



cutting through complexity

TAX

KPMG's Individual Income Tax and Social Security Rate Survey 2011

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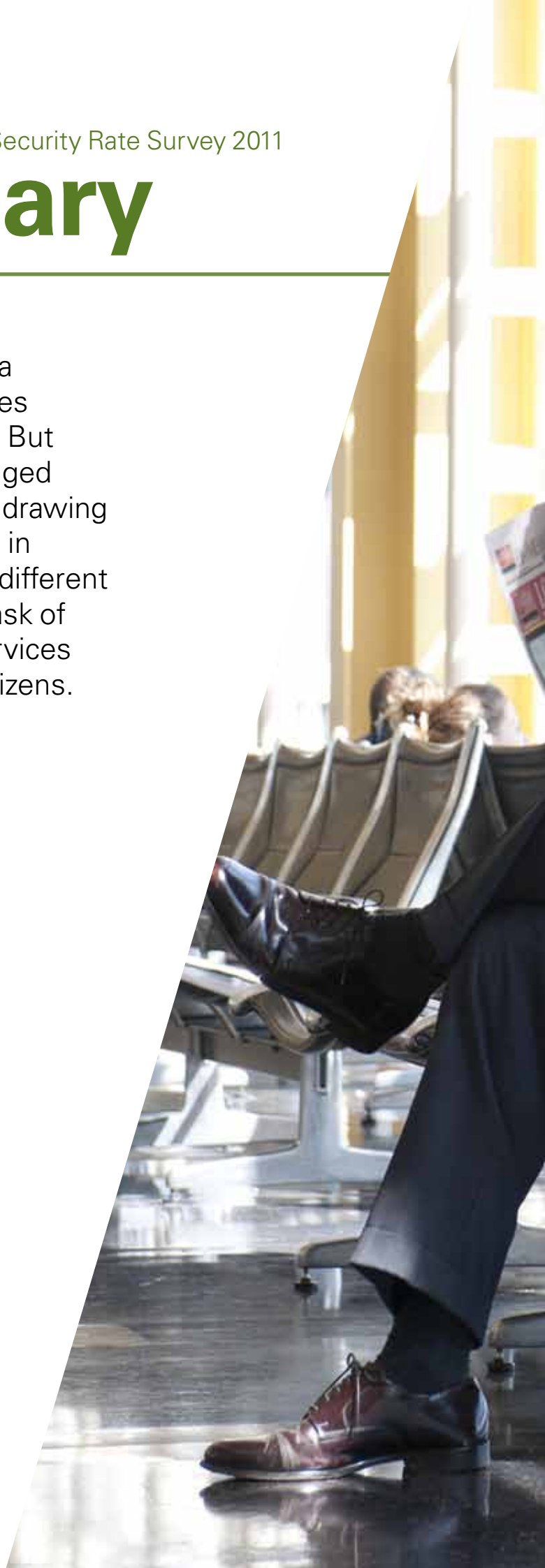
Contents

Commentary	2
Highest Rates of Personal Income Tax	6
Survey Data Graphs	8-26
Effective Income Tax and Social Security Rates	8
Effective Employer and Employee Social Security Rates	12
World Map: Sub-region averages	16
Highest Rates of Personal Income Tax	18
Taxable Income Level (in USD) Where Highest Rates of Personal Income Tax Take Effect	29
Capital Gains Tax	30
Country Specific Information	40
Contacts	80

KPMG's Individual Income Tax and Social Security Rate Survey 2011

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 2011 edition of KPMG International's Individual Income Tax and Social Security Rate Survey. This is the fourth year that KPMG's International Executive Services (IES) practice has produced this resource. Drawing on KPMG's global network of professionals from KPMG member firms around the world, IES has compiled personal income tax and social security rates from 96 countries for each of the past nine years.

For ease of comparison, we have again concentrated on the highest rates of personal income tax payable to central governments in each country. Our review also extends to include social security – often the forgotten item when considering taxes.

From 2003 to 2009, we observed a gradual decline in top personal income tax rates. In 2010, largely due to rate increases in response to deficit concerns, this trend came to end with the average rates climbing 0.4 percent across the 96 countries surveyed. So did the upward rate movement continue in 2011?

No. The average rate actually went down by 0.3 percent in 2011 but this reversal of trend is not necessarily a true reflection of 2011 developments. In 2011, less than 15 percent of the countries surveyed had any change at all and not a single G-20 member reported a change to its top personal income tax rate. Last year we saw more than twice as many instances of change and four G-20 members reported updates. In 2011, Spain is the only economy (defined by GDP) within the world's top 20 economies surveyed that had a change in top personal income tax rate. As many economies continue to address debt concerns and walk a tightrope between further recovery and downturn, personal tax rate discussions remain high on the agenda in 2011 but rate changes for the most part have yet to occur – particularly in the larger economies.

Although there are some significant differences among the sub-regions, the vast majority of rate movement in 2011 comes from the Europe region.

The average rate for Eastern Europe at just over 17 percent is less than half of that of other European sub-regions. This is a result of the historical low flat tax initiatives. In 2011, the relatively low Eastern Europe rate distinction is emphasized with Hungary slashing their top personal tax rate from 32 to 16 percent and adopting a flat tax rate system. The Hungary decrease is the highest seen globally this year. Ukraine rates however went in the other direction as deficit worries forced it to increase its flat rate from 15 to 17 percent.

In Southern Europe, where the average rate approaches 39 percent, tax rates increases are seen in Spain and Portugal. Spain created new tax brackets for higher income earners, raising rates at the top end by 2 percent such that income over EUR175,000 is now subject to a 45 percent rate. Portugal raised rates, albeit at a lesser level, for the second year in a row.

In Northern Europe, where the average rate approaches 40 percent, minor tax rate changes are seen in Latvia, Finland, Sweden, Iceland and Ireland. Latvia dropped its flat tax rate by 1 percent. Variances on the municipal front resulted in small combined rate changes in Finland, Sweden and Iceland. Ireland, which initiated the upward rate movement trend back in 2009, raised rates for the third consecutive year (a 1 percent increase in 2011) as it continues to seek additional tax revenues.

Western Europe, where the average rate is over 45 percent, continues to have the highest personal tax rates of any sub-region globally. Within the Western European sub-region, an attractive personal tax rate environment remains effectively limited to certain cantonal pockets within Switzerland. Luxembourg is the only country in Western Europe which had a rate

change in 2011. Under pressure to reduce its budgetary deficit, Luxembourg responded by increasing the top personal income tax rate, raising the unemployment surcharge for high income earners and introducing a crisis contribution tax. When combined, these measures have effectively increased the top personal tax rates by approximately 3 percent.

Luxembourg is not the only country to implement a temporary levy, Australia will do the same in their coming 2011/12 tax year implementing what it calls a Temporary Flood Reconstruction Levy. There is also speculation that Japan may introduce a similar temporary tax to help fund their post-earthquake rebuild. The introduction of temporary taxes by governments as a means providing additional revenues in times of short term crisis and uncertainty could become a more prevalent trend going forward.

Coming back to the regions, outside of Europe there is very little activity.

Within Asia and its diverse sub-regions, the only rate change is seen in Jordan which implemented an 11 percent decrease in rates. For the Asia region the average rate remains at just over 23 percent. The economic powers of China, India and to lesser extent South Korea showed no change in rates. The personal tax rate competition between Hong Kong and Singapore remains but to date there has been no change in fundamental state of play.

For the Latin America region, where the average rate remains at just over 28 percent, the only rate change is seen in Jamaica which reverted back to 2009 levels after a temporary 10 percent increase.

In the regions of Africa (average rate of 27 percent), Oceania (average rate of 38 percent) and North America (average rate of 27 percent), highest rates of personal income tax remained static in 2011. The most significant case where this inert position was challenged

came out of the United States. Top US federal rates were set to return to 39.6 percent (pre-Bush tax cuts levels) at the beginning of 2011 but a December 2010 bill was passed keeping the top federal rate unchanged at 35 percent, (at least until January 2013).

In terms of the highest income tax rates in the world, the small Caribbean island of Aruba (a new participant in the survey) took this accolade with a rate of 59 percent. Other countries with top personal income tax rates at 50 percent level or higher included perennial countries like Sweden (57 percent rate), Denmark (55 percent rate), Netherlands (52 percent rate), Austria (50 percent level), Belgium (50 percent rate) and United Kingdom (50 percent level). The UK increase to the 50 percent rate level occurred last year and the change remained a headline item in 2011. The only country with a 50 percent rate or higher level outside of Europe is Japan.

While these top rates may appear high, it is important to remember that a country's highest personal income tax rate is only one indicator of what taxes individuals may pay on their income. Just as influential are which other taxes may apply and on which income thresholds those rates are charged.

With regards to thresholds, our survey again highlights taxable income levels where top rates take effect. From this chart on page 29 it is clear that largest thresholds rest with the larger economies. The United States, Germany (although a 42 percent rate kicks in at relatively lower income level), Singapore, Japan and the UK all wait until after an individual has more than USD200,000 of taxable income before imposing the top rate.

Our broader analysis comparing both effective income tax and social security rates on USD100,000 and USD300,000 of gross income further emphasizes the point that other taxes and the impact of deductions clearly need to be considered. Effective rates are derived

by taking total taxes over gross income prior to any deductions (which may include social security) to allow for better comparison as deductions can vary greatly across countries. While Aruba and Sweden are at the higher end of each scenario, they do not actually have the top rate. Using a USD100,000 basis for example, Belgium, Croatia and Greece all have significantly higher combined effective rates ranging from over 43 percent up to almost 48 percent. The primary difference is social security.

Whether social security is a true tax may be debated, but in terms of cost, it can be material. We have therefore included a review of both the employee and employer contributions for completeness. Social security components can vary significantly including by country, employer and employee type. For ease of comparison across countries, we have again restricted the review to recognized core contribution requirements for employees earning gross income of USD100,000 and USD300,000. The results show France has the highest combined rate at over 50 percent under either scenario. Belgium is the next highest at 48 percent. While these rates may seem exceptionally high, over one-third of the countries within this review had social security-based effective tax rates of above 20 percent on USD100,000 of gross income. Although European countries dominate the list, countries like Argentina, Brazil and India also feature.

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, to continue. Given aging populations in many countries and the fact that many economies are still in dealing with recovery uncertainty, the social support schemes are as important now as ever. In order to compensate for this amidst budgetary constraints, we have seen some countries increase

social security rates in 2011. We have also seen governments take steps to raise the minimum retirement age in order to keep more people in the workforce for a longer period of time in hopes of reducing the burden on the systems. While social security systems differ greatly across the globe and many systems provide access to social security based on years of service rather than age, almost a quarter of the countries surveyed which noted a retirement age as part of their system have increased that age within the last 5 years or plan to do so within the next 5 years.

Most economies continue to struggle for growth and the stock recovery of 2010 has not continued at the same pace in 2011 (with signs of potential retraction). For sake of completeness and given importance of personal tax implications of investment, we nevertheless have again included a review of capital gains taxation within this resource. Our analysis highlights that the majority of countries do offer real incentives, either via reduced or zero capital gains tax rates, to promote ongoing and needed investment in their region.

As most countries continue to try and achieve the right balance which increases overall net revenues, one can expect diverse approaches via personal income tax rates, tax credits and social security mechanisms. Comprehensive solutions could also extend beyond the personal tax arena to areas like indirect and corporate taxation. Despite personal tax rate discussions being high profile on the 2011 agenda and much action speculated, most countries remain effectively in a holding pattern with respect to change. While governments may not move, individuals, particularly high income earners with mobility options, continue to do so – such should not be overlooked within addressing the deficit concerns.

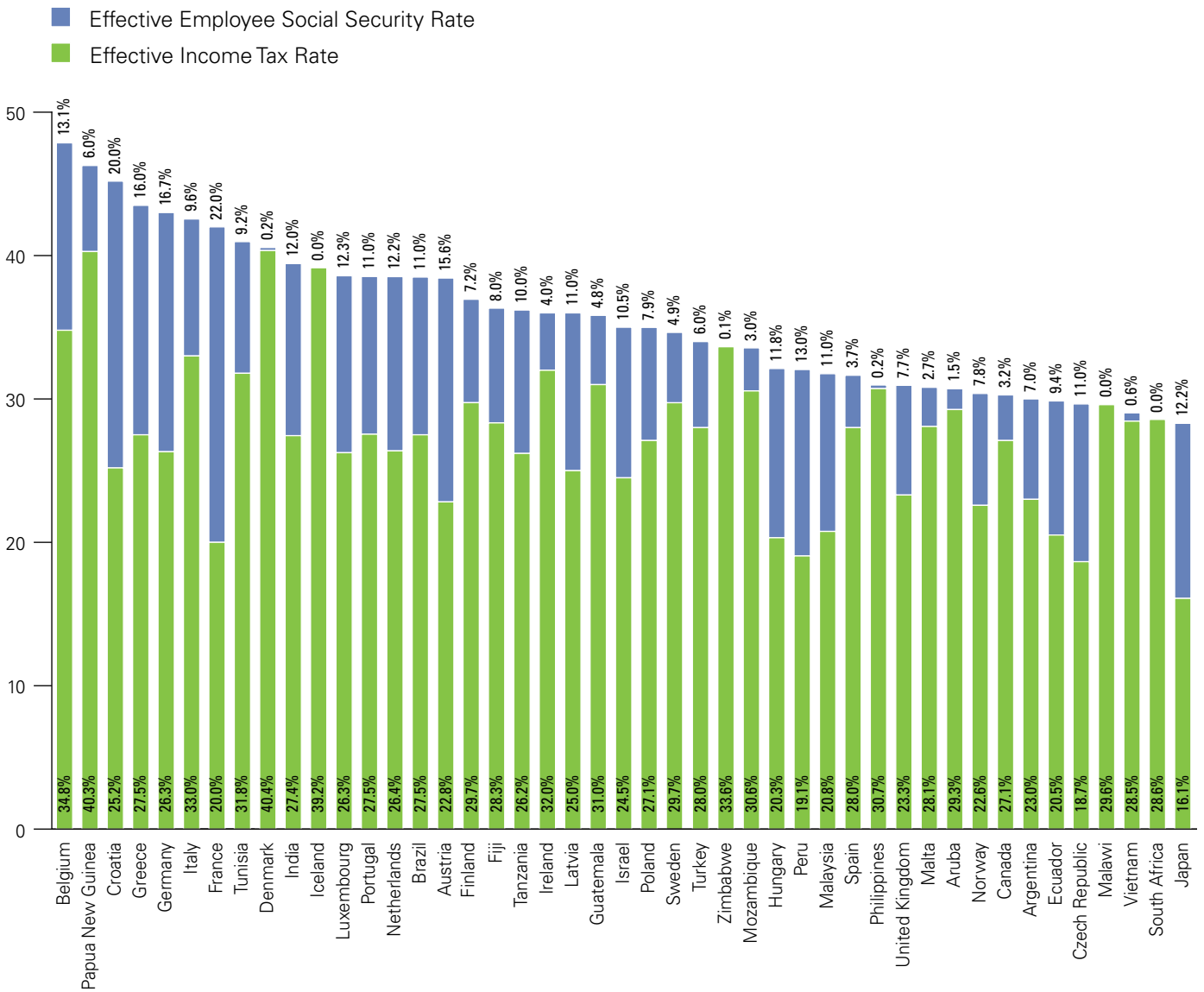
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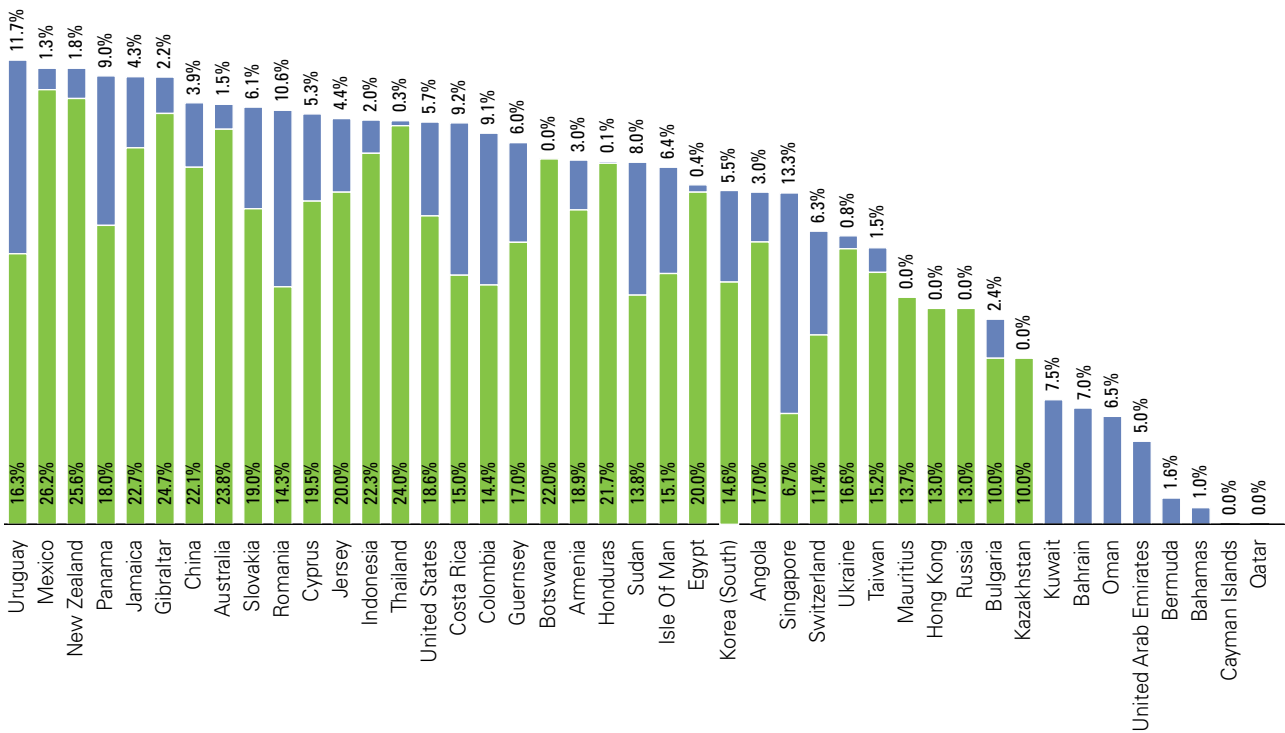
- 0.0% = No personal income taxes are levied.
- For countries that tax sections of income at different levels, only the top level is presented.
- All tax rates are for residents.
- With the exception of Switzerland where the figure quoted includes the Zurich cantonal and communal rate, Canada where the figure quoted includes Ontario's provincial rate and Sweden, Finland and Iceland where the figures quoted include average rate across municipalities, amounts reported do not include state/provincial rates (i.e. the amount reported for the United States represents the highest personal income tax rate charged at a federal level only).

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

OECD	Africa	Asia	Europe	Latin America	North America	Oceania	Country	2003	2004	2005	2006	2007	2008	2009	2010	2011	
		●					Kazakhstan	30.0%	20.0%	20.0%	20.0%	10.0%	10.0%	10.0%	10.0%	10.0%	
●		●					Korea (South)	36.0%	36.0%	35.0%	35.0%	35.0%	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%	0.0%	0.0%	0.0%
			●				Latvia	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	23.0%	26.0%	25.0%	
●			●				Luxembourg	39.0%	39.0%	39.0%	39.0%	39.0%	39.0%	39.0%	39.0%	39.0%	42.0%
		●					Macau	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
	●						Malawi	35.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
		●					Malaysia	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	27.0%	26.0%	26.0%	26.0%
			●				Malta	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
	●						Mauritius	25.0%	30.0%	30.0%	30.0%	22.5%	15.0%	15.0%	15.0%	15.0%	15.0%
●				●			Mexico	34.0%	33.0%	30.0%	29.0%	28.0%	28.0%	28.0%	30.0%	30.0%	30.0%
	●						Mozambique	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%
●			●				Netherlands	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%
				●			Netherlands Antilles	57.2%	57.2%	57.7%	49.4%	49.4%	49.4%	49.4%	49.4%	49.4%	49.4%
●						●	New Zealand	39.0%	39.0%	39.0%	39.0%	39.0%	39.0%	38.0%	33.0%	33.0%	33.0%
●			●				Norway	47.5%	47.5%	47.5%	40.0%	40.0%	40.0%	40.0%	47.8%	47.8%	47.8%
		●					Oman	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
				●			Panama	33.0%	33.0%	27.0%	27.0%	27.0%	27.0%	27.0%	25.0%	25.0%	25.0%
						●	Papua New Guinea	47.0%	47.0%	47.0%	45.0%	42.0%	42.0%	42.0%	42.0%	42.0%	42.0%
				●			Peru	30.0%	30.0%	30.0%	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%	32.0%	32.0%	32.0%
●			●				Poland	40.0%	40.0%	50.0%	40.0%	40.0%	40.0%	32.0%	32.0%	32.0%	32.0%
●			●				Portugal	40.0%	40.0%	40.0%	42.0%	42.0%	42.0%	42.0%	45.9%	46.5%	46.5%
		●					Qatar	0.0%	0.0%	0.0%	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%	16.0%	16.0%	16.0%
			●				Russia	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
			●				Serbia	10.0%	10.0%	10.0%	10.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
		●					Singapore	22.0%	22.0%	21.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
●			●				Slovakia	38.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
	●						South Africa	40.0%	40.0%	40.0%	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%	43.0%	43.0%	45.0%
	●						Sudan	20.0%	20.0%	20.0%	20.0%	20.0%	15.0%	15.0%	15.0%	15.0%	15.0%
●			●				Sweden	57.0%	56.7%	56.8%	56.8%	56.8%	56.7%	56.7%	56.6%	56.6%	56.6%
●			●				Switzerland	40.4%	40.4%	40.4%	40.4%	40.4%	40.0%	40.0%	40.0%	40.0%	40.0%
		●					Taiwan	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
	●						Tanzania	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
		●					Thailand	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%
	●						Tunisia	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
●		●					Turkey	45.0%	40.0%	35.0%	35.0%	35.0%	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%	15.0%	17.0%	17.0%
		●					United Arab Emirates	0.0%	0.0%	0.0%	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%	50.0%	50.0%	50.0%
●					●		United States	35.0%	35.0%	35.0%	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%	25.0%	25.0%	25.0%
				●			Venezuela	25.0%	34.0%	34.0%	34.0%	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%	35.0%	35.0%	35.0%
	●						Zimbabwe	46.4%	46.4%	41.2%	36.1%	48.9%	48.9%	36.1%	36.1%	36.1%	36.1%
							Average	31.8%	31.0%	30.5%	30.0%	30.1%	29.9%	29.5%	29.9%	29.6%	

Effective Income Tax and Social Security Rates on USD100,000 of Gross Income





Notes

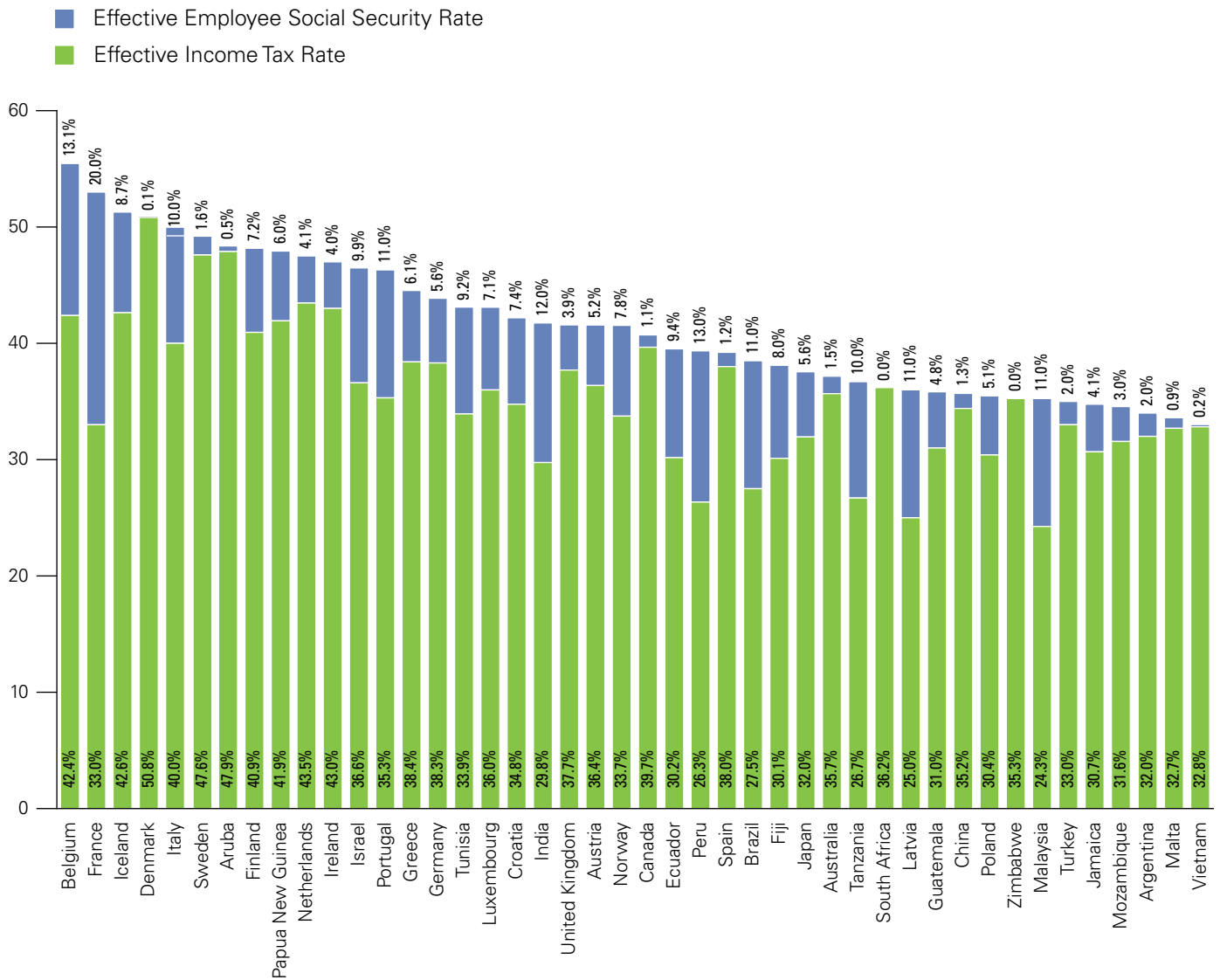
Effective rates were derived by taking total income tax and/or social security over gross income prior to any deductions (which may include social security). This allows for better comparison as deductions can vary greatly across countries.

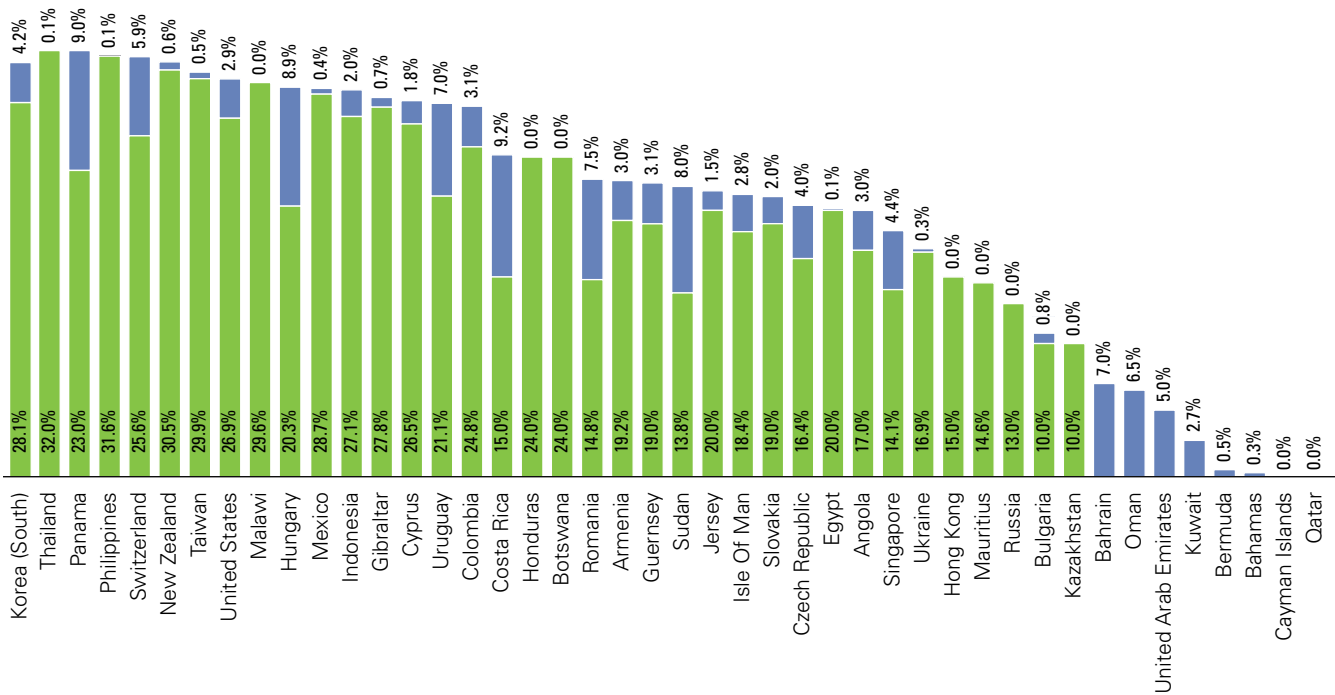
In addition to federal taxes, the US calculation factors in the state of New York; the Canadian calculation factors in the province of Ontario; the Finnish calculation factors in Helsinki; and the Swiss calculation factors in Zurich canton and community.

Calculations assume individual is single with no children.

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

Effective Income Tax and Social Security Rates on USD300,000 of Gross Income





Notes

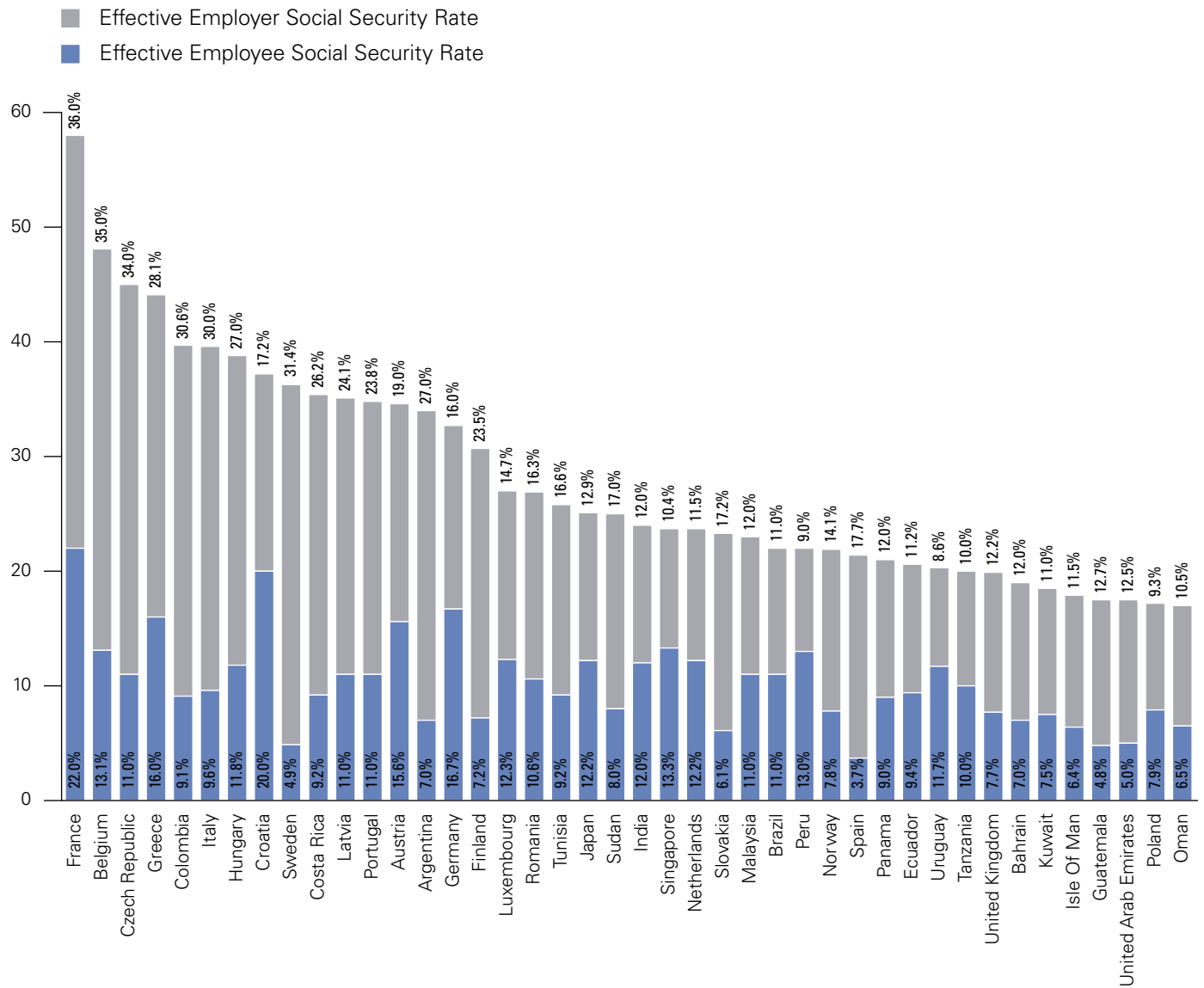
Effective rates were derived by taking total income tax and/or social security over gross income prior to any deductions (which may include social security). This allows for better comparison as deductions can vary greatly across countries.

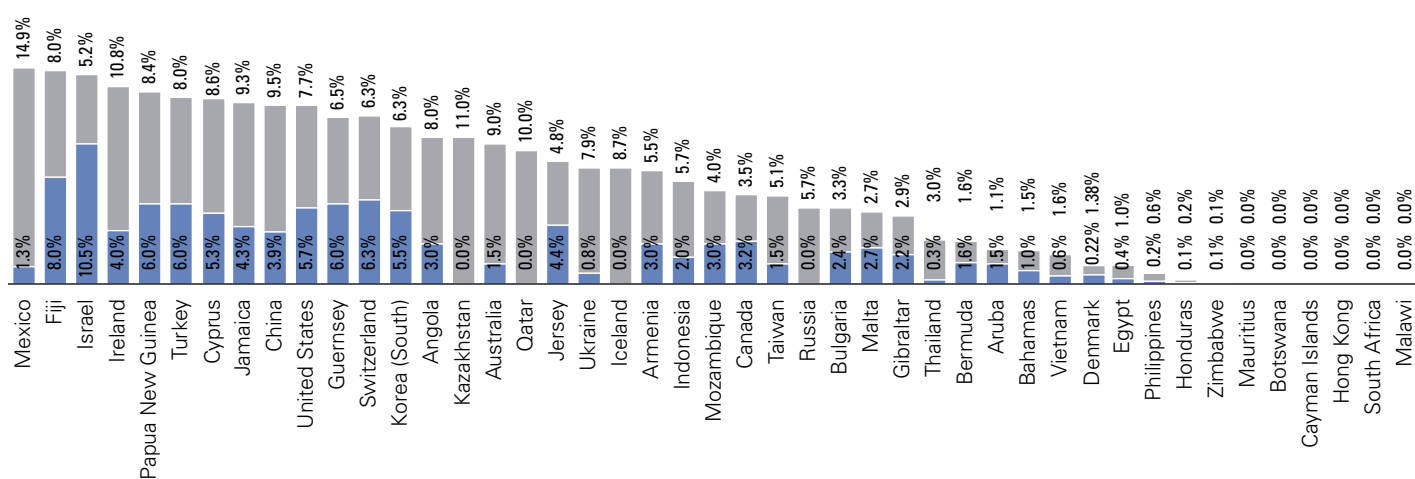
In addition to federal taxes, the US calculation factors in the state of New York; the Canadian calculation factors in the province of Ontario; the Finnish calculation factors in Helsinki; and the Swiss calculation factors in Zurich canton and community.

Calculations assume individual is single with no children

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

Effective Employer and Employee Social Security Rates on USD100,000 of Gross Income





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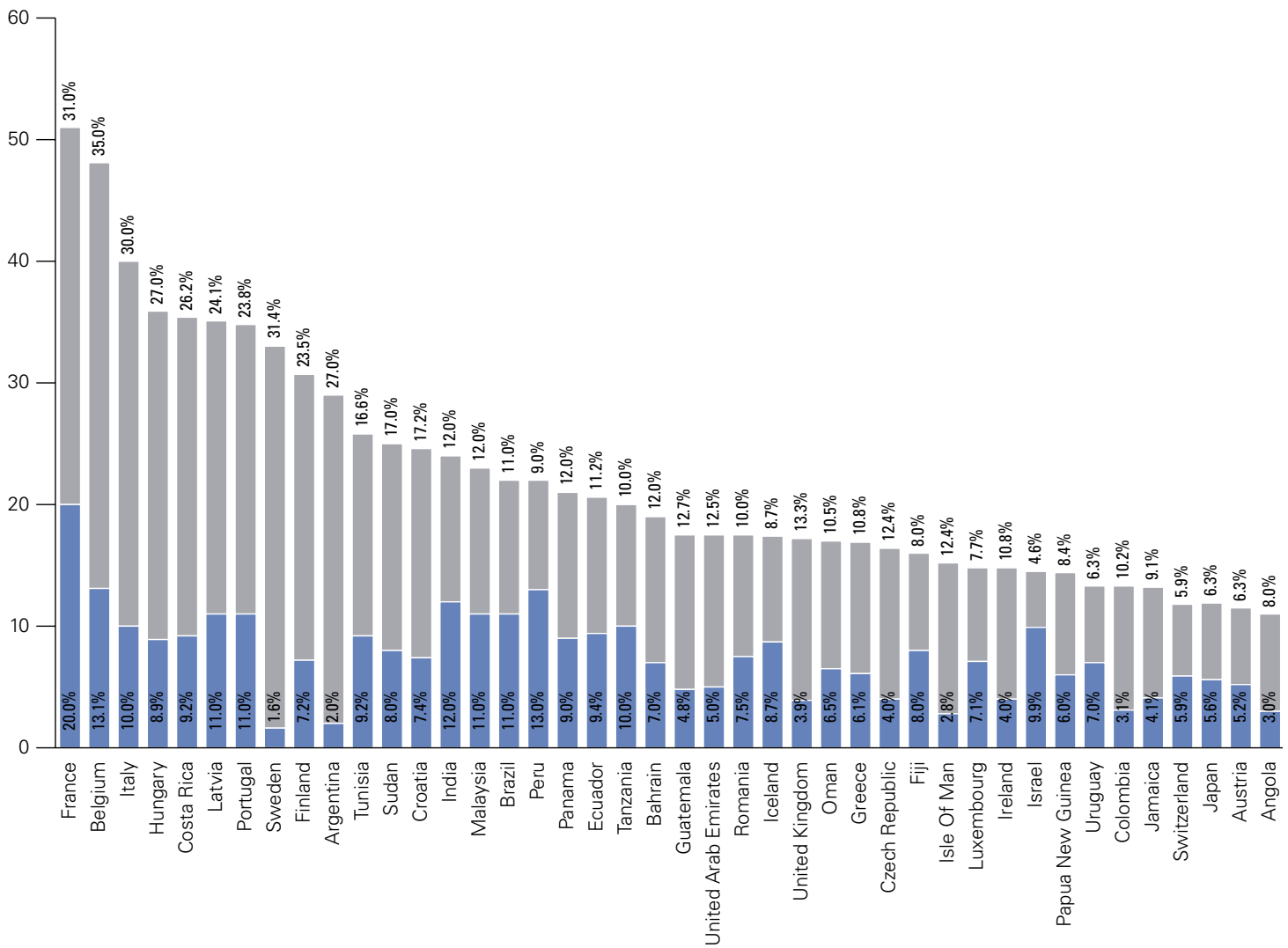
Effective rates were derived by taking total taxes over gross income prior to any deductions (which may include social security). This allows for better comparison as deductions can vary across countries. Social security components can vary significantly by country, employer and employee type.

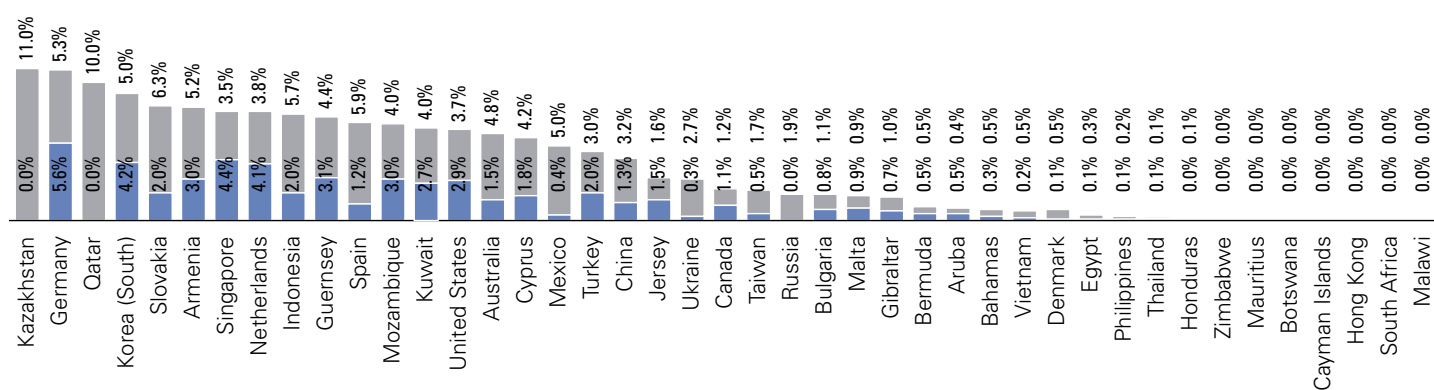
Calculations assume individual is single with no children

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

Effective Employer and Employee Social Security Rates on USD300,000 of Gross Income

■ Effective Employer Social Security Rate
■ Effective Employee Social Security Rate





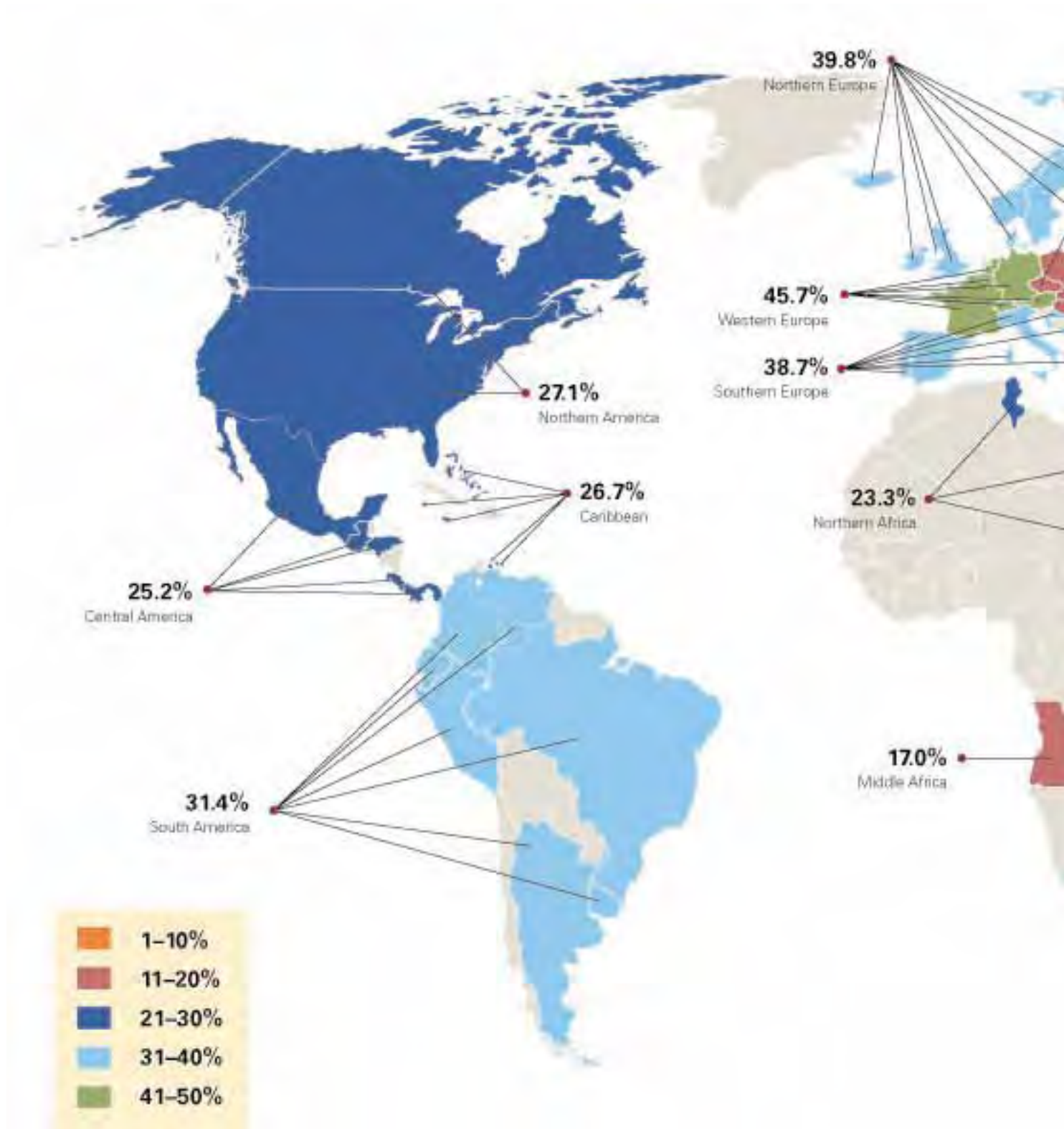
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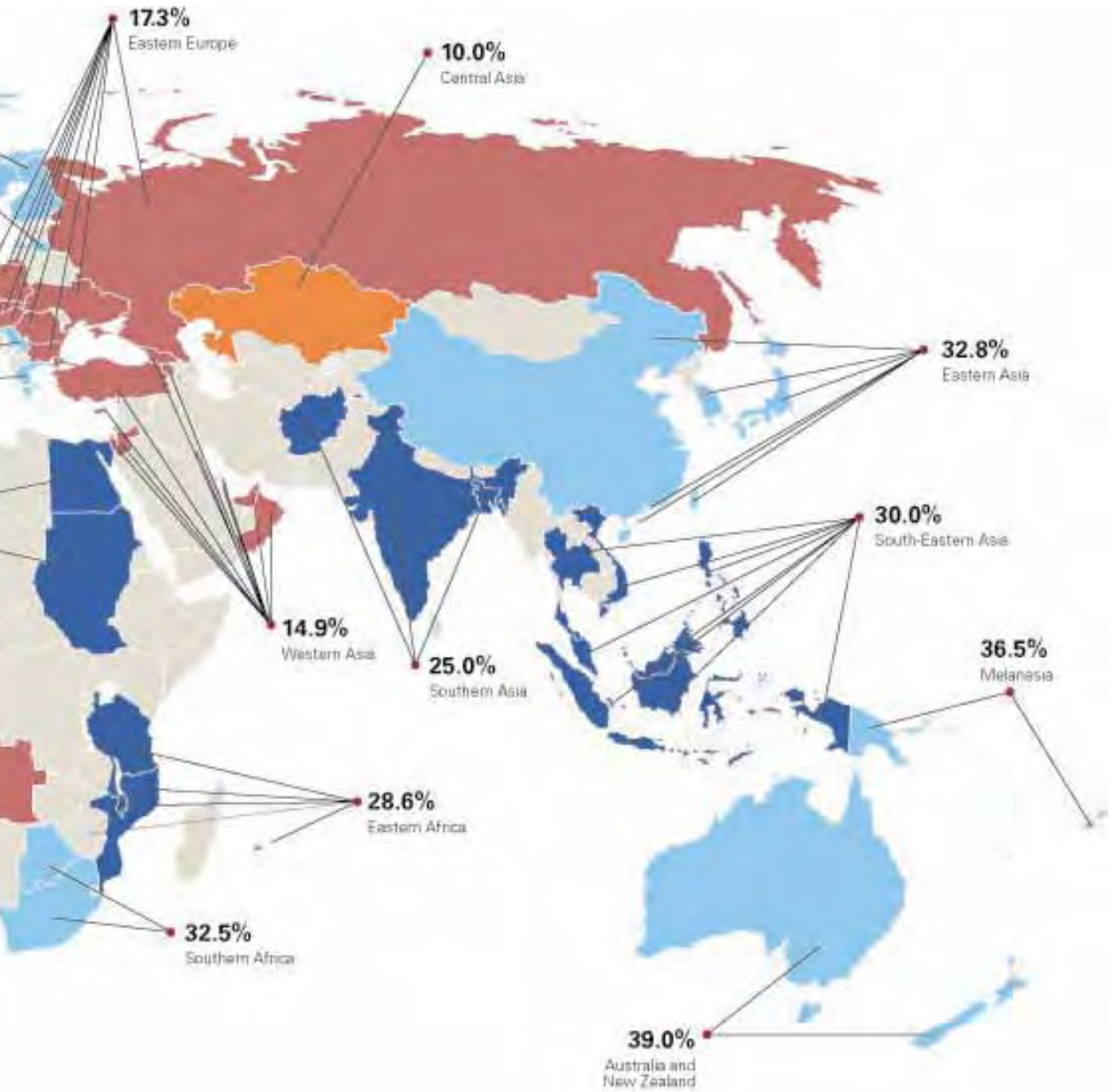
Effective rates were derived by taking total taxes over gross income prior to any deductions (which may include social security). This allows for better comparison as deductions can vary across countries. Social security components can vary significantly by country, employer and employee type.

Calculations assume individual is single with no children

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

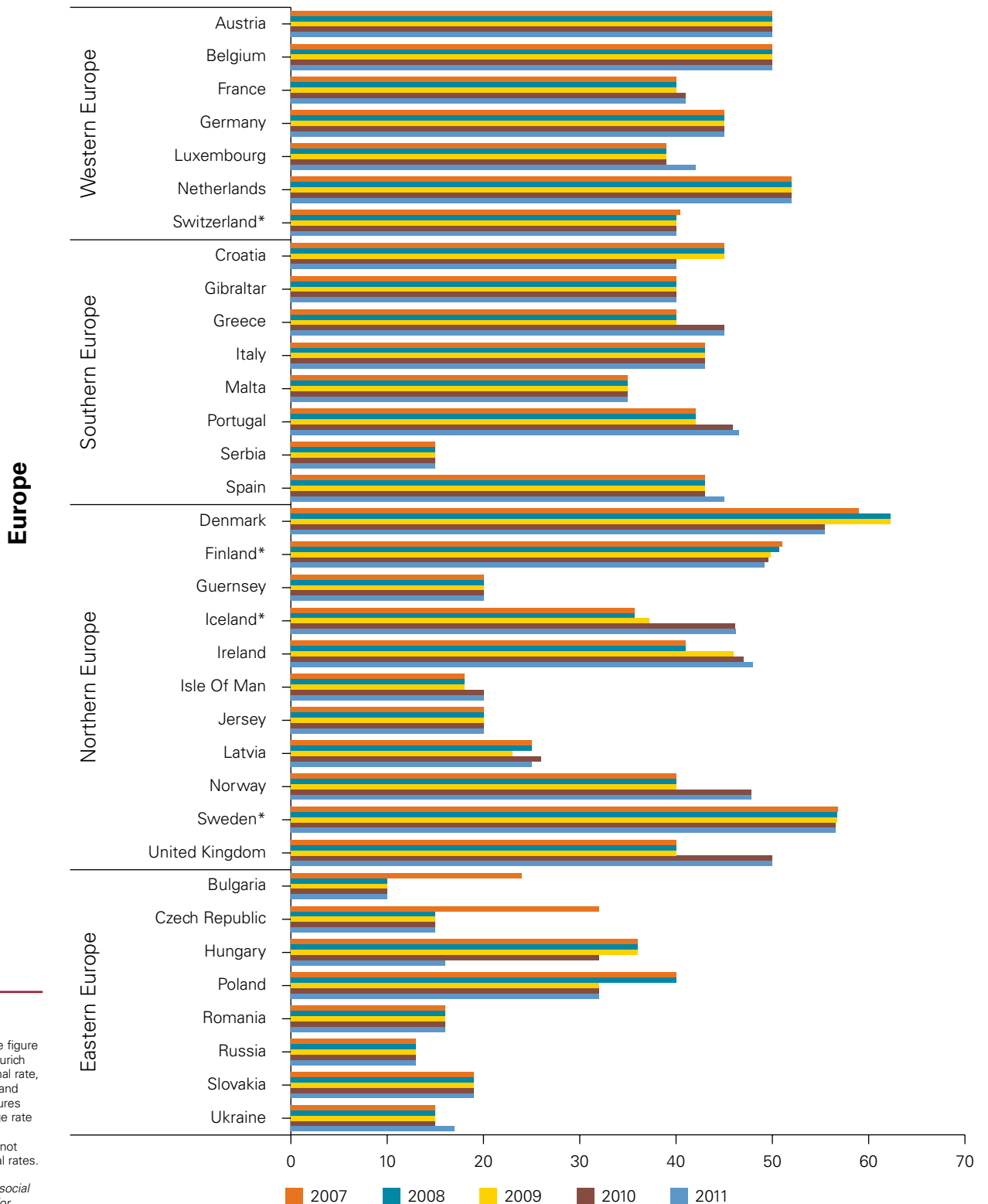
Highest Rates of Personal Income Tax: 2011 Regional Averages





Highest Rates of Personal Income Tax: 2007 to 2011

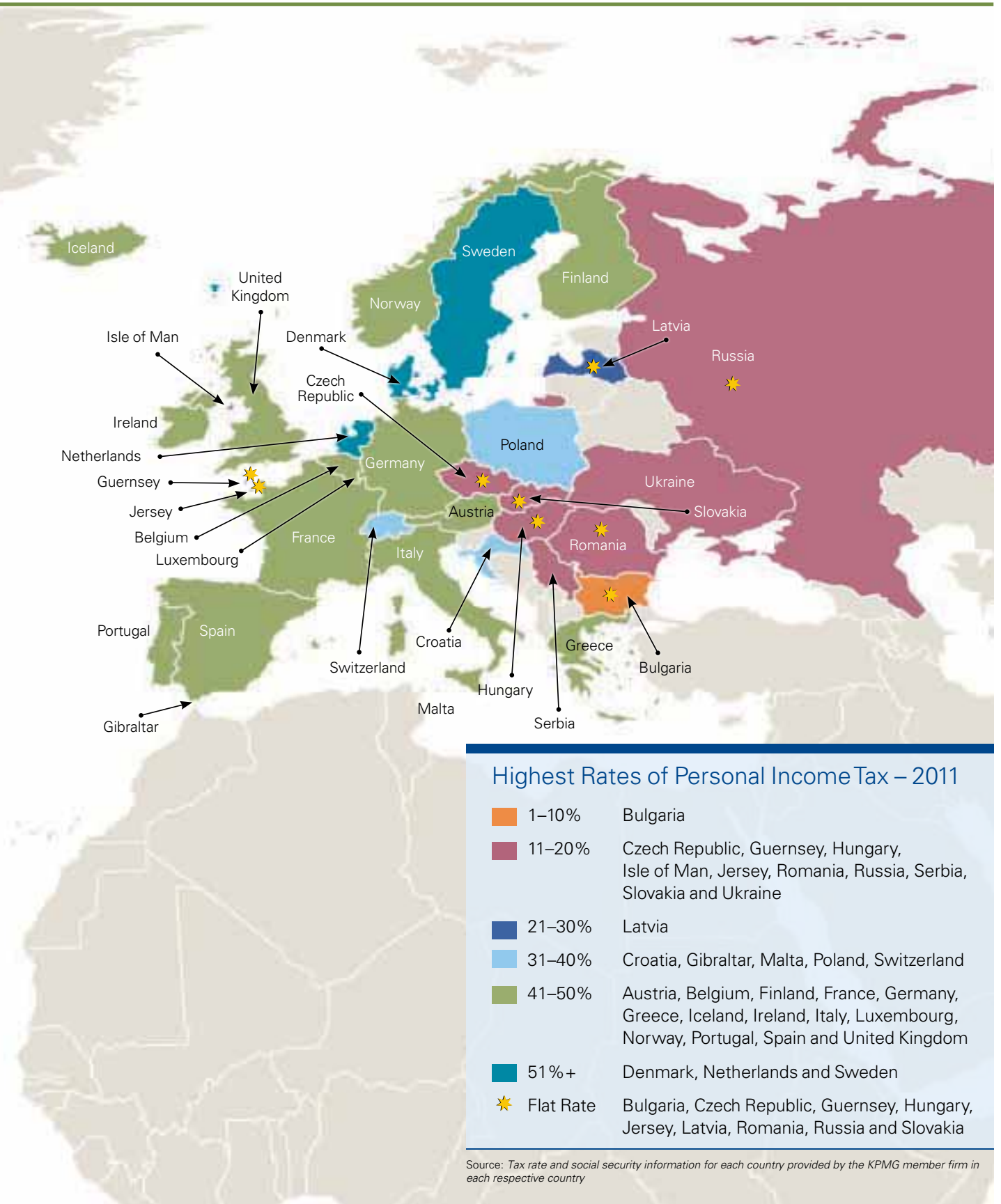
Europe



Notes*

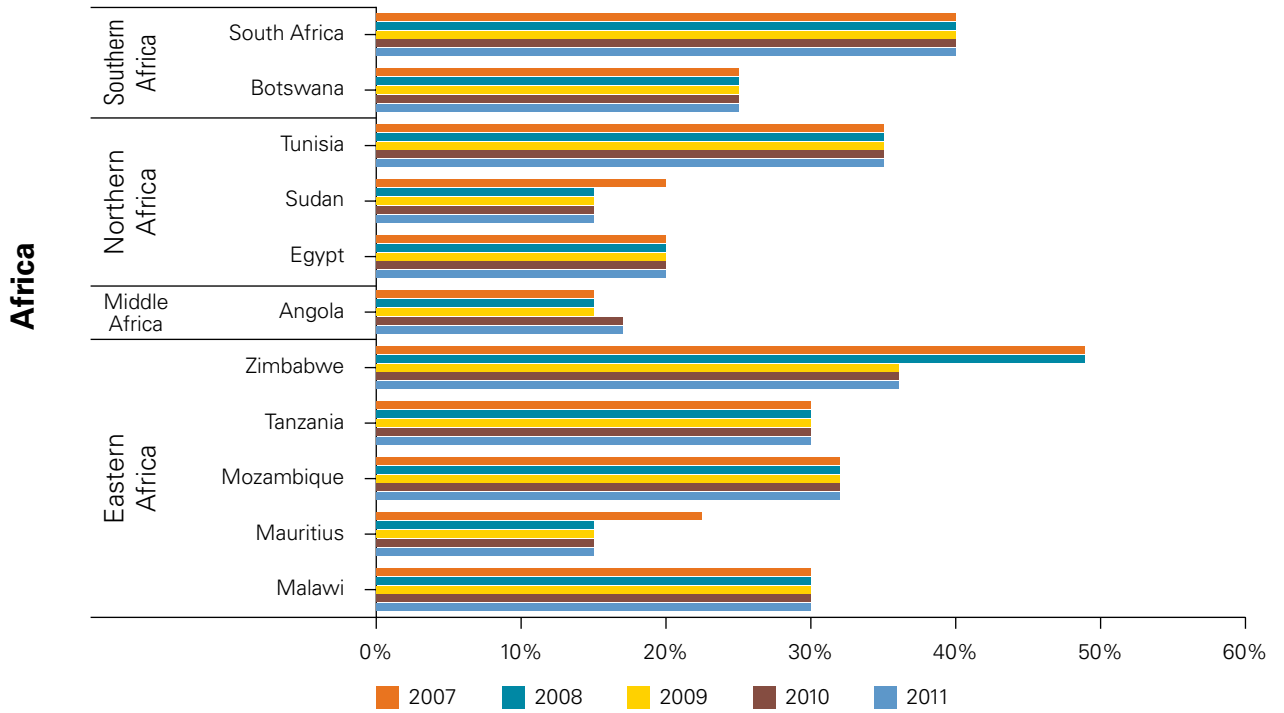
With the exception of Switzerland where the figure quoted includes the Zurich cantonal and communal rate, and Sweden, Finland and Iceland where the figures quoted include average rate across municipalities, amounts reported do not include state/provincial rates.

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

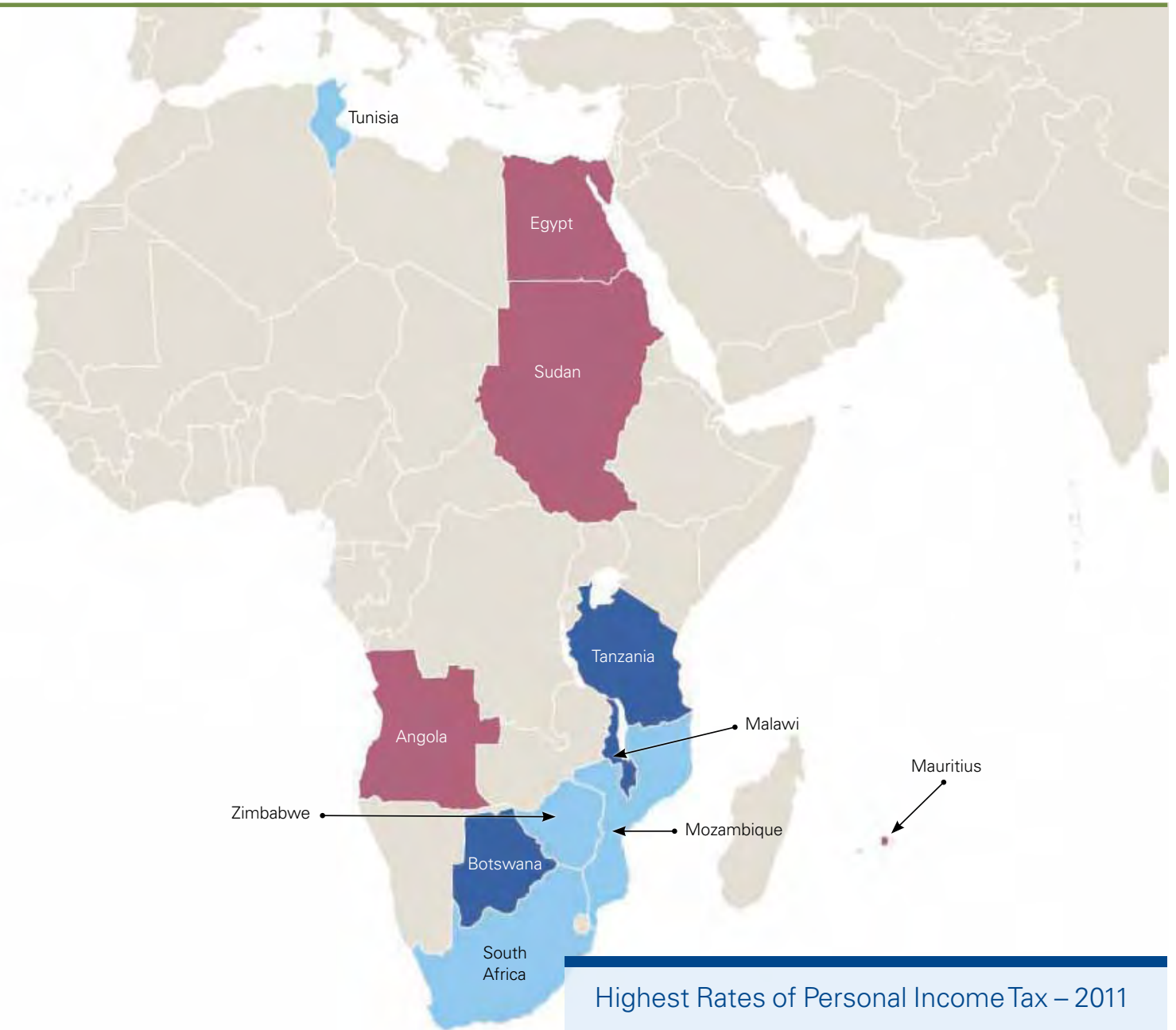


Highest Rates of Personal Income Tax: 2007 to 2011

Africa



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



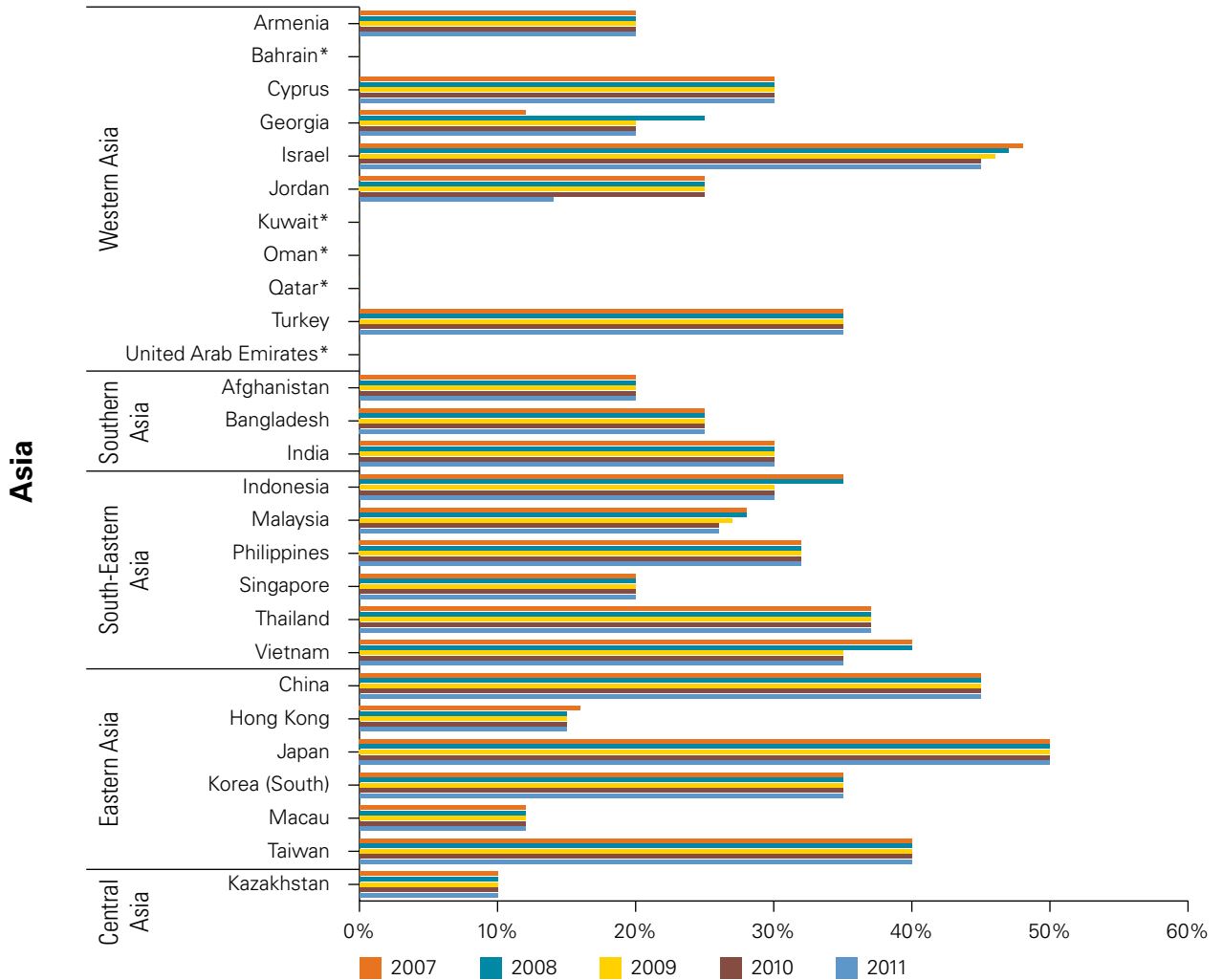
Highest Rates of Personal Income Tax – 2011

1–10%	Not Applicable
11–20%	Angola, Egypt, Mauritius and Sudan
21–30%	Botswana, Malawi and Tanzania
31–40%	Mozambique, South Africa, Tunisia and Zimbabwe
41–50%	Not Applicable
51%+	Not Applicable

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

Highest Rates of Personal Income Tax: 2007 to 2011

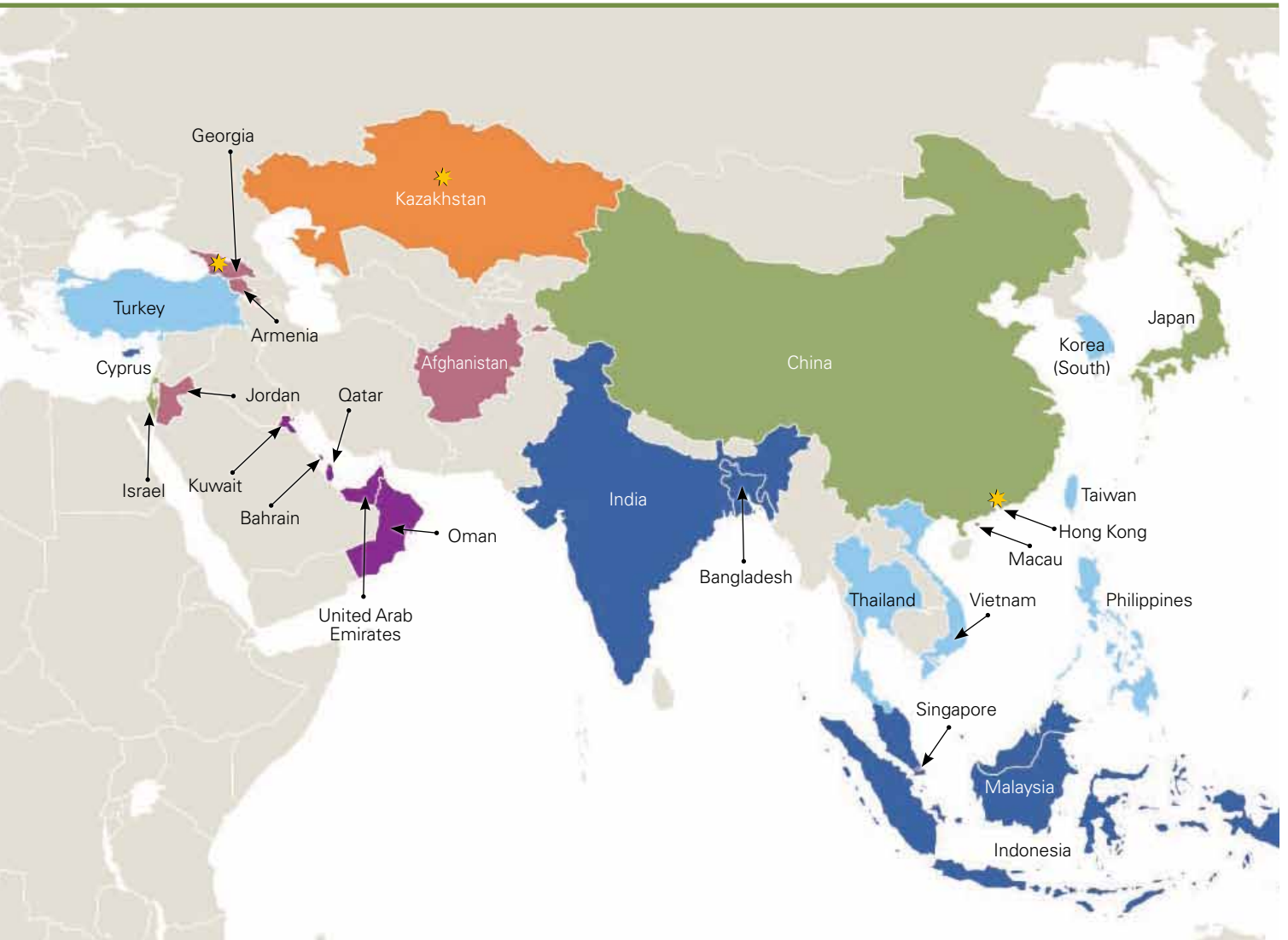
Asia



Notes*

Bahrain, Kuwait, Oman, Qatar and United Arab Emirates have been intentionally left blank as they do not impose personal income tax.

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



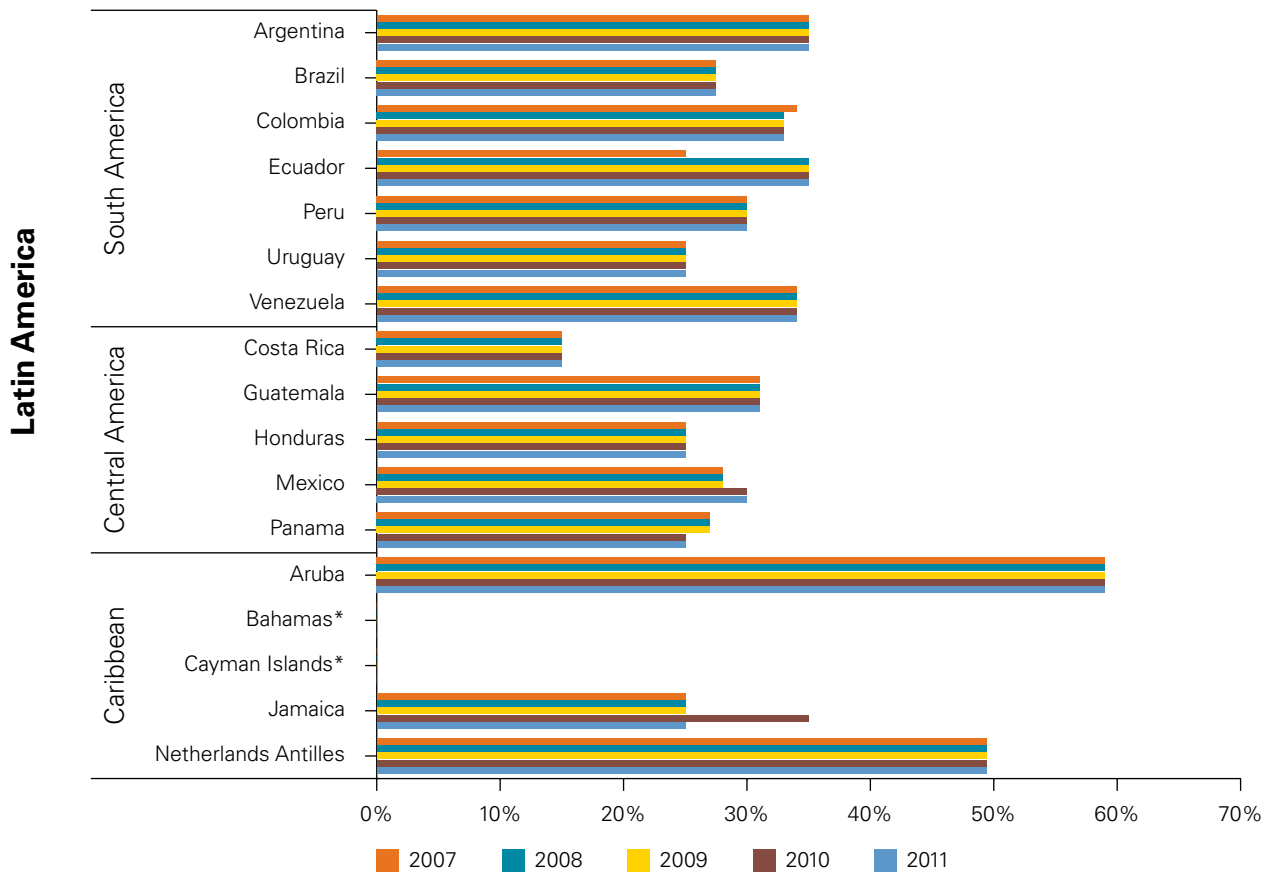
Highest Rates of Personal Income Tax – 2011

■	No personal income tax	Bahrain, Kuwait, Oman, Qatar and United Arab Emirates
■	1–10%	Kazakhstan
■	11–20%	Afghanistan, Armenia, Georgia, Hong Kong, Jordan, Macau and Singapore
■	21–30%	Bangladesh, Cyprus, India, Indonesia and Malaysia
■	31–40%	Korea (South), Philippines, Taiwan, Thailand, Turkey and Vietnam
■	41–50%	China, Israel and Japan
■	51%+	Not Applicable
★	Flat Rate	Georgia, Hong Kong and Kazakhstan

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

Highest Rates of Personal Income Tax: 2007 to 2011

Latin America



Notes*

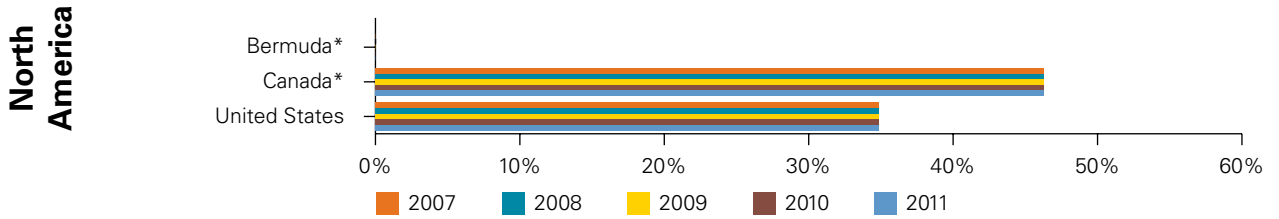
Bahamas and Cayman Islands have been intentionally left blank as they do not impose personal income tax.

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



Highest Rates of Personal Income Tax: 2007 to 2011

North America



Notes*

Bermuda has been intentionally left blank as they do not impose personal income tax. The Canadian figure quoted includes Ontario's provincial rate. The amount reported for the United States represents the highest personal income tax rate charged at a federal level only.

Highest Rates of Personal Income Tax – 2011

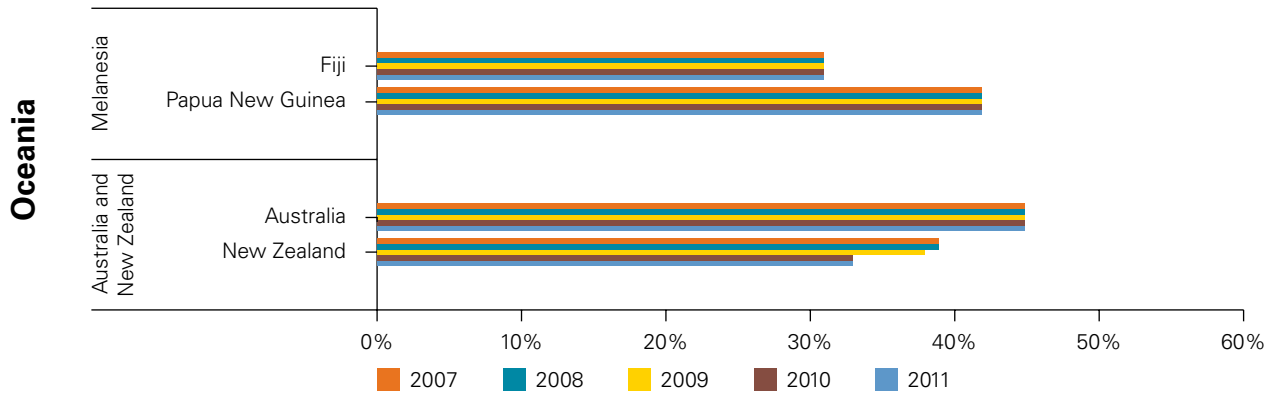
- No personal income tax: Bermuda
- 1–10%: Not Applicable
- 11–20%: Not Applicable
- 21–30%: Not Applicable
- 31–40%: United States
- 41–50%: Canada
- 51%+: Not Applicable



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

Highest Rates of Personal Income Tax: 2007 to 2011

Oceania



Highest Rates of Personal Income Tax – 2011

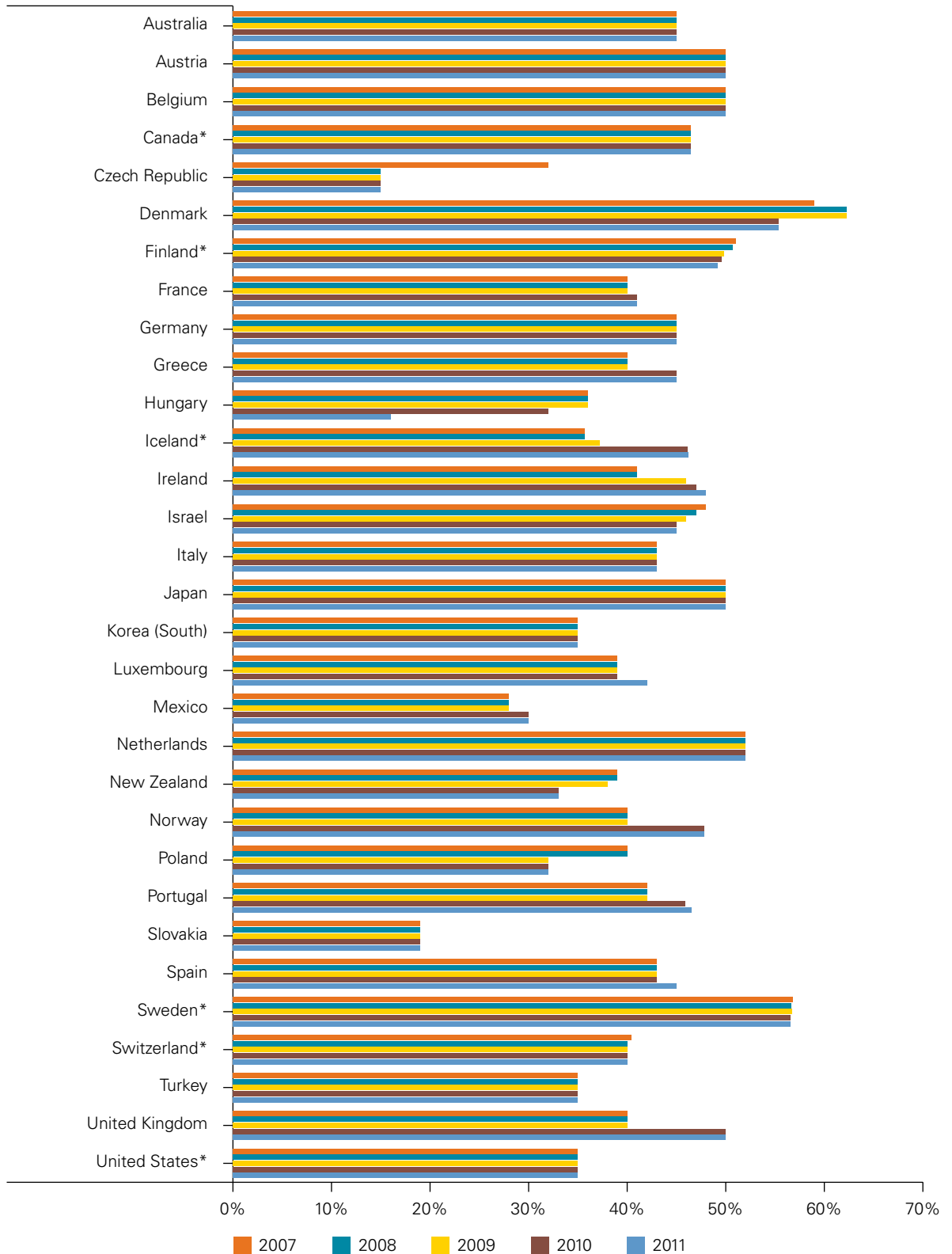
- 1–10% Not Applicable
- 11–20% Not Applicable
- 21–30% Not Applicable
- 31–40% Fiji and New Zealand
- 41–50% Australia and Papua New Guinea
- 51%+ Not Applicable



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

Highest Rates of Personal Income Tax: 2007 to 2011

OECD

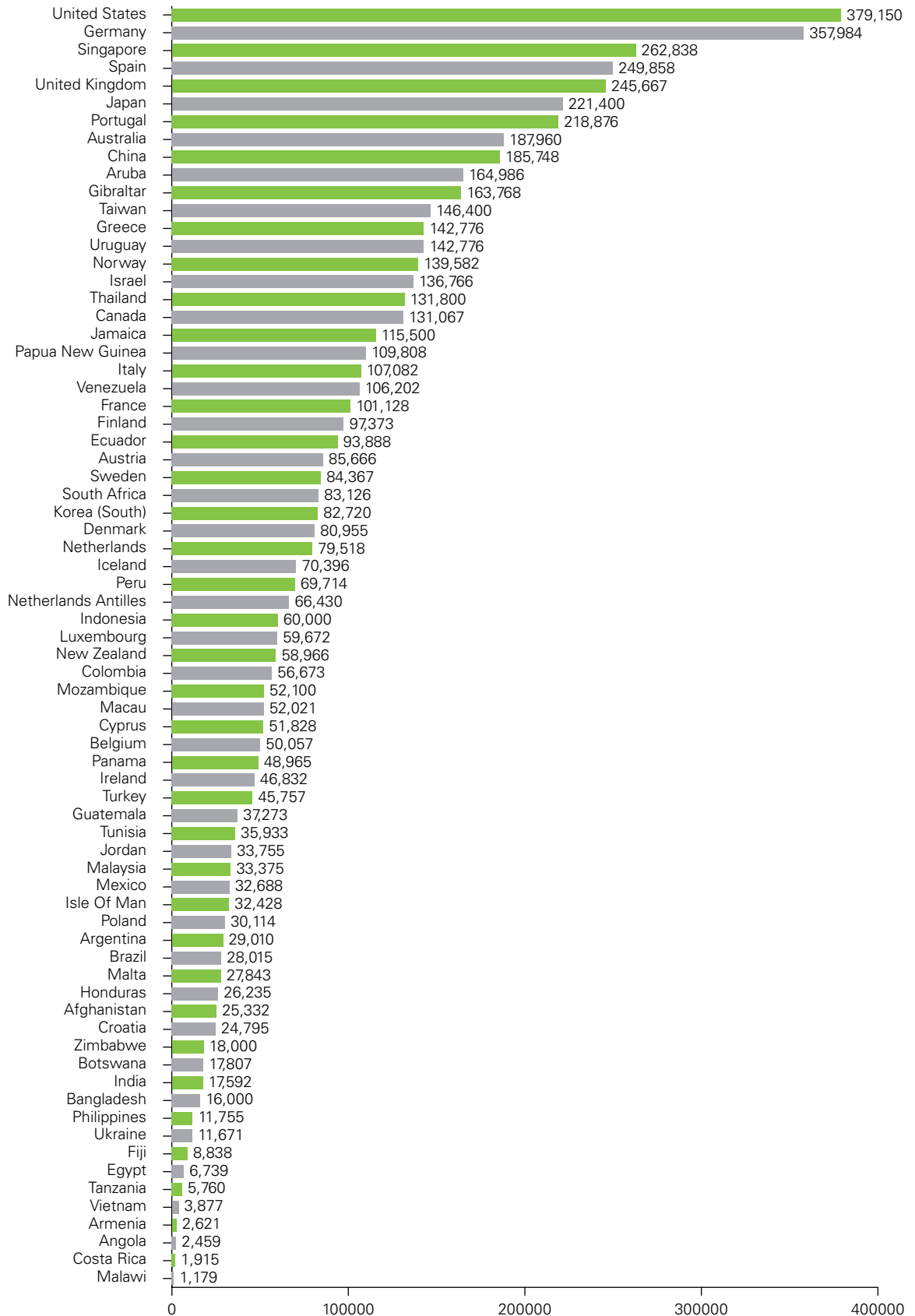


Notes*

With the exception of Switzerland where the figure quoted includes the Zurich cantonal and communal rate, Canada where the figure quoted includes Ontario's provincial rate and Sweden, Finland and Iceland where the figures quoted include average rate across municipalities, amounts reported do not include state/provincial rates (i.e. the amount reported for the United States represents the highest personal income tax rate charged at a federal level only).

Source: Tax rate and social security information for each country provided by the KPMG 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 community tax rates, Switzerland has been excluded from this analysis.

All amounts listed in USD based on currency exchange rates from August 2011.

Capital Gains Tax

Europe



		Does your country tax capital gains?	If your country does tax capital gains, is the tax rate different than the income tax rate?	If the capital gains tax rate is different than the income tax rate, please confirm capital gains tax rate.
Eastern Europe	Bulgaria	Yes	No	10%
	Czech Republic	Yes	No	N/A
	Hungary	Yes	No	N/A
	Poland	Yes	Yes	19% (flat rate irrespective of the value of income)
	Romania	Yes	No	16% flat tax rate also applies to capital gains
	Russia	Yes	No	13%
	Slovakia	Yes	No	N/A
	Ukraine	Yes	No	N/A
Northern Europe	Denmark	Yes	Yes	28–42% on share income approximately 37.3%–47.5% on other capital gains
	Finland	Yes	Yes	28%
	Guernsey	No	N/A	N/A
	Iceland	Yes	Yes	20%
	Ireland	Yes	Yes	25%
	Isle Of Man	No	N/A	0%
	Jersey	No	N/A	N/A
	Latvia	Yes	Yes	15% on capital gains (shares, securities, real estate etc.) and 10% on capital, that is not capital gains (dividends, interest)
	Norway	Yes	Yes	28%
	Sweden	Yes	Yes	30%
	United Kingdom	Yes	Yes	Basic rate taxpayers pay capital gains tax at 18%. Higher and additional rate taxpayers pay capital gains tax at 28%.
Southern Europe	Croatia	No	N/A	N/A
	Gibraltar	No	N/A	N/A
	Greece	Yes	Yes	The capital gains tax rate is 0.2% on capital gains arising from sale of listed shares acquired before 1 January 2012. From 1 January 2012, these gains are set to be taxed under general provisions (i.e. at the individual's marginal rates). It is 5 percent on sale of unlisted shares, 20 percent on sale of business, units in a partnership, etc...
	Italy	Yes	Yes	12.50%, except qualifying shareholdings.
	Malta	Yes	Yes	Capital gains are taxed at the normal rates. However, immovable property situated in Malta is generally taxed at 12%
	Portugal	Yes	Yes	20%
	Serbia	Yes	Yes	10%
	Spain	Yes	Yes	The rate applicable to capital gains obtained by a Spanish Tax resident is 19% for the first 6,000 EUR of income, and 21% thereafter
Western Europe	Austria	Yes	Yes	Either normal tax rates for sales gains or 25% for interest and dividends, capital gains tax will also change to 25% in the future
	Belgium	Yes	Yes	CGT only applies in limited cases (see below) flat rates that are lower than progressive rates are usually available but depend on the type of capital gain and the holding period of the assets
	France	Yes	Yes	31.3% (19% flat tax rate for income tax and 12.3% social surcharges)
	Germany	Yes	Yes	25%
	Luxembourg	Yes	Yes	Highest individual tax rate: 42.14% (included surcharge for unemployment fund and crisis contribution); Lower tax rate: 20.94% on the sale of significant shareholdings
	Netherlands	Yes	Yes	25% for alienation of substantial interests
	Switzerland	No	N/A	N/A

Capital Gains Tax

Africa



		Does your country tax capital gains?	If your country does tax capital gains, is the tax rate different than the income tax rate?	If the capital gains tax rate is different than the income tax rate, please confirm capital gains tax rate.
Eastern Africa	Malawi	Yes	No	N/A
	Mauritius	Yes	Yes	Individual: 10%; Corporate: 15%
	Mozambique	Yes	No	N/A
	Tanzania	No	N/A	N/A
	Zimbabwe	Yes	Yes	20%
Middle Africa	Angola	No	N/A	N/A
Northern Africa	Egypt	No	N/A	N/A
	Sudan	Yes	Yes	2.5% on capital gains on land and buildings and 5% on capital gains from other vehicles
	Tunisia	Yes	Yes	10 or 5%
Southern Africa	Botswana	Yes	Yes	Progressive rates are charged up to a top rate of 25% which kicks in on gains of BWP120,001
	South Africa	Yes	Yes	25% of gains (after a R20,000 exclusion) are included in income and taxed at the individual's top marginal rate (i.e. where the individual's top marginal rate is 40%, the effective rate on the gain is 10%)

Capital Gains Tax

Asia



		Does your country tax capital gains?	If your country does tax capital gains, is the tax rate different than the income tax rate?	If the capital gains tax rate is different than the income tax rate, please confirm capital gains tax rate.
Central Asia	Kazakhstan	Yes	No	N/A
Eastern Asia	China	Yes	Yes	20%
	Hong Kong	No	N/A	N/A
	Japan	Yes	Yes	The tax rate varies according to the source of the capital gains
	Korea (South)	Yes	Yes	The tax rate varies according to the source of the capital gains
	Macau	No	N/A	N/A
	Taiwan	Yes	No	N/A
South-Eastern Asia	Indonesia	Yes	No	N/A
	Malaysia	Yes	Yes	5%
	Philippines	Yes	Yes	For capital gains on sale of shares of stock, the tax rate is 5% on the first PHP100,000.00 and 10% on any amount in excess of PHP100,000.00
	Singapore	No	N/A	N/A
	Thailand	Yes	No	N/A
	Vietnam	Yes	Yes	20% on net gain or 0.1% on sale proceed
	Southern Asia	Afghanistan	Yes	No
Bangladesh		Yes	Yes	15%
India		Yes	Yes	20%/15% (In a particular case, capital gains can also be taxed at individual slab rates)
Western Asia	Armenia	Yes	Yes	10%
	Bahrain	No	N/A	N/A
	Cyprus	Yes	Yes	20%
	Georgia	Yes	No	N/A
	Israel	Yes	Yes	Generally 20% or 25%, but certain transitional rates exist for assets purchased prior to 1 January 2003
	Jordan	No	N/A	N/A
	Kuwait	No	N/A	N/A
	Oman	Yes	No	N/A
	Qatar	No	N/A	N/A
	Turkey	Yes	No	N/A
United Arab Emirates	No	N/A	N/A	

Capital Gains Tax

Latin America



		Does your country tax capital gains?	If your country does tax capital gains, is the tax rate different than the income tax rate?	If the capital gains tax rate is different than the income tax rate, please confirm capital gains tax rate.
Caribbean	Aruba	No	N/A	N/A
	Bahamas	No	N/A	N/A
	Cayman Islands	No	N/A	N/A
	Jamaica	No	N/A	N/A
	Netherlands Antilles	No	N/A	N/A
Central America	Costa Rica	No	N/A	N/A
	Guatemala	Yes	Yes	5% or 31% depending of the income tax system adopted
	Honduras	Yes	Yes	10%
	Mexico	Yes	No	N/A
	Panama	Yes	Yes	10%
South America	Argentina	No	N/A	N/A
	Brazil	Yes	Yes	15%
	Colombia	Yes	No	N/A
	Ecuador	No	N/A	N/A
	Peru	Yes	Yes	5%
	Uruguay	Yes	Yes	12%
	Venezuela	Yes	No	N/A

Capital Gains Tax

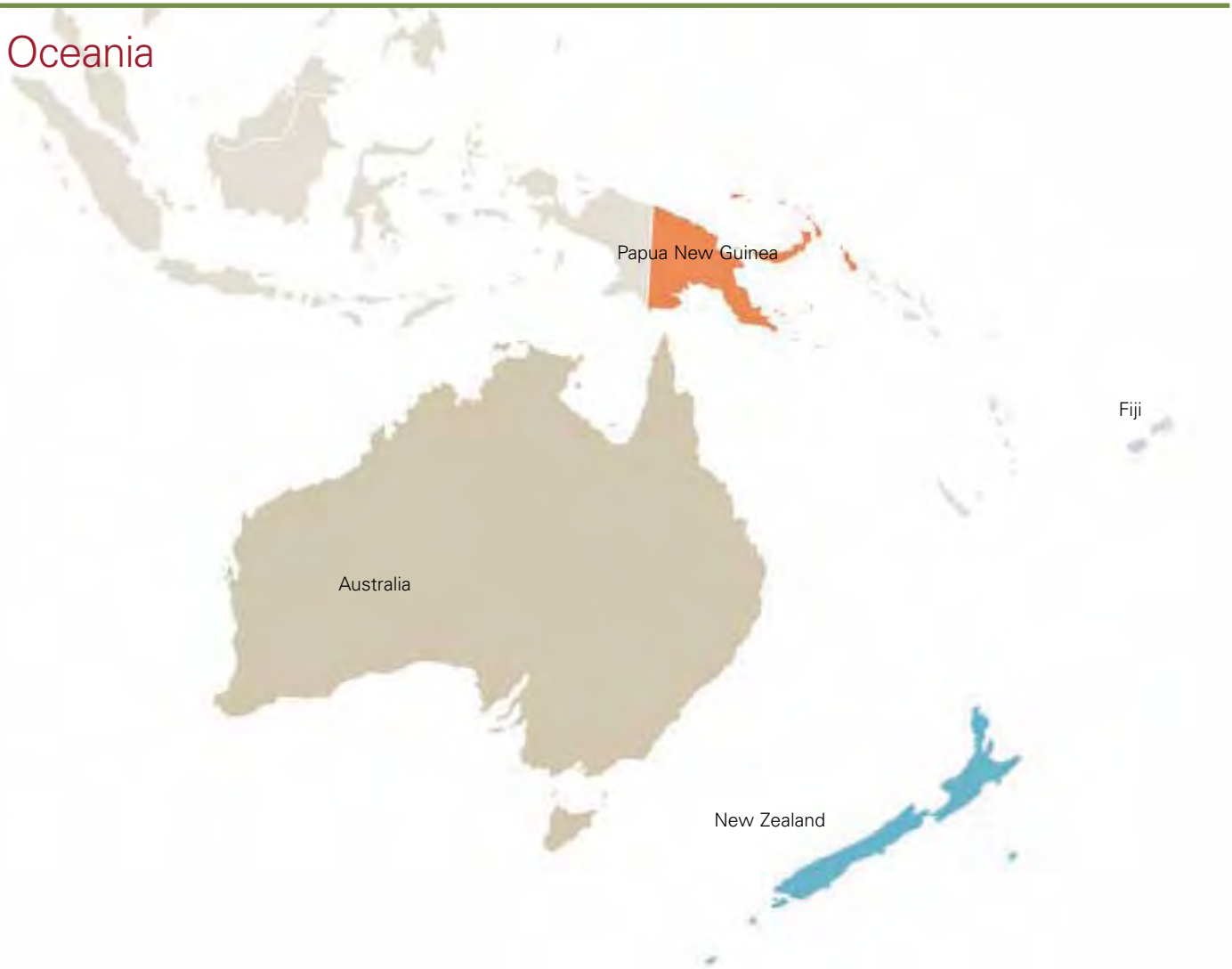
North America



		Does your country tax capital gains?	If your country does tax capital gains, is the tax rate different than the income tax rate?	If the capital gains tax rate is different than the income tax rate, please confirm capital gains tax rate.
Northern America	Bermuda	No	N/A	N/A
	Canada	Yes	Yes	50% of regular tax rate
	United States	Yes	Yes	Generally, capital gains on assets held for more than 12 months ("long term") are taxed at a maximum rate of 15 percent. If the taxpayer's taxable income falls within the 15% or lower tax bracket the capital gains tax rate is 0%.

Capital Gains Tax

Oceania



		Does your country tax capital gains?	If your country does tax capital gains, is the tax rate different than the income tax rate?	If the capital gains tax rate is different than the income tax rate, please confirm capital gains tax rate.
Australia and New Zealand	Australia	Yes	No	N/A
	New Zealand	No	N/A	N/A
Melanesia	Fiji	Yes	Yes	10%
	Papua New Guinea	No	N/A	N/A

Country Specific Information



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

Afghanistan

(2011/12 rate = 20%)



- Top marginal tax rate kicks in at AFS100,000 of monthly taxable income.
- Tax year-end is 20 March. A different tax year can be approved in certain circumstances.
- The tax return filing due date is 21 June. For approved special tax years, the end of third month.
- Other taxes include fixed taxes on small businesses like transport, cinemas etc.

Angola

(2011 rate = 17%)



- Top marginal tax rate kicks in at AKZ230,000 of taxable income.
- Tax year-end is 31 December.
- A paying entity must withhold the tax and subsequently remit it to the tax administration. Personal income tax must be paid by the end of the month following the month in which the personal income was paid.
- If the individual receives interest or rent, those amounts should be subject to tax on Invested Capital and Property Tax, respectively. However the above mentioned income are not considered as employment income.

Argentina

(2011 rate = 35%)



- Top marginal tax rate kicks in at ARS120,000 of taxable income.
- Tax year-end is 31 December.
- Tax return filing due date is mid-April/ May (if the person is a holder of shares of companies whose fiscal year end is December 31 and the shares are not traded in the stock exchange the due date is in May) with no extensions. However, for individuals whose only source of income is employment income which has been subject to withholding at source and if the person is not regular board member, there is no need to file a tax return unless their annual gross salary exceeds ARS144,000. The deadline for filing annual informative income tax returns is 30 June.
- Employees social security rate is 17 percent but monthly maximum assessable base is subject to ARS13,879.25 cap (updated every 6 months). Employers social security rate varies depending on the employer's activity and annual turnover (23 percent or 27 percent) and is calculated considering the total compensation without cap.
- Argentina has a wealth tax (tax on personal assets) which is levied on worldwide assets held at the end of each year by individuals domiciled in Argentina and when the value of the assets surpass ARS305,000. Tax rates range from 0.5 percent to 1.25 percent. Where an individual is domiciled abroad, the tax will only be levied on assets located in Argentina, at 1.25 percent tax rate. A tax credit is allowed for similar taxes paid abroad, limited to the Argentine tax on assets located abroad. Capital gains tax (CGT) is not applicable in Argentina.
- 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.

Armenia

(2011 rate = 20%)



- Top marginal tax rate kicks in at AMD80,000 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 (horse power) of vehicles.

- Dividends are not subject to income tax. Royalties, income from leasing and interest are taxed at a 10 percent flat rate.

Aruba

(2011 rate = 58.95%)



- Top marginal tax rate kicks in at AWG296,956 of taxable income.
- Tax year-end is 31 December.
- Tax returns must be filed within two months from the date of issue.

- There is also a wage tax in Aruba.
- Highest individual income tax rate
Tariff group 1: 55.85 percent
Tariff group 2: 58.95 percent

Australia

(2011/12 rate = 45%)



- Top marginal tax rate kicks in at AUD180,000 of taxable income.
- Tax year-end is 30 June (fiscal year filing).
- Tax return filing due date is generally 31 October. However, filing extensions are possible if the taxpayer is enrolled with a tax agent before 31 October.
- Taxpayers are required to pay Medicare Levy of 1.5 percent on employment income. The Medicare Levy is only applicable to Australian citizens and permanent residents and taxpayers from United Kingdom, Northern Ireland, Italy, Malta, Sweden, the Netherlands, Finland or Norway. Taxpayers with taxable income exceeding AUD77,000 (or AUD154,000 for families) and not maintaining appropriate private health care insurance are liable to an

additional Medicare Levy of 1 percent of their taxable income. Rates shown are those for the 2010/2011 tax year.

- 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 AUD42,220 per quarter (private pension plan). Above this level of earnings contributions do not need to be made. Generally, all non-cash fringe benefits provided to employees are subject to Fringe Benefits Tax (FBT), 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 your owner occupied principal place of residence. Temporary tax residents are exempt from taxation on foreign non-employment income. Accommodation, 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

(2011 rate = 50%)



- Top marginal tax rate kicks in at EUR60,000 of taxable income.
- Tax year-end is 31 December.
- Tax return filing due date is generally June 30 for electronic filing and 30 April in case electronic filing is not possible. Upon formal written request, further extensions are granted. If the return is prepared by a tax consultant, an automatic extension is granted without application.
- Austrian social security rate (employee portion) is 18.07 percent for recurring salary (monthly maximum assessable base in 2011 is EUR4,200) and 17.07 percent for non-recurring payments (max EUR8,400 per year).
- Special payments for employees (the Christmas bonus and holiday bonus, respectively constituting a thirteenth and fourteenth month's pay, 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 Austria 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. No inheritance and gift tax since 31 July 2008. Reporting requirements in case gifted / inherited amount / value exceeds 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

(2011 rate = 0%)



- There is no income tax in the Bahamas.
- There is a form of social security called National Insurance. The maximum rate for an employed person is 9.8 percent of salary to a maximum of BSD26,000 per annum, payable 3.9 percent by the employee and 5.9 percent by the employer.
- There is 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

(2011 rate = 0%)



- There is no income tax in Bahrain.
- Bahraini citizens are subject to Social Insurance Tax on their total compensation at a flat rate of 7 percent. Employers of Bahraini citizens must pay Social Insurance Tax at a rate of 12 percent for those employees. Employers of expatriates must pay Social Insurance Tax at a rate of 3 percent for those expatriate employees.

Bangladesh

(2011/12 rate = 25%)



- Top marginal tax rate kicks in at USD16,000 of taxable income.
- Tax return filling deadline is 30 September.
- Tax year-end is 30 June.

Belgium

(2011 rate = 50%)



- Top marginal rate kicks in at EUR35,060 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 on 30 June. However, in practice, the Belgian tax authorities define separate due dates for resident and non-resident income tax returns. 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 is 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 non-resident 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 travelling 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 at 40.12 percent.

Bermuda

(2011 rate = 0%)



- There is no income tax in Bermuda.
- Mandatory social insurance contributions of BMD60.80 per week (half paid by employer, half by employee).
- While there is no income tax in Bermuda, a payroll tax equal to 16 percent of compensation is payable by employers on the first BMD750,000 of compensation income per employee. A portion of the payroll tax (up to 5.75 percent) may be recovered from the employee at the discretion of the employer.

Botswana

(2011/12 rate = 25%)



- Top marginal rate kicks in at BWP120,001 of taxable income.
- Tax year-end is 30 June.
- Tax return filing due date is 30 September following tax year end.
- With effect from 1 July 2011 top marginal income tax rate of 25 percent kicks in at BWP144,001.

Brazil

(2011 rate = 27.5%)



- Top marginal rate kicks in at BRL44,918.28 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 (monthly maximum assessable base is approximately BRL405.86).
- 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 imposed on property owners, which is normally passed on to tenants.
- Married couples may file their returns jointly or separately.



Bulgaria

(2011 rate = 10%)



- As of 1 January 2008 Bulgaria introduced a 10 percent flat tax applicable for all income levels.
- Tax year-end is 31 December.
- There are two deadlines for filing returns and payment of the 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 would 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 12.9 percent, while the employer portion is approximately 17.9 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 2011 is capped at BGN2,000 per month.
- In Bulgaria there is a 5 percent tax on dividends.
- Depending on the circumstances certain local taxes may apply: immovable property tax, inheritance tax, donation tax and vehicle tax.



Canada

29 percent federal, provincial rates can vary (e.g. combined 46.4 percent total rate for province of Ontario)



- Canadian income tax includes a federal and provincial component. Tax rate varies with the province of residence/employment. The top marginal federal rate of 29 percent kicks in at CAD127,022 of taxable income. When provincial taxes are included, total top marginal tax rates vary from approximately 39 percent - 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 CAD2,910 per annum.
- Gains taxed under the Canadian capital gains tax 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. The rates vary among municipalities. Although there is potential relief, individuals are deemed to dispose of all property on ceasing Canadian residency and subject to departure tax accordingly.
- In all provinces but Québec, individuals file a single tax return with the federal government who collects both federal and provincial taxes.
- Married couples file returns separately.

Cayman Islands

(2011 rate = 0%)



- There is no income tax nor social security in the Cayman Islands. However, under the Cayman Islands' National Pensions Law every employer must provide a pension plan for every

person working for the employer, including expatriates who have been working for a continuous period of nine months in the Cayman Islands. Partners, owners, and directors must

also be covered by the pension plan. In almost all instances, the pension plan is to be a registered Cayman Islands pension plan. The contributions are related to total earnings.

China

(2011 rate = 45%)



- Top marginal rate (applicable for each month) kicks in at CNY80,000 of monthly taxable income (i.e. gross monthly income less mandatory social securities for employee and standard deduction of RMB3,500 for local staff or RMB4,800 for expatriates).
- Annual Individual Income Tax Return: Tax year-end is 31 December for those individuals earning more than CNY120,000 and have full residence in China.
- Monthly individual income tax returns: Filed on a monthly basis, returns should be filed and tax paid by the 15th day of the month following the month of receipt of income. For annual filing, the deadline is 31 March after the close of the year.
- There are no social security taxes. However, Chinese social security contribution is mandatory for individuals of China domicile employed in China. Under the new social security law effective from 1 July 2011, foreigners employed in China are subject to PRC social security contributions as well. 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. Social security rates vary by city and subject to change annually. Shanghai is used as reference city only.
- Married couples file returns separately.

Colombia

(2011 rate = 33%)



- Top marginal rate kicks in at COP103,041,200 of taxable income.
- Tax year-end is 31 December.
- Colombian total social security rate (including pension, medical, family

welfare and risk insurance plans) can amount to over 10 percent for employee portion and 30 percent for employer portion but subject to monthly salary caps.



Costa Rica

(2011/12 rate = 15%)



- Top marginal rate kicks in at CRC977,000 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 within the first 10 business days following the month being reported.
- 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 within the first 10 business days following the month being reported.
- Costa Rican social security rate is of 9.17 percent (employee's contribution to social security) and 26.17 percent (employer's contribution to social security), uncapped.
- Rates in Costa Rica are updated on October 1 each year. Also, there is a mandatory annual Christmas bonus (a 13th month in fact) that is not subject to social security or income tax. In this report, the 100,000 and 300,000 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).
- As a general rule, capital gains are not taxable, but these may be taxable if originated from the sale of depreciable assets or from habitual activities, under these circumstances capital gains would be deemed as ordinary income, subject to Income tax rate (Corporate Income tax rate 30 percent; Individuals Income tax rate 25 percent).

Croatia

(2011 rate = 40%)



- On a monthly basis top marginal rate kicks in when taxable income exceeds HRK10,800.
- Tax year-end is 31 December.
- Tax return filing due date is 28 February. Extensions are possible in very limited cases (i.e. natural hazards prevented the taxpayer from filing).
- Social security (s/s) 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 HRK45,942), employer contributions assessed at the rate of at 17.20 percent (including health insurance, contributions for unemployment and contributions against injuries at work) applied on gross salary.
- In addition to employment income being taxed, the following types of income are also taxed 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; and 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).
- 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.
- Married couples file returns separately.

Cyprus

(2011 rate = 30%)



- Top marginal rate kicks in at EUR36,300 of taxable income.
- Tax year-end is 31 December.
- Tax return filing due date for individuals is 30 April of the year following the year of income.
Self Employed Individuals with gross income which is less than EUR70,000 must submit a return by 30 June of the year following the year of income.
Self Employed Individuals with gross income more than EUR70,000 must submit a return by 31 December of the year following the year of income.
- Cyprus social security rate is 6.8 percent (monthly maximum assessable base is EUR4,342).
- There is also Special Contribution for Defence tax for the following types of income:

- Interest income earned from sources within and outside Cyprus at a rate of 10 percent
- Dividend income earned from sources within and outside Cyprus at a rate of 15 percent
- Rental income minus 25 percent (residents only) is taxed at a rate of 3 percent
- Interest income from Government development bonds and Government saving bonds is taxed at a rate of 3 percent
- Interest when income of the individual does not exceed EUR12,000 is taxed a rate of 3 percent.
- Immovable property is tax free up to EUR170,860. From EUR170,861 up to EUR427,150 is taxed at a rate of

2.5 percent, from EUR427,151 up to EUR854,300 is taxed at a rate of 3.5 percent and immovable property over EUR854,301 is taxed at a rate of 4 percent.

Land Transfer fees are imposed at a rate of 3 percent when the value of the land is up to EUR85,430. From EUR85,431 up to EUR170,860 the rate of 5 percent is imposed and over EUR170,861 a rate of 8 percent is imposed.

- Married couples file returns separately.
- Capital gains are only applicable to profits on immovable property situated in Cyprus at a rate of 20 percent.

Czech Republic

(2011 rate = 15%)



- From 2008 there is a 15 percent flat rate in the Czech Republic. Employer contributions to an obligatory social insurance scheme are added to the Czech Gross Compensation to determine taxable income.
- Tax year-end is 31 December.
- Tax return filing due date is 1 April but can be extended up to three months if a taxpayer grants 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 CZK1,781,280 set for 2011.
- 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 who fall into the first two categories according to the relationship of the taxpayer to a 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.

- In case of employment income, 15 percent income tax is calculated from super-gross salary (i.e. gross salary increased by 34 percent which represents employer's social security contributions, even if employee is not subject to Czech social security scheme).

Denmark

(2011 rate = 55.38%)



- 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 DKK423,804 (2011). Generally, share income (dividends and capital gains) is taxed in a separate tax scheme at 28-42 percent, depending on income level, whilst certain types of share income are taxed in the ordinary tax scheme at rates up to 51.5 percent.
- Tax year-end is 31 December.
- The filing due date is 1 May if the tax payer receives a pre-printed form from the tax authorities. Otherwise, the due date is 1 July.
- Danish employee social security rate is a monthly lump-sum contribution of DKK90 (DKK1,080 per year).
- Members of the Danish church are liable to church tax although membership of 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 DKK2,595,100 are also subject to tax. Gifts to unrelated parties are treated as personal income in the hands of the recipient, whilst 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 generally file returns separately; certain unused allowances can be transferred between the partners.

Ecuador

(2011 rate = 35%)



- 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.
- Married couples file returns separately, on their individual income.

Egypt

(2011 rate = 20%)



- Top marginal rate kicks in at EGP40,000 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). The monthly maximum social insurance wage amounts to EGP1,750 per month until the end of June 2011. 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 gains 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 (providing that the sale has not took 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 fifteen days following the month end.

With expatriates, there will be no employee contributions.

The effective employer social security rate as a percentage on the following salaries:

1. USD100,000 annual salary: 0.105 percent
2. USD300,000 annual salary: 0.035 percent

Fiji

(2011 rate = 31%)



- Top marginal rate kicks in at FJD15,600 of taxable income per annum.
- Tax year-end is 31 December.
- The tax return filing deadline is 31 March of the following year. Extension of time up to six months

are granted if lodged under Tax Agents Lodgement Program.

- A national provident fund scheme exists.
- Other taxes include VAT and Stamp Duties.



Finland

(2011 rate = 49.17%)



- Top marginal rate kicks in at EUR68,200 of taxable income. Note however that municipal tax rates are significant in Finland (vary between approximately 16.25 percent and 21.50 percent). If the individual belongs to a Finnish church, church tax of approximately 1 percent to 2 percent may also be due.
- Tax year-end is 31 December.
- All individual taxpayers will receive a pre-completed tax return in April (covering prior year). In 2011, the tax return has to be filed with corrections to the tax office on 10 of May or 17 May.
- Employee's social security taxes are unemployment insurance premiums, pension insurance premiums and sickness insurance premiums (divided to medical treatment contribution and daily allowance contribution). Employer's social security taxes are employer's social security contribution, pension insurance contribution, unemployment insurance contribution, accident insurance and group life insurance contributions.
- Other taxes include real estate tax, inheritance tax, gift tax, tax at source of interest income, corporate tax and capital gains tax.



France

(2011 rate = 41%)

- Top marginal rate kicks in at EUR70,830 (for single taxpayer – double that if married with no dependents) of net taxable income for 2010 (latest voted rates).
- Tax year-end is 31 December.
- While the official filing deadline is 1 March, in recent years the tax administration has extended the date to the end of May.
- Social security contributions are tax deductible except for CRDS and part of the CSG contributions. 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 19 percent, plus 12.3 percent surtaxes irrespective of the annual proceeds or gains from 2011. Capital gains on the disposal real property, where not otherwise exempt, are taxed at a flat rate 19 percent, plus 12.3 percent surtaxes. Wealth tax applicable to individuals whose household net assets exceed a legal threshold on 1st January of each tax year (EUR800,000 for 2011 – the threshold is the current voted threshold). 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. Dependent children in a fiscal household contribute to lower French tax liability.



Georgia

(2011 rate = 20%)



- Georgia applies flat income tax rate of 20 percent.
- Tax year-end is 31 December.
- Tax return filing due date is 31 March.
- Buildings/constructions or their parts owned by an individual are subject to property tax. The tax base is the market value of the property. The tax rate depends on income level of individual's family for the tax year; the rates are determined by local authorities within the range (0.05 percent to 1 percent) provided by TCG.

A taxable object of a property tax is a land plot owned by a person. The annual base tax rate on non-agricultural land is GEL0.24 per square meter, which further can be adjusted by a territorial coefficient not exceeding 1.5. The annual base tax rate on agricultural land is determined by the Government and per 1 hectare varies from GEL1.5 to GEL100. The rate can further be adjusted by a territorial coefficient up to 150 percent.

Germany

(2011 rate = 45%)



- Top marginal rate kicks in at EUR250,731 (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 professional 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 11.45 percent capped at monthly income of EUR5,500. Contribution to health and long-term care is approximately 9.2 percent capped at monthly income of EUR3,712.50.

- In addition to the income tax rates indicated above, the following taxes and surcharges are levied on all types of income:
 - solidarity surcharge: 5.5 percent of the income tax
 - church tax: 8.0 or 9.0 percent of the income tax – church tax is only levied if the taxpayer is a member of a church that is recognized for church tax purposes

If securities which were bought after 31 December 2008 are sold at a gain, a tax rate of 25 percent plus solidarity surcharge and church tax, if applicable, is applied on the gain. However, if the taxpayer's personal income tax rate is below 25 percent, the lower personal income tax rate will be applied.

Special rules apply to securities that were bought before 1 January 2009.

Dividends and interest are also subject to the special 25 percent rate plus solidarity surcharge and, if

applicable, church tax, as explained above.

Special rules apply to the sale on assets other than securities.

- A real estate transfer tax at a rate of 3.5 percent is levied on the acquisition of German real estate. In some German states a real estate transfer tax of up to 5 percent is levied on the acquisition of German real estate.
- Married couples can file tax returns jointly or as separate individuals.

Gibraltar

(2011/12 rate = 40%)



- 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 GIP16,000 of taxable income. Allowances are given for married couples, child allowance, mortgage interest, home purchases allowance, life insurance policies, medical insurance policies and pension contributions.

On the gross income system, the top rate of tax is 29 percent and does not kick until an income level of £100,000 is reached.

- Tax year-end is 30 June.
- Tax return filing deadline for individuals is 5 months after the tax year end, which is 30 November.
- Social security tax is as follows: employer's contribution is 20 percent

of employee's gross earnings subject to a maximum of GIP32.97 per week and a minimum of GIP15 per week. Employee's contribution is 10 percent of employee's gross earnings subject to a maximum of GIP25.16 per week and a minimum of GIP5 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

(2011 rate = 45%)



- Top marginal rate kicks in at EUR100,000 of taxable income.
- Tax year-end is 31 December.
- Tax return filing due date ranges 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 (see above).
- Real Estate Tax is introduced, imposed on individuals irrespective of their citizenship. Individuals are subject to Real Estate Tax at progressive rates varying from 0.10 percent to 1.00 percent and enjoy

a high tax free value bracket of EUR400,000 per owner. For years 2010, 2011, 2012, a tax rate of 2.00 percent applies for real estate value exceeding EUR5 million.

Special contribution of 1.00 percent is imposed on taxpayers who declared income exceeding EUR100,000 in their 2010 income tax return (i.e. income earned in 2009).

- The profit arising from the sale of shares listed in the Athens Stock Exchange or in foreign exchanges acquired as of 1 January 2012 will be subject to tax according to the general provisions of Greek tax law and corresponding losses will be tax deductible.

Dividends paid by corporations (AE) and earnings distributed by limited liability companies (EPE) to individuals are subject to a withholding of 25 percent, if the payment of dividends and distribution of profits are made from 1 January 2012 onwards. The rate is 21 percent for dividends and profit distributions effected within 2011.

Dividends received by individuals will be taxed at their personal tax rates, meaning that individuals with low income are entitled to a refund. If the overall income of the recipient of the

dividends results in taxation in the tax bracket over 25 percent, the 25 percent withholding becomes a final tax (without the right for a refund), whereas in case the bracket is below 25 percent, the excess tax withheld is refunded.

The same withholding tax rates apply in case the dividends or profits are distributed to Greek tax resident by foreign entities. In such a case the withholding tax extinguishes the tax liability of the individual without having the right of a refund.

Interest arising from bank deposits is subject to a final withholding tax of 10 percent. Interest on Greek securities (issued after 3 January 1998), corporate bonds (issued after 11 February 2000) and repos is taxed at 10 percent. In addition, a 10 percent tax is withheld on accrued interest from Greek Bonds that are disposed before the date of maturity.

- Married persons are taxed separately. However, a joint income tax return is filed.

Guatemala

(2011 rate = 31%)



- Top marginal rate kicks in when the taxable income is higher than GTQ295,000 per year.
- Tax year-end is 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 10 working days of the following month.
- Employees of a local company are required to make contributions to the Social Security, on a monthly basis. The rates is 4.83 percent and 12.67 percent for the employee and the employer, respectively.

Guernsey

(2011 rate = 20%)



- 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 14 July in the year following the taxable year.
- Guernsey social security payable by employees is deducted at the rate of 6 percent (monthly maximum assessable base in 2010 is GBP7,657).
- Married couples file tax returns jointly.

Honduras

(2011 rate = 25%)



- Top marginal tax rate kicks in at HNL500,000 of monthly taxable income.
- Tax year-end is 31 December.
- The tax filing deadline is April 30 of the next year.
- The employee social security rate is 3.5 percent. The employer social security rate is 7.2 percent.
- Other taxes include municipal taxes.

Hong Kong

(2011/12 rate = 15%)



- Hong Kong Salaries Tax is charged using graduated tax rates, on net income less charitable donations, allowable deductions and personal allowances, ranging from 2 percent to 17 percent. However, the actual tax charged cannot exceed the standard tax rate of 15 percent of net assessable income less charitable donations and allowable deductions. The top effective rate of taxation in Hong Kong is therefore 15 percent.
- Tax year-end is 31 March.
- The tax return filing due date for employees is generally one month after the 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 are no social security taxes in Hong Kong.
- 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 lodgement of returns.

Hungary

(2011 rate = 16%)



- Flat 16 percent tax rate has been introduced from January 1, 2011. The gross income must be increased with 27 percent to get the taxable base.
- Tax year-end is 31 December.
- Tax return filing due date is 20 May, though it is possible to receive an extension to 20 September.
- Employee social security rate is 17.5 percent. It consists of health insurance (6 percent uncapped), pension (10 percent capped at annual income of HUF7,665,000) and labour market insurance (1.5 percent uncapped). Employer pays 27 percent social security contribution (uncapped), and 1.5 percent contribution to the Training Fund (uncapped). 27 percent includes 24 percent pension contribution, 2 percent health insurance contribution and 1 percent labour market contribution.
- The income tax rate for all kinds of personal income is 16 percent.
- Married couples file returns separately.



Iceland

(2011 rate = 46.21%)



- There are progressive tax rates (national and municipal) which range from 37.31 percent - 46.21 percent. The 37.31 percent tax rate is levied on income from ISK 0 - 2,512,800, a 40.21 percent tax rate on income between ISK2,512,801 to ISK8,166,600 and a top rate of 46.21 percent on income above ISK8,166,601.
- 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. The filing date is usually at the end of March each year.
- Employees do not make separate social security contributions. However employers pay social security contribution on all remuneration paid for dependent personal services.
- Married couples and cohabiting persons who fulfil 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

(2011/12 rate = 30%)



- Top marginal rate kicks in at INR 800,000 of taxable income. Education cess at the rate of 3 percent is applicable on the amount of tax. The maximum marginal income tax rate on employment income is 30.90 percent including an education cess of 3 percent levied on tax.
 - Tax year-end is 31 March.
 - An individual's tax return must be filed by 31 July immediately following 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.
 - In 2008, the Government of India issued a notification whereby a new concept of "International Workers" ('IWs') was introduced which included expatriates (foreign passport holders) working for an employer in India and Indian employees working overseas in a country with which India has entered into a Social Security Agreement ('SSA'). The existing IWs were required to become members by joining the PF Scheme and the Pension Scheme effective from 1 November 2008. A relief is provided to IWs who are coming from a country with which India has entered into a SSA and who enjoys the status of detached worker.
- It is important to note that the exemption limit and the salary cap of INR 6,500 per month for Indian employees in relation to contributions under the Social Security Scheme is also applicable to IWs.
- Married persons file tax returns as separate individuals except in certain circumstances when the income of an individual is clubbed with the income of the individual's spouse.



Indonesia

(2011 rate = 30%)



- Top marginal rate kicks in at IDR500 million 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 ranges between 4.24 percent and 5.74 percent depending on the industry. The employer's contribution is considered as deductible expense for the company.
- Individuals are taxed on world-wide income. Onshore bank interest, dividend, 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

(2011 rate = 48%)



- Top marginal rate kicks in at EUR32,801 of taxable income.
- Tax year-end is 31 December.
- Tax return filing due date is 31 October.
- Employee social security is charged at 4 percent.
- Capital acquisitions tax at a rate of 25 percent may apply to gifts/inheritances (certain exemptions apply).
- Married couples file tax returns jointly. A married couple may alternatively opt to file as single persons.

Isle Of Man

(2011/12 rate = 20%)



- Top marginal rate kicks in at GBP19,800 for single persons, GBP39,600 for married couples.
- Tax year-end is 5 April. The effective rate calculations below are based on the allowances and tax rates in force in the year to 5 April 2012 [2011].
- Tax return filing due date is 6 October following the end of the tax year.
- The employee social security rate applied is 11 percent on an individuals weekly earnings which falls between GBP115 and GBP750 per week. An additional 1 percent rate is applied to earnings that fall above GBP750 per week.
- Employers pay social security at a rate of 12.8 percent on all weekly earnings above 115 GBP.
- Following a couple's marriage or commencement of residence after 6 April 2006, couples are assessed independently for IOM tax purposes unless they elect for joint taxation. Where couples are independently assessed, each spouse will file his or her own tax return and will be responsible for paying his or her own tax liability. If a couple elects for joint taxation, they are both responsible for filing a joint tax return and are jointly and severally liable for any outstanding tax liability. An individual's tax liability is capped at GBP115,000 for the year to 5 April 2012.

Israel

(2011 rate = 45%)



- Top marginal rate currently kicks in at NIS482,761 per year in 2011.
 - Tax year-end is 31 December.
 - The statutory tax return filing due date is 30 April, though extensions are often provided.
 - Social security contributions are comprised of both an employer's portion and an employee's portion.
- The employee's portion is in turn comprised of both national insurance and health insurance.
- A municipality tax is payable based on details of the individual's residence and the charge varies from district to district, with no connection to income.
 - Certain types of income (dividend, interest, etc.) may be subject to special tax rates.
 - Married couples may elect to file tax returns jointly or separately, and receive a joint or separate tax calculation.

Italy

(2011 rate = 43%)



- Top marginal rate kicks in at EUR75,000. There may be an additional regional tax (from 0.9 percent up to 1.7 percent) and municipal tax (up to 0.9 percent) depending on the location in which the individual has his/her domicile.
 - Tax year-end is 31 December.
 - The filing due date is 30 September 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 10.49 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 (non-qualifying shareholdings) or may contribute for 49.72 percent to the personal income of the employee and it is consequently taxed with the Italian progressive tax rates (qualifying shareholdings).
 - Additional 10 percent tax on financial sector employees: the Italian Tax Authorities have recently introduced an additional 10 percent tax on variable remuneration that exceeds three times the fixed remuneration received by individuals working in the financial sector.
- 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 the habitual abodes that are tax exempt. Each property located in Italy is taxable, on its cadastral value, which increases the personal income of the tax payer, apart the habitual abodes that are tax exempt.
- **Foreign Investment Declaration – RW form**
The foreign investment declaration has to be filed by tax resident individuals who own foreign investments exceeding EUR10,000 and/or transfer money, shares, bonds from Italy to abroad, from abroad to Italy and from a foreign country to another foreign country (not including Italy) for an overall amount exceeding EUR10,000 during the tax year.
- This declaration is a different declaration from the tax return and if due, it is mandatory on a personal basis even if the Italian income tax return is not due. For instance, an assignee's spouse holding a joint investment account abroad must personally file such declaration.
- Since by this information the Italian Tax Authorities may determine higher individual's Italian taxable income, there are severe penalties for failure to complete this declaration. These penalties could amount from 10 percent up to 50 percent of the amount invested abroad/transferred and not declared.
- Married couples file tax returns as separate individuals.

Jamaica

(2011 rate = 25%)



- For non-resident individuals, Jamaica applies a flat tax rate of 25 percent. For resident individuals, up to March 31, 2011, Jamaica applies a rate of 35 percent to income from JMD10,000,000 and above. Thereafter, the highest rate of tax is 25 percent.
- 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, capping out at annual income of JMD500,000 (proposed to be increased to JMD1 million effective 1 June 2010)); national housing trust (2 percent uncapped); 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

(2011 rate = 50%)



- Top marginal rate (40 percent) kicks in at JPY18 million of taxable income. Local inhabitant (municipal and prefectural) tax of additional 10 percent is also payable.
- Tax year-end is 31 December.
- The tax return filing due date is 15 March. No extensions are available.
- Employee social security has several components and can vary by employer and/or age of employee. General breakdown is as follows: welfare insurance (8.029 percent capped at JPY49,780 a month); health insurance (4.74 percent capped at JPY57,354 a month); employment insurance (0.6 percent uncapped).
- The capital gains from stock transactions are taxed at 20 percent (15 percent National Tax and five percent Local Inhabitant Tax) if the listed shares are traded through the securities company located outside Japan. However, if the listed shares are traded through the securities company located in Japan, the capital gains are taxed at 10 percent (seven 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 five percent Local Inhabitant Tax) thereafter.
- In addition to Health Insurance, those aged 40 or older are required to contribute to the Nursing Care Insurance (0.755 percent capped at JPY9,135 a month).
- All taxpayers (including spouses and children) file tax returns separately.



Jersey

(2011 rate = 20%)



- Jersey applies a flat tax rate of 20 percent. This kicks in after relief for personal allowances dependant 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 GBP250 arises. If however, the taxpayer has engaged a professional agent to complete the return, then the deadline is extended to the final Friday in July, where the GBP250 penalty is imposed if the return is not submitted by this deadline.

- The Jersey social security rate is 6 percent for an employee and

6.5 percent for an employer (monthly maximum assessable base is GBP3,686 for 2011).

- There is 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.

Jordan

(2011 rate = 14%)



- Top marginal tax rate kicks in at JOD24,000 for single individuals and 36,000 for married individuals
- Tax year-end is 31 December.
- The tax filing deadline is 30 April.

Kazakhstan

(2011 rate = 10%)



- Flat tax of 10 percent 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 USD8,300. 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 for personal income tax purposes.

- There are no inheritance or 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)

(2011 rate = 35%)



- Top marginal rate kicks in at KRW88,000,000 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 flat tax rate (15 percent) in calculating their taxes on Korea-sourced earned income. When flat tax rate is elected, no deductions or credits are allowed (as such, flat tax rate election is generally beneficial to high income individuals earning approximately KRW120 million 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 10 March 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 KRW168,750 a month), National Health Insurance (2.82 percent capped at KRW2,202,420 a month). Additionally, 6.55 percent of the health insurance amount is charged as geriatric long term care insurance and Employment Insurance (0.55 percent).
- 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.
- Capital gains tax rate for properties other than real estate are levied at rates which range from 6 percent to 35 percent while capital gains tax rates for stocks are generally applied from 10 percent to 30 percent. Properties which are not held in the South Korea jurisdiction are subject to capital gains tax rates from 6 percent to 35 percent except for stocks that are levied from 10 percent to 20 percent. In addition to the 20 percent capital gains tax, resident surtax is also levied at a rate of 10 percent of the capital gains tax.
- 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

(2011 rate = 0%)



- According to Kuwait Tax Law, individuals are exempted from Kuwait taxation. However, social security contributions are required for employees having Kuwaiti nationality only.
- For Kuwaiti national employees, the employer is required to make monthly social security contributions of 11 percent of the salary of the staff to the Ministry of Social Affairs (MOSA). The employee is also required to contribute 7.5 percent (effective from 1 August 2010) 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 KD2,500 for the employee.

Latvia

(2011 rate = 25%)



- Latvia has a 25 percent flat tax on employment income.
- Tax year-end is 31 December.
- The tax filing deadline is from 1 March to 1 June of the following taxation year (for 2011 income forward).
- Employee social security rate is 11 percent. Employer rate is 24.09 percent.

Luxembourg

(2011 rate = 42%)



- Top marginal rate kicks in at EUR41,794 of taxable income. The income tax due includes a surcharge of 4 percent for the benefit of the employment fund (6 percent for the taxable income exceeding EUR150,000 in tax class 1 and 1a or EUR300,000 in tax class 2) and also an additional 0.8 percent for crisis contribution.
- Tax year-end is 31 December.
- Tax return filing due date is 31 March.
- Employee social security rate for sickness (3.05 percent on ordinary base salary and 2.80 percent on non

periodic remunerations (13th month, bonus and gratifications) and pension (8 percent) apply up to annual salary of EUR105,453.72. Employees are also subject to a dependence insurance (1.4 percent) uncapped, calculated on the gross salary minus an annual deduction of EUR5,272.68. 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 in scope of the law. The withholding tax constitutes the final tax and is not reported in the individual's annual tax return.

- Crisis contribution of 0.8 percent. The crisis contribution is due on all type of income.
- Specific tax regime applies to highly skilled workers relocating to Luxembourg as from 1 January 2011 if different conditions related to the employee, the Luxembourg employer and the salaried employment performed in Luxembourg are fulfilled.

Macau

(2011 rate = 12%)



- Top marginal tax rate kicks in at annual taxable income over MOP424,000.
- Tax year-end is 31 December.
- It is the responsibility of the employer to file returns for its employees.

For employees classified under Article 32 (Macau residents or work permit holders) of the Macau Professional Tax Ordinance, quarterly returns are required to be submitted together

with the withheld amount by the employer to Macau Tax Authority on or before 15 days after quarter end.

For employees classified under Article 36 (others) of the Macau Professional Tax Ordinance, returns are required to be submitted together with the withheld amount by the employer to Macau Tax Authority on or before 15 days after the remuneration is paid.

- Where an employee is a resident of Macau, the employer and employee are required to make fixed quarterly contributions to the Social Security Fund of MOP30 and MOP15 respectively.

For work permit holders, the employer is required to pay a recruitment levy of MOP200 per month, payable on a quarterly basis.

Malawi

(2011/12 rate = 30%)



- Top marginal tax rate kicks in at MWK15,000 per month or MWK180,000 per annum
- Tax year-end is 30 June.
- The tax return filing deadline is 30 September following tax year end.

Malaysia

(2011 rate = 26%)



- Top marginal rate kicks in at MYR100,000 of taxable income.
- Tax year-end is 31 December.
- Tax return filing due date is 30 April (for non business income) and 30 June (for business income) with no further extensions.
- 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 and all Malaysians have to be contributors to EPF.

Both the employee and employer, or either of them may opt to contribute at rates higher than what is required.

- Malaysia only taxes the gain derived from the disposal of real property or shares in Real Property Company.

Other capital gains are not taxed in Malaysia.

- Malaysia has adopted the territorial scope of taxation (i.e. only income accruing in or derived from Malaysia is taxable in Malaysia). There is no wealth, net worth taxes, or other municipal taxes.
- Married couples may choose to file tax returns jointly or separately.

Malta

(2011 rate = 35%)



- The 35 percent income tax rate kicks in at EUR28,501 for individuals applying married rates and at EUR19,501 for individuals applying single rates.
- Tax year-end is 31 December.
- Tax return filing due date is 30 June of the following year.

- Employees contribute 10 percent of their weekly salary, up to a maximum of EUR 35.39 for social security taxes. The employer and the government will contribute the same amount.

Self-employed contribute 15 percent of their weekly earnings, up to a maximum of EUR 53.08.

- Duty is levied on the transfer of immovable property or securities. Duty is generally levied at 5 percent in the case of immovable property and 2 percent in the case of transfers of marketable securities including transfers on inheritance.

Mauritius

(2011 rate = 15%)



- Tax year-end is 31 December.
- Tax return filing deadline is 31 March, 15 April in respect of taxpayers filing electronically and making payment through internet banking.
- Other individual taxes include solidarity tax.
- Every individual whose total income exceeds 2 million rupees in an income year shall, in addition to his liability to income tax, be liable to pay to the Director-General a solidarity income tax at the rate of 10 percent.

Mexico

(2011 rate = 30%)



- Top marginal rate kicks in at approximately MXP32,737 monthly (MXP392,842 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 2.727 percent and annual contributions are capped at MXP14,886.
- The social security rates are applicable only if there is a charge-back of the cost of the salary to the Mexican entity or if the individual is in the local payroll.
- Other taxes include a payroll tax (born by the employer). In Mexico City the tax rate is 2.5 percent.
- Married couples should file tax returns as separate individuals.

Mozambique

(2011 rate = 32%)



- The top marginal rate kicks in at USD52,100.
- Tax year-end is 31 December.
- Tax filing deadline is 31 March if only obtained employment income; it is 30 April in all other cases.

Netherlands

(2011 rate = 52%)



- Top marginal rate kicks in at approximately EUR55,694 of taxable income.
- Tax year-end is 31 December.
- The tax office sends a form to the taxpayer (aangiftebiljet) 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.
- Municipal tax (property tax) is assessed on the owner of real property according to the value of the property (generally range is EUR350 to EUR600 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 ten 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 on the same address, will under certain conditions be treated as fiscal partners too.

Netherlands Antilles

(2011 rate = 49.40%)



- Top marginal rate kicks in at USD67,922 (ANG120,902).
- Tax year-end is 31 December.
- The tax filing deadline is within two months after date of issue.
- Other individual taxes include wage tax.

New Zealand

(2011/12 rate = 33%)



- Top marginal rate kicks in at NZD70,000 of taxable income.
- Tax year-end is 31 March.
- Returns are usually required to be filed by 7 July. An extension to 31 March of following tax year may be possible if an extension of time arrangement has been made through a tax agent.
- All employees are subject to workplace accident compensation (an ACC earner levy). This is included within PAYE deductions forwarded to the IRD. From 1 April 2011, the earner levy rate is 2.04 percent but capped at maximum annual earnings of NZD111,669. 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; and losses are subject to the normal tests of deductibility.
- In New Zealand, each individual taxpayer is taxed separately. There is currently no provision for the aggregation of the income of spouses.



Norway

(2011 rate = 47.80%)



- Generally, the top marginal rate (7.8 + 28+12) kicks in at approximately NOK765,800 of gross taxable income.

Top tax level (9 percent) applies for income in excess of NOK471,200.

- Tax year-end is 31 December.
- The filing deadline is 30 April the following year. This applies for both residents as well as for foreign nationals working for foreign employers with income taxable in Norway. Spouses may deliver a joint tax return. A completed pre-printed income tax return will be sent by post to all taxpayers mid-March or in 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. New to this year is that the assessments will be sent to the tax payers, either in June, August, September and October.

The assessment will normally be made public in October the same year.

- 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.

- Net assets are taxable in Norway.
- Married couples and cohabiting persons who fulfil certain requirements for taxation as married couples are taxed together. The couple will then be taxed in the most favourable way, e.g. by granting tax class two if the one party is supported financially, reducing net basis for asset taxations and further.

Oman

(2011 rate = 0%)



- Although there is no individual income taxes 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.

Panama

(2011 rate = 25%)



- The top marginal rate kicks in at approximately PAB50,000 of taxable income.
- Tax year-end is 31 December.
- Tax filing due date is 15 March.
- The employee social insurance rate payable is 9 percent.
- Other applicable individual income taxes include 10 percent on capital gains on sale of movable goods or

real property held for more than two years. Short term capital gains are considered ordinary income. 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

(2011 rate = 42%)



- The top marginal rate kicks in at PKG250,000.
- 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 (such as, 28 February). Individuals lodging through an approved tax agent usually lodge within six months of the end of the year of income (such as, 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 lodged.
- Married couples file tax returns as separate individuals.
- Social security is not compulsory for expatriates.

Peru

(2011 rate = 30%)



- The top marginal rate kicks in at approximately 54 tax units (one tax unit value for the year 2011 is PEN3,600: approximately USD1,310).
- Tax year-end is 31 December.
- Tax filing due dates are between late March and early April.
- The employee social security rate payable 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. However, they can elect to file a joint return.

Philippines

(2011 rate = 32%)



- The top marginal rate kicks in at approximately PHP500,000.
- Tax year-end is 31 December.
- Tax filing due date is 15 April.
- Employee social insurance maximum is PHP1,590 per month.
- Fringe benefits granted by the employer to the employee are generally subject to 32 percent Fringe Benefits Tax.

Poland

(2011 rate = 32%)



- The top marginal rate kicks in at approximately PLN85,528 (approximately USD30,000).
- Tax year-end is 31 December.
- Tax filing due date is 30 April. Monthly advance payment requirements apply to income derived from items such as foreign employment contracts (these are due by the 20th of the month

following the month that the income was earned, except for the income earned in December).

- Employee social insurance maximum rate up to 13.71 percent, up to a cap of PLN100,770.
- Flat rate tax on interest and dividends of 19 percent.
- As a general rule, spouses are taxed separately on their income. However, spouses may file a joint tax return at their request.
- Please note that there is also a mandatory health insurance system in Poland with obligatory monthly contributions payable along with social security at 9 percent of net income. However, most of this (7.75 percent) is deductible from tax. The individual therefore finances 1.25 percent from his net income.

Portugal

(2011 rate = 46.50%)



- The top marginal rate kicks in at approximately EUR 153,300.
- Tax year-end is 31 December.
- The tax return filing due date is up to the end of March (paper filing) or up to the end of April (online filing) if only employment and/or pension income is received. If any other type of income is reported, the applicable filing deadlines are the end of April (paper filing) or up to the end of May (online filing) if any other type of income is also reported.
- Portuguese resident and non resident employees are liable to 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 arising from the sale of shares are taxed at a 20 percent special rate unless the capital gain is less than EUR500 which will be tax exempt. Capital gains on the sale of unquoted equity of micro and small companies are only taxable at 50 percent.

Non-resident individuals are usually tax exempt but some anti avoidance rules may apply.

- Unless the spouses claim that they no longer live together due to a break up 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

(2011 rate = 0%)



- Tax year-end is 31 December.
- Tax filing due date 30 April.
- The employee social security rate is 5 percent and the employer social security rate is 10 percent for Qatari local employees.
- Qatar levies no taxes on employment income, dividends, royalties, profits, capital gains, wealth, property, or transfers, including death duties.

Romania

(2011 rate = 16%)



- Romania applies a flat income tax rate of 16 percent.
- Tax year-end is 31 December.
- Annual filing due date is 15 May. Individuals deriving employment income from non-Romanian employers have a personal obligation to calculate, declare and pay the Romanian income tax on a monthly basis, by 25th of the following month.
- Apart from social security contributions (10.5 percent employee and 20.8 percent employer - standard), health insurance contributions (5.5 percent employee, 5.2 percent employer), unemployment insurance contributions (0.5 percent employee and 0.5 percent employer), accidents at work insurance (between 0.15 and 0.85 percent employer), medical leaves insurance (0.85 percent employer), salaries guarantee fund (0.25 percent employer).
- Other individual taxes that apply include tax on income from sale of real estate properties, and tax on income from gambling.
- Tax on income from sale of real estate properties is charged on regressive rates between 3 percent and one percent depending upon the value of the property and the period for which the property is owned.
- Gambling income is subject to 25 percent tax rate.
- The effective employer social security rates displayed for Romania in the charts on page 12 and 14 of this report have been calculated on the basis that the employer has only one employee earning the gross income indicated in the relevant question. The effective employer social security rates depend upon the level of gross income of all employees within a company and thus, this number cannot be precisely determined.

Russia

(2011 rate = 13%)



- Russia applies flat tax rate of 13 percent applicable to Russian tax residents. Russian tax non-residents pay 30 percent tax rate applicable to Russian sourced income only.
- Tax year-end is 31 December.
- The filing deadline is 30 April of the following year.
- No employee social security contributions are payable (all employer-provided). Employers pay social security contributions only in relation to Russian national employees or foreign nationals who have residency permits. For general expatriate assignees, the employer is not required to make social security contributions.
- Other taxes include property tax, land tax and transport tax.

Serbia

(2011 rate = 15%)



- Annual income tax rate of 15 percent kicks in when taxable income exceeds six times the annual average salary for citizens (approximately EUR15,893).
- Tax year-end is 31 December.
- Tax return filing due date is 15 March of the current year for the previous year.
- Employees in Serbia are liable for salary tax at the rate of 12 percent. The employer is obligated to calculate, withhold, and pay salary tax on behalf of its employees. The employer is obliged to calculate, withhold and pay social security contributions on behalf of the employee. Social security rates are 11 percent for pension and disability insurance, 6.15 percent for health insurance and 0.75 percent for unemployment insurance.
- Married couples file returns separately.

Singapore

(2011 rate = 20%)



- Top marginal rate kicks in at SGD320,000 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. Employees are generally required to contribute to the CPF at 20 percent of their ordinary wages, subject to an annual wage cap of SGD54,000 (SGD76,500 when considering additional wages (such as a bonus)).
- Capital gains are not subject to tax in Singapore. There is property tax and goods & services tax.
- Married couples are assessed as separate individuals.



Slovakia

(2011 rate = 19%)



- As of 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.
- Other taxes include local taxes, excise duties, VAT, stamp duties and more.

South Africa

(2011/12 rate = 40%)



- Top marginal rate kicks in at ZAR552,001 for the tax year ended February 2011 and R580,001 for the tax year ended February 2012.
- Tax year-end is 28 or 29 February.
- The filing deadline for non-provisional taxpayers is usually the end of November (actual date not yet released) after the end of the tax year. For provisional taxpayers, it is usually 31 January in the following year (final date not yet released).
- 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 (such as, 1 percent each). The 2 percent contribution is levied on the first ZAR11,662, 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. Donations tax is levied at 20 percent on the value of property donated. The tax is levied on the donor, and is payable within three months of the donation being made. The first ZAR100,000 of property donated each year by a natural person is exempt. This is only applicable to donations made by tax residents. 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 ZAR20,000 exemption, is added to taxable income in a particular year and taxed at the individual's marginal tax rates.
- 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. 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.
- Individual taxpayers can be registered as provisional taxpayers, requiring the submission of two or three additional returns, along with payment of the provisional tax estimate due. Certain individuals are required to register as such and others can be registered as such by the Commissioner. In general, foreign nationals earning remuneration from a non-South African entity will be registered as provisional taxpayers on assessment of their first tax return.

Spain

45 percent. In certain autonomous regions the top tax rate can exceed 45 percent. For example, high income earners residing in Catalonia could be subject to a top rate of as high as 49 percent as a result of the additional community taxes charged in that region.



- Top marginal rate kicks in at EUR175,000.20.
- Tax year-end is 31 December.
- Individuals must submit their tax returns between 1 May and 30 June of the following tax year.
- The employee portion of Spanish Social Insurance is taxed at a rate of 6.35 percent on annual wages up to a maximum of EUR38,761.20 for 2011. While the employer portion is taxed at a rate of 29.90 percent (applying the same maximum annual wages) plus a percentage to cover labour accidents and illness. The additional percentage will vary depending on the labour activities.

Sudan

(2011 rate = 15%)



- Tax year-end is 31 December.
- The filing deadline is 15 days from year end.
- Muslim individuals are subject to Zakat duty of 2.579 percent.

Sweden

(2011 rate = 56.55%)



- Top marginal rate kicks in at SEK548,300 of taxable income.
- Tax year-end is 31 December.
- The filing deadline 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 SEK412,377 (maximum contribution SEK28,900). A tax credit is granted for 100 percent of the employee social security contributions. The employer social security contributions are levied at a rate of 31.42 percent, uncapped. However, there is a reduced rate (22.19 percent) for foreign employers who do not have a permanent establishment in Sweden.
- Other applicable individual taxes include a tax on investment income at a 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 Real Property Tax on Private Residences is abolished and replaced with a Municipal Property Fee. The Municipal Property Fee for a house is SEK6,512 (2011) with maximum fee of 0.75 percent of the assessed value.

Switzerland

(11.5 percent federal, cantonal/communal rates can vary significantly (e.g. combined 40 percent total 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 approximately CHF751,400 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 more than 45 percent.
- Tax year-end is 31 December.
- Filing deadlines vary by Canton, generally end of March with extensions available.
- Employee social security rate is 5.15 percent uncapped plus 1.1 percent on annual income up to CHF126,000 and 0.5 percent on annual income from CHF126,000 to CHF315,000.
- 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

(2011 rate = 40%)



- Top marginal rate kicks in at TWD4,230,000 for 2011.
- Tax year-end is 31 December.
- The filing deadline is 31 May following the income year with no extensions.
- There is no social insurance program in Taiwan. However, there is a labour and health insurance program.
- Capital gains, other than gains from securities and land, will be taxed at the regular income tax rate. Gains from securities and land are not subject to income tax, but securities transfer tax and land value increment tax will be imposed.
- Married couples have to file jointly (tax can be separately calculated).

Tanzania

(2011 rate = 30%)



- Top marginal rate kicks in at approximately USD5,690 of taxable income.
- Tax year-end is 31 December.

Thailand

(2011 rate = 37%)



- Top marginal rate kicks in at THB4,000,000.
- Tax year-end is 31 December.
- The filing deadline is 31 March following the income year.
- Employees pay contributions to the Social Security Fund at 5 percent, subject to a maximum contribution of THB750 (five percent of THB15,000) per month.

Tunisia

(2011 rate = 35%)



- Top marginal rate kicks in at TND50,000.
- Tax year-end is 31 December.
- If the expatriate is wholly paid from abroad, he should pay the income tax on revenues from the foreign source on a monthly basis by filing a monthly tax return to the relevant Tax Collector Office before the 15th of each month following the month of

taxation. An annual tax return should be submitted before 5 December of the subsequent year to the year of taxation. If the salary is paid by the host country (Tunisia), the expatriate is required to submit an annual tax return before 5 December of the subsequent year to the year of taxation.

- Expatriate staff members should be registered with the Social Security Regime in Tunisia when they are not able to continue making social contributions to their home country regime. Please note that the expatriate must meet certain conditions in order to continue contributing to their home country social security regime.

Turkey

(2011 rate = 35%)



- Top marginal rate kicks in at TRY80,000.
- Tax year-end is 31 December.

- The filing deadline is 25 March.
- Both spouses must file their income tax returns individually.

Ukraine

(2011 rate = 17%)



- The top individual income tax rate 17 percent applies to income in excess of the monthly threshold of 10 minimum wages (UAH9,410 as of 1 January 2011).
- Tax year-end is 31 December.
- The filing deadline is 30 April of the year following the reporting one.
- Income paid through local entity payroll is subject to the unified social security contribution due from both the employer and the employee. For 2011, the employer is required to make contributions of between 36.76 percent and 49.7 percent (depending on the occupational risk) and the employee is required to contribute 3.6 percent. The taxable base for the contribution is capped at UAH 14,400 per month as of 1 April 2011 and will be gradually increased to UAH 15,060 by the end of 2011.

United Arab Emirates

(2011 rate = 0%)



- Individual income tax not assessed.
- Expatriate employees do not make contributions to UAE Social Insurance. However, the employer of a UAE national must make monthly social security and pension contributions of 12.5 percent of the employee's basic salary and allowances and the employer must make monthly contributions at a rate of 5 percent of total remuneration.
- There is no capital gains tax for individuals. The capital gains income of businesses is taxed as ordinary business income (regarding branches of foreign banks and foreign oil companies engaged in the exploration and production of oil).



United Kingdom

(2011/12 rate = 50%)



- Top marginal rate kicks in at GBP150,000.
- 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 12 percent on compensation between GBP139 and GBP817 per week. A further liability at the rate of 2 percent arises on all earnings above 817GBP per week.
- UK allows for some preferential tax treatment on capital gains – for instance, first GBP10,600 are tax free. The Capital Gains tax rate is 18/28 percent. 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 5 percent) if the asset transferred is valued at over GBP125,000 for residential property or GBP150,000 for non-residential property subject to certain conditions.
- Although 50 percent is the top rate of tax, the phase out of personal allowances on income over GBP100,000 can result in a marginal atax rate of 60 percent.
- Married couples file tax returns as separate individuals.

United States

(2011 rate = 35%)



- For 2011, the top marginal rate kicks in at USD379,150 (for all filing statuses except Married Filing Separate, which reaches the top marginal rate at USD189,575). 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 31 December.
- Filing deadline is 15 April of the following year. A six-month automatic extension is available which extends the time to file the tax return but not to pay the tax.
- 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 against 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). For 2011 only, the rate was reduced to 4.2 percent for the employee share only. 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 2011 is USD 106,800. 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 the employee's wages, and remits the amount withheld, together with the employer's contribution, to the IRS. In addition to the social security taxes discussed above, federal and state unemployment tax may be imposed on every employer 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.

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The federal government as well as many states impose gift, estate and/or inheritance taxes at varying rates.

Many state and local jurisdictions impose sales and use taxes, including out-of-state purchases, at varying rates. In some cases unpaid sales and use taxes are reported and paid with the income tax return.

- Married couples may elect to file tax returns jointly or separately. If they elect to file separately, the highest marginal tax rate applies to a much lower taxable income level. Also, married non-residents generally may not file jointly.

Uruguay

(2011 rate = 25%)



- Top marginal rate kicks in at 2.671.200 UYU.
- Tax year-end is 31 December.
- Tax returns have to be filed by May; however, in the case of labour income, monthly withholdings are applied by the employer and in most cases the employee will not have to file a tax return himself.

- Compensation paid to employees for personal activities developed in Uruguay is also subject to social security contributions. These contributions are paid monthly, charged on both employers and employees.

Venezuela

(2011 rate = 34%)



- Top marginal rate kicks in at 6,000 Fiscal Units (1 Fiscal Unit equals 76 VEF for 2011 tax year) for tax residents (US\$106,047).
- Tax year-end is 31 December.
- Filing deadline is 31 March of the following year with no extension available.
- The employee social security rate is 4 percent. The unemployment insurance rate is 0.5 percent; the maximum ceiling tax contributions set at five times the minimum salary and 10 times the minimum salary, respectively.
- Inheritance and gift tax is levied at rates that vary depending on the relationship of the beneficiary to the deceased or donor.

Dividend tax: 34 percent flat on any taxable amount.

- An employee who owns a residence in Venezuela must pay municipal real estate tax.

Vietnam

(2011 rate = 35%)



- Top marginal rate kicks in at VND80,000,000 per month for both citizens and non-citizens.
- The first tax year is 12 months counting from the first day in Vietnam; subsequent tax year-end is 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 (that is, on or before 31st 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. A tax finalization return should be filed before leaving Vietnam and within 45 days from the date of assignment termination. Any tax shortage based on the tax finalization return shall be remitted to the local tax department by the same date of submission of the tax return.
- Only Vietnamese employees are required to make contributions to the Social Insurance, Health Insurance and Unemployment Insurance Funds on a monthly basis.
- Non-Vietnamese citizens with an employment contract in Vietnam are subject to only health insurance.
- Other applicable individual taxes include non-employment income (personal income) including business income, income from capital investment, capital assignment, securities transfer, real property transfers, inheritances and gifts.
- According to recent official letters taking effect from 2010 onwards, an individual tax resident of Vietnam in a calendar year is required to report pre-arrival income earned from the beginning of that year.

Zimbabwe

(2011 rate = 36.05%)



- The top marginal tax rate kicks in at USD1500 per month (USD18 000 per year).
- Tax year-end is 31 December.
- The tax return filing deadline is 30 April of the following year.
- Social security taxes exist and are referred to as NSSA.

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