

Colombia	
<b>When will I be taxed in relation to my plan benefits?</b>	<p><b>Award:</b> No income tax. No social security.</p> <p><b>Vesting:</b> Income tax and social security (if applicable).</p> <p><b>Transfer to participant:</b> No income tax. No social security.</p> <p><b>Sale by participant:</b> Capital gains tax on increase in value since vesting. No social security.</p>
<b>What is the maximum rate of income tax payable in relation to my plan benefits?</b>	39% (2025) for labour income. Any change in tax rates usually takes effect from 1 January.
<b>Income tax rates</b>	<p>Individual income tax is schedular and is calculated depending on the source of the income (e.g. general income, pensions and dividends). The income tax rate for individuals is progressive (i.e. depends on the level of the income obtained by the employee during the financial year).</p> <p>The maximum rate applies to income over TVU31,000. For fiscal year 2025, each tax value unit (<i>Unidad de Valor Tributario</i>) (TVU) is equivalent to COP49,799.</p> <p>Labour income is subject to a maximum marginal income tax rate of 39%.</p>
<b>Will my employer withhold income tax in relation to my plan benefits?</b>	<p>Yes, if the local employer:</p> <ul style="list-style-type: none"> <li>• meets the costs of the plan;</li> <li>• recognises an accounting charge; or</li> <li>• pays a cash amount to employees.</li> </ul>
<b>Are my plan benefits subject to social security contributions?</b>	Yes (if applicable).
<b>Employee social security</b>	<p><b>Employee social security (max rate):</b> the standard combined rate is 8% (4% for pension contributions and 4% for health contributions) which applies to employees who earn more than the minimum monthly salary and not more than 25 minimum monthly salaries. Employees with income equal to or higher than 4 minimum monthly salaries (COP5,694,000) will be subject to additional pension contributions of up to 2%. From 1 July 2025, employees with income equal to or higher than 4 minimum monthly salaries (COP5,694,000) and up to 25 minimum monthly salaries (COP35,587,500 in 2025) will be subject to additional pension contributions of up to 3%. People who are independent (with no labour contract) will have to assume the full payment of social security contributions. Social security contributions increase every year in line with the minimum monthly wage (COP1,423,500 in 2025).</p> <p><b>Employee social security (cap):</b> the base on which social security contributions are calculated is capped at the equivalent of 25 minimum monthly mandatory salaries (COP35,587,500 in 2025). As a general rule, share plan income (non-salary benefits) are only included in the base for calculating social security if the share plan income exceeds 40% of the employee's salary income for the corresponding month (see 'Other' section for more information).</p>
<b>What is the maximum rate of capital gains tax?</b>	15% fixed rate if held as fixed assets for more than two years. Progressive tax applies (up to 39%) if not held as a fixed asset and/or for less than two years.

## Tax - Employee Notes - Free shares / RSUs



<b>What is the maximum tax rate payable on dividends?</b>	For fiscal year 2025, dividends paid by a foreign company to an individual tax-resident in Colombia, are subject to income and dividend tax at a maximum effective rate of: <ul style="list-style-type: none"><li>• 35%, if the amount of the dividend paid does not exceed the value of 300TVU (COP14,939,700 in 2025); or</li><li>• 48%, if the amount of the dividend paid exceeds the value of 300TVU.</li></ul>
<b>Do I have to report any income in relation to the plan to my local tax authority?</b>	Yes, most employees will file a tax return. Individuals who hold assets abroad must file a special report, along with their tax return, reporting the assets and the value of the assets as of 31 December. <b>Report name:</b> Annual Tax Return. The foreign assets report is Form 160 and can be found at the tax authority's website <a href="#">here</a> . <b>Tax period:</b> 1 January to 31 December. <b>Reporting deadline:</b> depends on the tax number of the individual but generally between August and October. <b>Payment of tax:</b> any tax due must be paid by the due date for filing the return.

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

This summary is only a guide. It is limited to a general description of national tax laws and does not address various issues which may impact the tax result, including: local, city, regional, state or other provincial taxes; retention and holding periods; restrictions on the shares; clawback terms and periods; and your own individual circumstances. We do not guarantee any particular tax result. Therefore, we recommend that you consult your own tax advisor regularly to determine your tax position.

The information provided is understood to be correct as of 14 February 2025. Changes in legislation or practice after this date may affect the tax treatment.

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