary of the staff to the Ministry of Social Affairs (MOSA). The employee is also required to contribute 7 percent of his/her salary for this purpose. The employee's contribution is deducted from the salary of the employee and the employer is expected to ensure that the above contributions are made on a timely basis. The above contribution is required for a maximum salary limit of 2,250 KD for the employee.



Latvia

(2009 rate = 23 percent)

- Latvia has a 23 percent flat tax on employment income (15 percent on self-employment income).
- Tax year-end is 31 December.
- Employee social security rate is 9 percent. Employer rate is 24.09 percent.
- The filing deadline is 1 April.



Lithuania

(2009 rate = 15 percent)

- Lithuania has a 15 percent flat tax.
- Tax year-end is 31 December.
- Tax return filing due date is 1 May.
- Individual capital gains tax rate is 15 percent.
- Employee social security rate is 3 percent.



Luxembourg

(2009 rate = 38.95 percent)

- Top marginal rate kicks in at 39,885 EUR of taxable income. The income tax due includes a surcharge of 2.5 percent for the benefit of the employment fund.
- Tax year-end is 31 December.
- Tax return filing due date is 31 March.
- Employee social security rate for health (2.95 percent on ordinary base salary and 2.70 percent on non-periodic remunerations such as 13th month bonus and gratifications) and pension (8 percent) apply up to annual salary of 100,965.48 EUR. Employees are also subject to a dependence insurance (1.4 percent) uncapped, calculated on the gross salary minus an annual deduction of 5,048.28 EUR. The dependency insurance is not tax deductible.
- A 10 percent withholding tax is levied on interest paid by resident paying agents or paying agents located in Luxembourg to resident individuals, including interest on bank deposits, government bonds, and profit-sharing bonds as long as they fall within the scope of the law. The withholding tax constitutes the final tax and is not reported in the individual's annual tax return.
- For interest paid or credited by foreign paying agents located inside the EU or EEA (but outside Luxembourg), the Luxembourg resident taxpayer may opt for the 10 percent withholding tax via a specific tax form. Deadline is 31 March of the following tax year. This tax is final and the interest is not reported on the individual's annual tax return. If the option is not exercised, the individual has to report the interest income on his or her annual tax return.



Malaysia

(2009 rate = 27 percent)

- Top marginal rate kicks in at 100,000 MYR of taxable income.
- Tax year-end is 31 December.
- Tax return filing due date is 30 April (for nonbusiness income) and 30 June (for business income) with no further extension of time.
- Employee and employer's social security rate is 11 percent and 12 percent, respectively. The scheme is the Employee Provident Fund (EPF), which is more akin to a retirement fund established by the Government. All Malaysians have to be contributors to the EPF.
- Malaysia has adopted the territorial scope of taxation, *i.e.*, only income accruing in or derived from Malaysia is taxable in Malaysia. There are no wealth, net worth taxes, or other municipal taxes.
- Married couples may choose to file tax returns jointly or separately.



Malta

(2009 rate = 35 percent)

- Top marginal rate kicks in at 19,501 EUR of taxable income for single filers and 28,701 EUR for married couples filing jointly.
- Tax year-end is 31 December.
- The Commissioner of Inland Revenue requires that individuals are to submit a return by 30 June.
- Special contributions are payable under the Social Security Act in respect of employers, employees, and self-employed persons. In the case of employees, a contribution is payable by the employee at a rate of 10 percent of his/her basic wage up to a maximum of 32.33 EUR per week and a contribution by the employer at the rate of 10 percent of the employee's basic wage up to a maximum of 32.33 EUR per week. The employee's contribution is deducted from his/her wage by the employer who then adds his/her contribution and pays the whole to the Government on a monthly basis along with Final Settlement System (FSS) income tax deductions.
- Income tax is imposed on capital gains derived from the transfer of ownership of the following assets: real property, securities (company shares that do not provide for a fixed rate of return and are not quoted on the Maltese stock exchange), business goodwill, copyrights, patents, trademarks, and trade names.
- Duty on documents is levied on the transfer of immovable property or shares held in Maltese companies.
- Duty is levied at 2 percent on transfers of marketable securities including transfers on inheritance. Transfers of foreign marketable securities done through a local bank are exempt from the duty.
- Duty at the rate of 2.6 percent is also levied on the assignment of any debt where such debt is repayable over a period that exceeds 16 years.
- Married couples file tax returns jointly.



Mexico

(2009 rate = 28 percent)

- Top marginal rate kicks in at approximately 32,737 MXP monthly (392,842 MXP annual) taxable income.
- Tax year-end is 31 December.
- Tax filing due date is 30 April, following the end of the tax year.
- In general, individual income tax is withheld on a monthly basis from compensation payments. All Mexican employers are required to withhold the tax. Where there is no Mexican employer, that is, the compensation is paid and borne by a foreign company; the individual is responsible for the payment of the tax on a monthly basis via the Internet (Mexican personal bank account) on all compensation received from the foreign employer.
- Employee social insurance rate is 2.73 percent but annual contributions are capped at 13,800 MXP.
- Married couples should file tax returns as separate individuals.



Netherlands

(2009 rate = 52 percent)

- Top marginal rate kicks in at approximately 54,776 EUR of taxable income.
- Tax year-end is 31 December.
- The tax office sends a form to the taxpayer after the end of the year, usually in February, consisting of a questionnaire seeking responses to questions concerning income, family circumstances, expenses to be deducted, and the wages tax that has been withheld. The form must be returned by 1 April, unless there has been a request for an extension.
- There are various amounts payable and it is not possible to quote a single rate for social insurance purposes. The employed persons' insurance schemes are compulsory for those employees who perform their activities within the Netherlands, or who live in the Netherlands and have a resident employer.
- Municipal tax (property tax) is assessed on the owner of real property according to the value of the property (general range is 350 EUR to 600 EUR per year for both). The rates vary from town to town.
- Inheritance tax is levied on the net assets inherited from a person who is a resident of the Netherlands or who died as a Dutch citizen within 10 years of leaving the Netherlands. The inheritance tax imposes less of a burden on close family members compared with that imposed on distant relatives or unrelated persons. Specific tax advice is required for estate planning.
- Property tax is levied on the owner of real property. The rates depend on the value of the property and vary from town to town.
- Married couples (fiscal partners) file tax returns as separate individuals; however, unmarried couples living together at the same address for more than half a year can elect to be treated as fiscal partners too.



New Zealand

(2009/10 rate = 39 percent)

- Top marginal rate kicks in at approximately 70,000 NZD of taxable income.
- Tax year-end is 31 March.
- Returns are usually required to be filed by 7 July following the income tax year-end of 31 March. An extension may be granted if the tax return is lodged via a tax agent.
- All employees are subject to workplace accident compensation (an ACC earner levy). This is included within Pay As You Earn (PAYE) deductions forwarded to the Internal

Revenue Department (IRD). From 1 April 2008, the earner levy rate is 1.4 percent but capped at maximum annual earnings of 102,932 NZD. Once an employee's earnings exceed this amount, there is no further amount to pay. Employers are also subject to a levy, determined by the nature of their industry, and administered by the Accident Compensation Corporation (outside of the tax system).

- New Zealand does not have a comprehensive capital gains tax regime. However, certain gains that would normally be considered to be

capital in nature are taxed as ordinary income. These include gains on the sale of real and personal property that was acquired with the purpose of resale or was generally acquired as part of a profit-making activity; gains on financial arrangements including any profit on realization and gains arising from foreign exchange fluctuations; losses are subject to the normal tests of deductibility.

- In New Zealand, each individual taxpayer is taxed separately. There is no provision for the aggregation of the income of spouses.



Norway

(2009 rate = 40.0 percent)

- Generally, the top marginal rate kicks in at approximately 716,600 NOK of gross taxable income.
- Tax year-end is 31 December.
- Foreign nationals working for foreign employers with income taxable in Norway have a duty to submit a tax return by the end of March in the year following the income year. There is no tax computation on the return, and no payment of taxes due with the return. However, the withholding tax is to be paid on a bimonthly basis during the income year. The assessment will

normally be made public in October of the same year.

- All individuals who are considered as employees of a Norwegian employer do not have to file a tax return in March. A completed preprinted income tax return will be sent by post to all taxpayers at the beginning of April. This return has to be checked and reviewed by the taxpayer. The revised tax return has to be signed and returned to the tax authorities by 30 April.

- The employee has to pay 7.8 percent (uncapped) on gross income to the social security scheme. The contribution is included in the general tax assessment.
- Gains deriving from the sale of shares are liable to taxation as ordinary income, and a loss is deductible (at the rate of 28 percent). Please note that shares acquired below market value from the employer will be taxed at the marginal tax rate of 47.8 percent. The tax rate of 28 percent applies for interest income and interest deduction.
- Married couples may file jointly or separately.



Oman

(no income tax)

- Although there is no individual income tax in Oman, foreign nationals carrying on businesses or professions as sole proprietors are liable to tax on the profits earned from such businesses or professions.



Pakistan

(2009 rate = 20 percent)

- The top marginal rate kicks in at approximately 8,650,000 PKR of taxable income for salaried class workers.
- Tax year-end is 30 June.
- The filing deadline is 30 September.
- Old age benefit and social security are provided on a very low scale. The following are the salient features of these schemes:
 - Old Age Benefit Scheme:
 - Contribution from employer is 5 percent of 6,000 PKR (minimum wage scale)
 - Contribution from employee is 1 percent of 6,000 PKR (minimum wage scale)
 - Minimum pension to be 2,000 PKR per month
 - Entitlement begins at the age of 60 years for men and 55 years for women
 - Social Security Scheme:
 - Only employer to contribute 6 percent of salary between 6,000 and 10,000 PKR
 - Medical facility provided at specified clinics/hospitals of Social Security Institution



Panama

(2009 rate = 27 percent)

- The top marginal rate kicks in at approximately 30,000 PAB of taxable income.
- Tax year-end is 31 December.
- Tax filing due date is 15 March.
- Social insurance employee rate payable is 8 percent.
- 10 percent on capital gain on sale of movable goods or real property held for more than two years. Short-term capital gains are considered ordinary income and taxed at ordinary rates.
- There is an educational tax of 2.75 percent. This is payable at 1.50 percent by the employer and 1.25 percent by the employee.
- Married couples generally file tax returns as separate individuals. However, they may choose to report their income and pay any tax due jointly.



Papua New Guinea

(2009 rate = 42 percent)

- The top marginal rate kicks in at approximately 250,000 PKG of taxable income.
- Tax year-end is 31 December.
- Individuals who do not lodge an income tax return through an approved tax agent must lodge a return within two months of the end of the year of income (*i.e.*, 28 February). Individuals lodging through an approved tax agent usually lodge within six months of the end of the year of income (*i.e.*, 30 June). Where the only income derived by an individual is salary or wages, and salary or wages tax has been paid, income tax returns are not required to be filed.
- Employee social security in Papua New Guinea is 6 percent of earnings (historically only applicable to citizens). Employer social security amounts to 8.4 percent.
- Married couples file tax returns as separate individuals.



Paraguay

(2009 rate = 10 percent)

- The 10 percent rate kicks in once taxable earnings reach an amount that surpasses 120 times the monthly minimum wage (approximately 31,600 USD).
- Tax year-end is 31 December.
- The filing deadline is June 2010.
- Early retirement is possible at 55 years old with 30 years of contribution. In this case, the pension will have a percentage below 100 percent of average of the last 36 salaries, but it may be increased by 4 percent annually from 56 years old and up to 59 years.

Retirement with 30 years of contribution...	Percentage of pension
... and 55 years old	80%
... and 56 years old	84%
... and 57 years old	88%
... and 58 years old	92%
... and 59 years old	96%



Peru

(2009 rate = 30 percent)

- The top marginal rate kicks in at approximately 54 tax units (one tax unit is approximately 3,450 PEN).
- Tax year-end is 31 December.
- Tax filing due date is 31 March.
- The employee social security rate payable in 2009 is 13 percent for the National Pension Plan or approximately 13 percent for the Private Pension Plan.
- Married couples generally file tax returns as separate individuals. They can elect, however, to file a joint return.



Philippines

(2009 rate = 32 percent)

- The top marginal rate kicks in at approximately 500,000 PHP.
- Tax year-end is 31 December.
- Tax filing due date is 15 April.
- Employee social insurance maximum is 1,590 PHP per month.
- Fringe benefits granted by the employer to the employee are generally subject to a 32 percent Fringe Benefits Tax.



Poland

(2009 rate = 32 percent)

- The top marginal rate kicks in at approximately 85,528 PLN.
- Tax year-end is 31 December.
- Tax filing due date is 30 April. Monthly advance payment requirement applies to income derived from foreign employment contracts (due by the 20th of the following month the income was earned, except for income earned in December).
- Employee social insurance maximum rate is up to 13.71 percent.
- As a general rule, spouses are taxed separately on their income. However, spouses may file a joint tax return at their request.



Portugal

(2009 rate = 42 percent)

- The top marginal rate kicks in at approximately 64,100 EUR (for single taxpayers – double if married) of net taxable income.
- Tax year-end is 31 December.
- The tax return filing due date is 15 March (if filed on paper) or 15 April (if filed through the Internet) if only employment and/or pension income is received, or 30 April (if filed on paper) or 25 May (if filed through the Internet) if any other type of income is also reported.
- Portuguese resident and non-resident employees are liable for social security contributions at a rate of 11 percent on their gross remuneration.
- Gains arising from the sale of real estate and other intellectual property by tax residents are subject to taxation at marginal rates. With regards to the sale of real estate, the taxation at the normal rates applies only on 50 percent of the gain.
- Capital gains on the sale of shares may be tax exempt if shares are held for more than 12 months (some limitations apply); for shares held for less than 12 months, a 10 percent flat rate applies.
- Generally, investment income is taxed at flat rates (20 percent).
- Unless the spouses claim that they no longer live together due to a breakup of the marriage, married couples file tax returns jointly according to an income splitting system, which allows the couple to combine their income and then split it by a factor of two for the purpose of applying the progressive tax rates. However, married couples may also file separate tax returns (indicating their personal status as if they were separated) if one of the spouses spent less than 183 days in Portugal during the relevant tax year and provided that he/she demonstrates that most of his/her economic activities are not linked to the Portuguese territory.



Qatar

(no income tax)

- Qatar levies no taxes on employment income, dividends, royalties, profits, capital gains, wealth, property, or transfers, including death duties. Individuals with Qatari source business income but who are non-Qatari nationals and non-Gulf Cooperation Council nationals may be taxed from a corporate perspective.
- Tax year-end is 31 December.
- The filing deadline is 30 April.
- Employee social security rate is 5 percent and employer social security rate is 10 percent for Qatari local employees. No payments are due for expatriate employees.
- Qatar levies no taxes on employment income, dividends, royalties, profits, capital gains, wealth, property, or transfers, including death duties.



Romania

(2009 rate = 16 percent)

- Romania applies a flat tax rate of 16 percent.
- Tax year-end is 31 December.
- Annual filing due date is 15 May. However, individuals employed by a non-Romanian entity and assigned to work in Romania have a personal obligation to calculate, declare, and pay the Romanian income tax on a monthly basis, by the 25th of the following month.
- Employee social insurance maximum rate is upwards of 16.5 percent.
- Capital gain tax is included in the personal income tax. Capital gain is taxable only if incurred from the sale of securities or sale of real estate. The capital gains tax rate is currently 16 percent, although a 1 rate is available for "long-term investments."



Russia

(2009 rate = 13 percent)

- Russia applies a flat tax rate of 13 percent.
- Tax year-end is 31 December.
- The filing deadline is 30 April of the following year.
- A 9 percent income tax rate applies to dividend income.
- No employee social security contributions are payable (all employer provided).



Saudi Arabia

(no income tax)

- For employees, there are no taxes levied on salaries. However, self-employed expatriates are taxed at a rate of 20 percent.
- Tax year-end is usually 31 December.
- The tax return must be filed within 120 days of the end of the financial year.
- There is a 9 percent employee contribution plus a 9 percent employer contribution to the General Organization Social Insurance (GOSI) in Saudi Arabia for all Saudi employees. There is an additional 2 percent occupational hazard charge payable to GOSI for all employees (Saudi and expatriates).
- Employment income derived from wages, salaries, fees, allowances, bonuses, and rewards including director's fees derived by expatriate employees are not subject to taxation in Saudi Arabia.
- Non-Saudi nationals are taxed on income from self-employment, income from capital investment, and income from any activity conducted in the Kingdom of Saudi Arabia (tax rate is 20 percent).
- Saudi nationals are exempt from the payment of income tax but are instead subject to the payment of Zakat. Zakat is a religious tax and is assessed on earnings and holdings (Zakat rate is 2.5 percent).



Serbia

(2009 rates = 12 percent withholding tax on salaries but annual income tax up to 15 percent)

- Annual income tax rate of 15 percent kicks in when taxable income exceeds:
 - Six annual average salaries for citizens (approximately 3,288,528 RSD).
 - Eight average salaries for noncitizens (approximately 4,384,704 RSD).
- Tax year-end is 31 December.
- Tax return filing due date is 15 March of the current year for the previous year.
- Married couples file returns separately.
- An employee in Serbia is liable for salary tax at the rate of 12 percent. An employer is obligated to calculate, withhold, and pay salary tax on behalf of the employee at the time of salary payment.
- The employer is obliged to calculate, withhold, and pay social security contributions on behalf of employees. Social security rates are 11 percent for pension and disability insurance, 6.15 percent for health insurance, and 0.75 percent for unemployment insurance.
- Capital gains are taxed at the rate of 10 percent.



Singapore

(2009 rate = 20 percent)

- Top marginal rate kicks in at 320,000 SGD of taxable income.
- Tax year-end is 31 December.
- Returns are to be filed by 15 April of the year of assessment. Extension beyond 15 April is generally allowed if there are valid reasons.
- Social security or Central Provident Fund (CPF) contributions are mandatory for Singapore citizens or permanent residents who are employed in Singapore. For 2009, the employee is generally required to contribute to the CPF at 20 percent of his/her ordinary wages, subject to an annual wage cap of 54,000 SGD (76,500 SGD when considering additional wages [such as bonus]).
- Capital gains are not subject to tax in Singapore. There are property tax and goods & services tax.
- Married couples are assessed as separate individuals.



Slovakia

(2009 rate = 19 percent)

- Since 1 January 2004, the progressive tax rates were replaced by a flat tax rate of 19 percent.
- Tax year-end is 31 December.
- Returns are to be filed by 31 March following the calendar year. Extensions are available.
- The social security calculation involves many contribution categories calculated with their own percentage and income caps, whereas some are uncapped. Employee contributions are 13.4 percent but cap out at a relatively low level of income. Employer contributions are 35.2 percent out of which 0.8 percent is uncapped.



Slovenia

(2009 rate = 41 percent)

- The highest marginal tax rate is 41 percent starting at 14,821 EUR.
- Tax year-end is 31 December.
- Returns are to be filed by 30 June following the calendar year.
- Social Security – employee contribution is upwards of 22.1 percent uncapped.
- Dividends, interest, and capital gains are taxed at a flat rate. The tax rate for dividends and interest income is 20 percent. Capital gain tax for individuals is 5–20 percent, depending on the holding period before selling. For holding periods longer than 20 years, the tax rate is 0 percent.



South Africa

(2009/10 rate = 40 percent)

- Top marginal rate kicks in at 490,000 ZAR.
- Tax year-end is at 28 or 29 February.
- The tax return should be filed within 60 days of the date of issue of the return. Generally, this means the return needs to be filed by early July. E-Filing was recently introduced, which has changed the filing deadline timing somewhat.
- In general, there is no social security system in South Africa. However, private sector employees must make contributions to the unemployment insurance fund, which provides limited benefits if they become unemployed. The rate is currently 2 percent of remuneration paid to the employee. The employer and employee contribute equally to the monthly contribution (*i.e.*, 1 percent each). The 2 percent contribution is levied on the first 11,662 ZAR, remuneration paid to an employee during a month. To the extent that an individual earns more than this amount, he/she will pay the capped amount.
- A Skills Development Levy is payable by employers at a rate of 1 percent of taxable remuneration.
- Stamp duty at a rate of 0.25 percent is levied on the transfer of marketable securities, such as shares. It is payable by the purchaser.
- Taxes on capital gains are payable by all South African tax residents on all capital gains accrued after 1 October 2001, from any assets, irrespective of where the asset is held. In the case of an individual, 25 percent of the gain, less a 15,000 ZAR exemption, is added to taxable income in a particular year and taxed at the individual's marginal tax rates.
- Donations tax is levied at 20 percent on the value of property donated. The tax is levied on the donor. The first 100,000 ZAR of property donated each year by a natural person is exempt. This is only applicable to donations made by tax residents.
- Transfer duty is payable on the purchase of immovable property (the maximum applicable rate is 8 percent). There are minimum limits applicable to determine the total amount applicable.
- Married couples file tax returns as separate individuals. Individuals married in community of property are, however, taxed on 50 percent of the total passive income or income from a trade earned between them, in their individual returns.



Spain

(2009 rate = 43 percent)

- Top marginal rate kicks in at 53,407 EUR.
- The Spanish tax year runs from 1 January to 31 December. Employees must submit their tax returns between 1 May and 30 June of the following year.
- In principle, all employees working in Spain, regardless of their nationality, must be registered with the Spanish social security administration and the employer must make the corresponding contribution for both employer and employee. Employee social security rate is 6.35 percent, capped at income of 37,994 EUR annually (maximum annual contribution is 2,413 EUR). Employer social security rate is 31.15 percent, also capped at income of 37,994 EUR (maximum annual contribution is 11,835 EUR).
- There is a favorable (flat 24 percent tax rate) tax regime for inbound expatriates if certain requirements are met.



Sri Lanka

(2009/10 rate = 35 percent)

- Top marginal rate kicks in at 1,600,000 LKR.
- Tax year-end is at 31 March.
- The filing date is 30 September
- following the year of assessment. No extension is available.
- Employee contributions of 8 percent are made to the Employees' Provident Fund. Expatriates who contribute to a foreign fund may be exempted from Employees' Provident Fund contributions.
- A local tax is levied on property. This tax is called "rates" and is based on the rental value of property. Rates vary from one locality to another.



Sweden

(2009 rate = 56.74 percent)

- Top marginal rate kicks in at 526,200 SEK of taxable income.
- Tax year-end is at 31 December.
- The filing date is 2 May following the income year. Extensions are available.
- Sweden has a comprehensive social security system including retirement pension insurance, health insurance, parenthood insurance, survivor's pension insurance, rehabilitation insurance, and occupational accident insurance. Both employers and employees contribute to the social charges. The employee rate is 7 percent, capped at 410,763 SEK (maximum contribution 28,800 SEK). A tax credit of 100 percent of the employee social security contributions is granted.
- The employer social security contributions are levied at a rate of 31.42 percent, uncapped.
- Tax on investment income – flat rate of 30 percent.
- Church tax is included in the municipal tax system. Municipal tax is slightly reduced if the payer is not a member of the Swedish Church or other religious community.
- From 1 January 2008, the Real Property Tax on Private Residences is abolished and replaced with a Municipal Property Fee. The Municipal Property Fee for a house is 6,362 SEK (2009) with a maximum fee of 0.75 percent of the assessed value.



Switzerland

(2009 rate = 11.5 percent federal, canton/communal rates can vary significantly (e.g. 40 percent combined rate for Zurich city))

- While higher marginal rates can kick in at lower income levels, the top effective federal rate of 11.5 percent starts at 712,500 CHF for single taxpayers. This does not include cantonal, communal or church taxes, which can vary significantly. Combined highest marginal rates range from approximately 20 percent to over 43 percent.
- Tax year-end is at 31 December.
- Filing deadlines vary by canton, generally end of March with extension available.
- Employee social security rate is 5.05 percent uncapped and 1 percent capped at annual income of 126,000 CHF.
- Capital gains taxes are generally not levied on the sale of securities in Switzerland unless an individual is deemed to be a "securities dealer."
- Most cantons will, however, levy capital gains taxes on the gains relating to the sale of Swiss immovable property (for example, real estate or businesses that are located in Switzerland).
- Switzerland applies a wealth tax which varies from canton to canton. It is mostly progressive and depends on the total value of the net assets.
- Married couples file jointly.



Taiwan

(2009 rate = 40 percent)

- Top marginal rate kicks in at 4,090,000 TWD.
- Tax year-end is at 31 December.
- The filing date is 31 May following the income year with no extensions.
- There is no social insurance program in Taiwan. However, the labor and health insurance program is the closest in content. The labor insurance rate varies among employers but the common used rate is 6.5 percent (70 percent of this is covered by the employer, 20 percent by the employee and 10 percent by the government). The health insurance rate is 4.55 percent (60 percent of this is covered by the employer, 30 percent by the employee and 10 percent by the government). Annual employee contributions to these insurance programs are capped at approximately 51,000 TWD.
- Capital gains, and other than gains from securities and land, are taxed at the regular income tax rate. Gains from securities and land are not subject to income tax, but a securities transfer tax and land value increment tax will be imposed.
- Married couples have to file jointly (tax can be separately calculated).



Thailand

(2009 rate = 37 percent)

- Top marginal rate kicks in at 4,000,000 THB.
- Tax year-end is at 31 December.
- The filing date is 31 March following the income year.
- Employees pay contributions to the Social Security Fund at 5.0 percent, subject to a maximum contribution of 750 THB (5.0 percent of 15,000 THB) per month.



Turkey

(2009 rate = 35 percent)

- Top marginal rate kicks in at 44,700 TRY.
- Tax year-end is at 31 December.
- Tax filing due date is 25 March.
- Social insurance system contributions for the employee are 15 percent. Monthly contributions cap out at approximately 4,152 TRY.
- Both spouses must file their income tax returns individually.



Ukraine

(2009 rate = 15 percent)

- Applies flat tax of 15 percent. (Remuneration paid by a foreign entity to an individual who is a tax nonresident in the Ukraine for his/her work in the Ukraine is subject to tax at 30 percent.)
- Tax year-end is at 31 December.
- Tax return filing due date is 31 March of the year following the reporting one.
- Employee social security contributions are 3.6 percent of the gross salary. The taxable base for these contributions, however, is currently capped at 10,035 UAH per month. For salaries exceeding this threshold, the contributions are calculated based on 10,035 UAH rather than on the actual gross amount.



United Arab Emirates

(no income tax)

- Individual income tax is not assessed. There is no capital gains tax for individuals. The capital gains income of businesses is taxed as ordinary business income (regarding banks and oil companies). Social security taxes are not imposed on individuals.



United Kingdom

(2009/10 rate = 40 percent)

- Top marginal rate kicks in at 43,875 GBP.
- Tax year-end is 5 April.
- The deadline for submission of tax returns electronically is 31 January following the end of the year of assessment, by which time payment of any additional tax for the year should also be made. If the taxpayer wishes to file a paper tax return, the tax return must be lodged by the earlier date of 31 October.
- Employee social security (NIC) is payable at a rate of 11 percent on compensation between 110 GBP and 844 GBP per week. A further liability at the rate of 1 percent arises on all earnings above 844 GBP per week.
- The UK allows for some preferential tax treatment on capital gains — for instance, first 10,100 GBP are tax free. The Capital Gains tax rate is 18 percent.
- The UK applies a council tax on property; this local tax is based on the value of an individual's home. The charge varies from district to district. A similar tax applies to secondary residences.
- The sale or other transfer of real estate within the UK is subject to Stamp Duty Land Tax (at rates up to 4 percent) if the asset transferred is valued at over 175,000 GBP for residential property or 150,000 GBP for nonresidential property.
- Married couples file tax returns as separate individuals.



United States

(2009 rate = 35 percent federal, state / local rates vary significantly and generally range from 0 to 10 percent)

- Top marginal rate kicks in at 372,950 USD (for all filing statuses except Married Filing Separate, which reaches the top marginal rate at 186,475 USD). Each state and local government in the United States has its own set of rules with respect to taxing income (and real and personal property and consumption).
- Tax year-end is at 31 December
- Filing deadline is 15 April of the following year. A six-month automatic extension extends the time to file the tax return but not to pay any tax owed.
- The U.S. social security tax (often referred to as "FICA," for Federal Insurance Contributions Act) consists of two parts, each of which is imposed at the same rate on the employer and the employee. Tax at the rate of 6.2 percent is applied against the wage base for Old Age, Survivors, and Disability Insurance (OASDI). The wage base consists of all compensation income, not adjusted by any contributions to qualified retirement plans, up to a maximum amount. The OASDI maximum wage base for 2009 is 106,800 USD. In addition, a tax of 1.45 percent is applied for Medicare (hospital insurance). There is no limit to the amount of wages subject to the 1.45 percent Medicare tax. The employer withholds the employee's FICA taxes from his/her wages, and remits the amount withheld, together with the employer's equal contribution, to the Internal Revenue Service (IRS).
- In addition to the social security taxes discussed above, federal and state unemployment tax may be imposed on employers with respect to individuals in their employ.
- Generally, capital gains on assets held for more than 12 months are taxed at a maximum rate of 15 percent, and if held 12 months or less, are taxed at regular income tax rates. "Qualified" dividends (dividends received from a domestic corporation or a qualified foreign corporation) are also taxed at 15 percent.
- An individual holding real property in the United States may be subject to real estate tax at a rate determined by the jurisdiction where the property is located.
- Married couples may elect to file tax returns jointly or separately.



Uruguay

(2009 rate = 25 percent)

- Top marginal rate kicks in at 2,332.800 UYU.
- Tax year-end is at 31 December.
- The tax returns have to be filed by May; however, tax returns are often not required given monthly withholdings applied on compensation.
- Compensation derived by individuals from dependent personal services in Uruguay is also subject to social security contributions. These contributions are paid monthly, charged on both employers and employees (employees' contributions are withheld by the employer from their salaries). The current rates are the following (basically applied over monthly remunerations):

Employer contributions:

- Pension Fund: 7.5 percent (does not

apply to portion of monthly salaries in excess of approximately 2,500 UYU)

- Health Service: 5 percent
- Labor Fund: 0.125 percent

Employee contributions:

- Pension Fund: 15 percent (does not apply to portion of monthly salaries in excess of approximately 2,500 UYU)
- Health Service:
 - 3.0 percent (if employee's monthly remuneration is less than approx. 210 UYU).
 - 4.5 percent (if employee's monthly remuneration is higher than approx. 210 UYU and the employee has no dependent children).
 - 6 percent (if employee's monthly

remuneration is higher than approx. 210 UYU and the employee has dependent children)

- Labor Fund: 0.125 percent
- Individuals may be subject to wealth tax on assets located in Uruguay. The tax is levied on net worth at 31 December.
- Capital income of Uruguayan source is taxed at a flat rate of 12 percent, with reduced rates of 3 percent and 5 percent applying to interest obtained from certain bank deposits or local securities. Exemptions have also been established for some types of capital income. Capital income of a foreign source (*i.e.*, interest received from foreign loans, deposits or securities, dividends from shares in foreign companies, etc.) is not subject to tax in Uruguay.



Venezuela

(2009 rate = 34 percent)

- Top marginal rate kicks in at 6,000 Fiscal Unit (26 USD equal 1 Fiscal Units for 2009 tax year) for tax residents. For nonresidents, the tax rate is flat 34 percent on any amount. The value of a Fiscal Unit is adjusted for inflation on an annual basis, in accordance with the Caracas consumer price index.
- Tax year-end is at 31 December.
- Filing deadline is 31 March of the following year with no extension available.

- Employee social security rate is 4 percent. Unemployment insurance rate is 0.5 percent; the maximum ceiling tax contributions are set at 5 minimum salaries (2,230 USD) and 10 minimum salaries (4,460 USD). Minimum salary is currently approximately 408 USD but it will be increased in September 2009 to 446 USD.
- Inheritance and gift tax is levied at rates that vary depending on the relationship of the beneficiary to the deceased or donor.

- No wealth tax.
- No expatriate tax concessions.
- An employee who owns a residence in Venezuela must pay municipal real estate tax.
- A housing development tax is computed for a resident employee's monthly basic salary at a flat rate of 1 percent (for employees' contributions). Basic salary would be the regular salary paid.



Vietnam

(2009 rate = 35 percent)

- Top marginal rate kicks in at 80,000,000 VND per month for both citizens and noncitizens.
- The first tax year-end is 12 months counting from the first day in Vietnam; and subsequent tax year-end is at 31 December.
- The employer is required to withhold Personal Income Tax on a monthly basis. Monthly tax withheld by the employer from the employee shall be declared and remitted to the local tax department by the 20th of the following month. Monthly provisional Personal Income Tax is calculated on that month's income and finalized at the end of the calendar year when the annual tax return is filed (*i.e.*, on or before 31 March of the following year). Any tax shortage based on the annual tax return shall be remitted to the local tax department by the same date of submission of the annual tax return.
- In the case of the completion of employment in Vietnam, a tax finalization return should be filed within 45 days from the termination date and any tax shortage based on the annual tax return shall be remitted to the local tax department by the same date of submission of the tax finalization return.
- Only Vietnamese employees are required to make contributions to the Social Insurance, Health Insurance, and Unemployment Insurance Funds on a monthly basis. For the first six months, the rates are 7 percent and 18 percent for the employee and the employer, respectively. The rates increase up to 8 percent for the employee and up to 20 percent for the employer in the last six months.
- The income subject to social insurance is capped at 20 times the minimum salary, which is set at 540,000 VND up to the end of April and at 650,000 VND effective from 1 May.
- Foreign employees are not required to contribute to any state social security or insurance levy.

Effective from 1 January 2009, in addition to employment income, the following income is also subject to personal income tax as follows:

- Income from household business operation
- Income from capital investments
- Income from capital transfers
- Income from real property transfers
- Income from winnings or prizes
- Royalties, income from franchises, income from inheritance, and income from gifts

The above types of income are assessed at different tax rates and subject to different tax compliance procedures.

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Publication name: KPMG's Individual Income Tax Rate Survey 2009

Publication number: 20729NSS

Publication date: June 2009