Taiwan	
When will I be taxed in relation to my plan benefits?	**Award**: No income tax. No social security. **Vesting**: No income tax. No social security. **Transfer to participant**: Income tax. No social security (NLI, LPF and NHI) if the share awards received are treated as 'other income'. However, if the share awards received are treated as 'taxable bonuses', NHI supplementary premium will be payable. **Sale by participant**: Capital gains tax on increase in value since transfer (i.e. the date the shares are acquired). No social security.
What is the maximum rate of income tax payable in relation to my plan benefits?	40% (2025). Any change in tax rates usually takes effect from 1 January.
Income tax rates	Under the regular tax rules, progressive rates of tax apply. The maximum tax rate applies to income over TWD4.98million (exclusive). Under the Alternative Minimum Tax system (AMT), the taxpayer is required to pay the higher of the tax due under the regular tax rules and AMT tax. AMT tax is a fixed 20% rate and is calculated on the basis of: • general Taiwan sourced net income; plus • foreign sourced income (FSI), if the FSI equals to or exceeds TWD1million; plus • certain additional (non-general and non-FSI) qualified items, either Taiwan or foreign sourced income; less • a fixed deduction of TWD7.5million.
Will my employer withhold income tax in relation to my plan benefits?	Generally, share plan income is treated as ‘other income’ and is not subject to employer withholding. However, withholding may apply, depending on the structure of the plan and the involvement, if any, of the local employing company. If an award is classified as 'taxable bonuses' by the local tax authorities, the local employing company will have payroll withholding obligations on the proportion of the award that is borne by the local employing company (e.g. via a recharge). If the local employing company does not bear the costs of the award, and the award is not considered as part of local employment remuneration, it will have no withholding obligations. There is no clear guidance under relevant tax regulation whether share plan income is ‘foreign-sourced’ or ‘Taiwan-sourced’ and, if it is Taiwan-sourced, then whether it is a 'taxable bonus' (wage) or 'other income' (non-wage). Tax officials have expressed different opinions as to the characterisation of share plan income and whether withholding applies. The tax authority may treat the share plan income as 'remuneration for work' given by the foreign parent company on behalf of the local employing company and may qualify them for share plan income as 'Taiwan sourced wage income' subject to withholding. It would be prudent to apply for a private tax ruling to confirm the applicable tax position.
Are my plan benefits subject to social security contributions?	Share plan income will likely be treated as a 'taxable bonus' and be subject to NHI supplementary premium, payable by the employer and the employee. Employer withholding will apply. Although there is some uncertainty whether share plan income should be treated as a ‘taxable bonus’, local counsel understands from the tax authority, that the National Health Insurance Administration (NHIA) may check with the tax authority for the participant’s income status after the filing of their annual tax return. If the NHIA finds that share plan income is reported in the participant’s annual tax return for the previous year and that the local employing company did not withhold NHI supplementary premium, the NHIA may ask the local employing company to make up the NHI supplementary premium withholding at that point (usually in August).

Employee social security	**Employee social security (max rate)**: contributions are levied for National Labor Insurance (NLI), Labor Pension Fund (LPF) and National Health Insurance (NHI). NHI applies to all persons in general, while NLI and LPF apply to labor/workers only. NHI supplementary premiums may also be payable. • **NLI, LPF and NHI**: contributions are paid by the employee, based on monthly insured salaries capped at various levels. • **NHI supplementary premium**: NHI supplementary premiums are payable by employees and employers on non-regular payments (e.g. bonus or incentive payments). The employee NHI supplementary premium is 2.11% of the non-regular pay exceeding four times of the insured salary range on an accumulated annual basis. NHI supplementary premium is also payable on a single non-regular payment over four times the insured salary range up to TWD10 million (NHI supplementary premium is not paid on the amount over TWD10million). **Employee social security (cap)**: NHI supplementary premium is capped on each single non-regular payment of TWD10million (i.e. NHI supplementary premium is not paid on the amount over TWD10million).
What is the maximum rate of capital gains tax?	20% (if subject to AMT). Progressive rates up to 40% (if the regular tax rules apply). Capital gains from the disposal of foreign shares will be included in the individual's foreign sourced income. If the foreign sourced income is equal to or exceeds TWD1million; and if the sum of Taiwan sourced income and foreign sourced income exceeds TWD7.5million; the capital gains will be included in the calculation and test for AMT (as discussed in the 'Income tax rates' section).
What is the maximum tax rate payable on dividends?	20% (if subject to AMT). Progressive rates up to 40% (if the regular tax rules apply). Non-Taiwan sourced dividends may be subject to the calculation and test for AMT (as discussed in the 'Capital gains tax' and 'Income tax rates' sections). The maximum rate under AMT is 20% for non-Taiwan sourced dividends, but it remains subject to the test comparing AMT with regular progressive tax rates rules, and the higher tax result (amount) applies.
Do I have to report any income in relation to the plan to my local tax authority?	Yes There is no specific filing in relation to equity related incentives. **Report name**: Annual Tax Return. Capital gains and dividends are reported on the same return. The return can be filed online. The tax return can be downloaded from the website here. **Tax period**: 1 January to 31 December. **Reporting deadline**: the report is normally required to be filed by 31 May. **Payment of tax**: any unpaid tax is due by the date of filing the tax return. Capital gains tax and dividend tax must be paid at the same date.

Tax - Employee Notes - Free shares / RSUs

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.