

This summary assumes that you only pay tax in one place. Different rules may apply if you pay tax in different places.

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The information provided is understood to be correct as of September 2025. Changes in legislation or practice after this date may affect the tax treatment.

Tax - Employee Notes - Your Shares: Gifted and Matched

Hong Kong	
When will I be taxed in relation to my plan benefits?	Purchase of Investment Shares: Contributions to purchase Investment Shares are deducted from post-tax salary. Award of Gifted and Matching Shares: No income tax. No social security. Unlocking of Gifted and Matching Shares: Salaries (income) tax. No social security. Sale by participant: No tax on capital gains. No social security.
What is the maximum rate of income tax payable in relation to my plan benefits?	17% (2025/26). Any change in tax rates usually takes effect from 1 April.
Income tax rates	There are two ways to compute the salaries tax in Hong Kong. Taxpayers can pay tax on their net chargeable income (assessable income less deductions and allowances) at progressive rates ranging from 2% to 17%, or at a flat rate of 15% on net income (assessable income less deductions), whichever is the lower.
Will my employer withhold income tax in relation to my plan benefits?	No – please see question “Do I have to report any income in relation to the plan to my local tax authority?” below regarding your tax reporting and payment responsibilities.
Are my plan benefits subject to social security contributions?	No.
Will my employer withhold social security contributions in relation to my plan benefits?	Not applicable.
What is the maximum rate of capital gains tax?	None.

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What is the maximum tax rate payable on dividends?	<p>None.</p> <p>If a decision is taken to pay dividends, then while you continue to hold shares in Your Shares, dividends are currently automatically reinvested to purchase further Rolls-Royce Ordinary Shares, which will also be held within Your Shares and will be immediately unlocked. You will be eligible to receive dividends within Your Shares on all Investment Shares but on Gifted and Matching Shares only once they unlock. Also, shares arising from reinvestment of dividends will themselves be eligible to receive future dividends.</p> <p>Reinvestment into ordinary shares: no income tax or social security.</p> <p>Sale of reinvested ordinary shares: no capital gains tax or social security.</p>
Do I have to report any income in relation to the plan to my local tax authority?	<p>Yes</p> <p>Report name: Individual Tax Return (BIR60). The assessable value of a share award will be included in the annual Employer's Return (Form IR56B), a copy of which must be delivered to the employee by the employer. A separate return (IR56F or IR56G) must be delivered to employees leaving employment or departing from Hong Kong. The return can be filed online. Forms and information can be accessed through the Inland Revenue Department (IRD) website here.</p> <p>Tax period: 1 April to 31 March.</p> <p>Reporting deadline: Individual Tax Returns are usually issued in early May of each year and must be lodged within 1 month (2 months if filing electronically) from the date of issue unless an extension request is submitted and approved by the IRD. If the individual does not receive the required tax return form, they must notify the IRD in writing about their assessable income within four months of the end of the tax year (i.e. by 31 July).</p>