

Tax - Payroll Guide - Free shares / RSU

Colombia	
Tax points	<p>Grant: No income tax. No social security.</p> <p>Vesting: Income tax and social security (if applicable).</p> <p>Transfer to participant: No income tax. No social security.</p> <p>Sale by participant: Capital gains tax on increase in value since vesting. No social security.</p>
Income tax (maximum rate)	39% (2025) for labour income. Any change in tax rates usually takes effect from 1 January.
Income tax rates	<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>
Employer income tax withholding	<p>Yes, if the local employer:</p> <ul style="list-style-type: none"> meets the costs of the plan; recognises an accounting charge; or <p>pays a cash amount to employees.</p> <p>For Your Shares, none of these cases apply, so no employer income tax withholding is required.</p>
Employer social security withholding	Yes (if applicable).
Employee social security	<p>Employee social security (max rate): 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) and up to 25 minimum monthly salaries (COP35,587,500 in 2025) are 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>Employee social security (cap): 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</p>

Tax - Payroll Guide - Free shares / RSU

	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).
Employer social security	<p>Employer social security (rates): total rate of 20.5% (12% for pension contributions and 8.5% for health contributions).</p> <p>Employers are only required to pay the 8.5% health contributions for employees with income over 10 minimum monthly mandatory salaries (COP14,235,000 in 2025).</p> <p>Employers are required to pay the 12% pension contribution for all employees.</p> <p>The employer may be required to pay a professional risks contribution at a rate between 0.348% and 8.700% depending on the type of insured activity.</p> <p>Employer social security (cap): the base on which social security contributions (pension and health contributions) are calculated is capped at the equivalent of 25 minimum monthly mandatory salaries (COP35,587,500 in 2025). As a general rule, social security will only be payable on share plan income if it exceeds 40% of the employee's salary income for the corresponding month (see 'Other' section for more information).</p> <p>Payroll tax: employers are also subject to payroll taxes at a total rate of 9% (usually reduced to 4% for employees who earn less than 10 minimum monthly mandatory salaries).</p>
Tax reporting - Individual	<p>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.</p> <p>Report name: Annual Tax Return. The foreign assets report is Form 160 and can be found at the tax authority's website here.</p> <p>Tax period: 1 January to 31 December.</p> <p>Reporting deadline: depends on the tax number of the individual but generally between August and October.</p> <p>Payment of tax: any tax due must be paid by the due date for filing the return.</p>
Tax reporting - Employing company	<p>Yes</p> <p>Report name: all withholdings of tax and social security contributions must be reported on the employer's monthly Withholding Tax Return. In the following year, the employer is obliged to provide the employee with a certificate detailing the withholding taxes applied.</p>

Tax - Payroll Guide - Free shares / RSU

	Reporting deadline: withheld tax is reported monthly. Payment of tax: withheld tax is paid monthly.
Malus and clawback - Tax points	The existence of a malus or clawback clause does not affect the moment of tax for the individual.