

## Tax - Payroll Guide - Free shares / RSU

<b>Vietnam</b>	
<b>Tax points</b>	<p><b>Grant:</b> No income tax. No social security.</p> <p><b>Vesting:</b> No income tax. No social security.</p> <p><b>Transfer to participant:</b> No income tax. No social security.</p> <p><b>Sale by participant:</b> Personal Income Tax (PIT) on the value of the awarded shares. PIT on gain (i.e. capital gains tax). No social security.</p>
<b>Income tax (maximum rate)</b>	35% (2025). Any change in tax rates usually takes effect from 1 January.
<b>Income tax rates</b>	<p>Progressive rates of tax between 5% and 35% apply. The maximum rate of tax applies to income above VND960,000,000 per year.</p> <p>The following offerings to employees will be considered income from salary/remuneration, as the case may be:</p> <ul style="list-style-type: none"> <li>the discount offered on the option price/subscription price/purchase price/exercise price;</li> <li>the value of free matching shares;</li> <li>the value of free shares/RSUs.</li> </ul> <p>Upon sale of awarded shares, this income will be subject to personal income tax at the following rates:</p> <ul style="list-style-type: none"> <li>if they are tax resident in Vietnam, the value of free awarded shares/the discount will be taxed at the normal progressive rates of up to 35%;</li> <li>if they are tax non-resident, the value of free awarded shares/the discount will be taxed at 20%.</li> </ul> <p><b>Income tax bands 2024 (VND per year):</b></p> <ul style="list-style-type: none"> <li>From 0 to 60,000,000: 5%</li> <li>Over 60,000,000 to 120,000,000: 10%</li> <li>Over 120,000,000 to 216,000,000: 15%</li> <li>Over 216,000,000 to 384,000,000: 20%</li> <li>Over 384,000,000 to 624,000,000: 25%</li> <li>Over 624,000,000 to 960,000,000: 30%</li> </ul>

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	Above 960,000,000: 35%.
<b>Employer income tax withholding</b>	Yes
<b>Employer social security withholding</b>	No
<b>Employee social security</b>	<p><b>Employee social security (max rate):</b></p> <ul style="list-style-type: none"> <li>• social insurance 8% (Vietnamese and expatriate);</li> <li>• health insurance 1.5% (Vietnamese and expatriate);</li> <li>• unemployment insurance 1% (Vietnamese national).</li> </ul> <p><b>Employee social security (cap):</b></p> <ul style="list-style-type: none"> <li>• social insurance contributions are capped at 20 times the basic salary that is fixed by the Vietnamese Government from time to time (Basic Salary);</li> <li>• health insurance contributions are capped at 20 times the Basic Salary; and</li> <li>• unemployment insurance contributions are capped at 20 times the regional minimum salary which is fixed by the Vietnamese Government from time to time (Regional Minimum Salary).</li> </ul> <p><b>Note:</b> there is no social security paid on share plan income.</p>
<b>Employer social security</b>	<p><b>Employer social security (max rate):</b></p> <p><b>Social insurance:</b> 17.5% (Vietnamese and expatriate). For an employer who is operating in an industry with a high risk of occupational accidents and diseases, and is qualified to apply for a lower rate, the social insurance rate is 17.3% (subject to approval from the Vietnamese Ministry of Labor, Invalids and Social Affairs).</p> <p><b>Health insurance:</b> 3% (Vietnamese and expatriate).</p> <p><b>Unemployment insurance:</b> 1% (Vietnamese national).</p> <p><b>Employer social security (cap):</b></p> <ul style="list-style-type: none"> <li>• social insurance contributions are capped at 20 times the Basic Salary;</li> <li>• health insurance contributions are capped at 20 times the Basic Salary; and</li> <li>• unemployment insurance contributions are capped at 20 times the Regional Minimum Salary.</li> </ul> <p><b>Note:</b> there is no social security paid on share plan income.</p>

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<b>Tax reporting - Individual</b>	<p>An employee is required to file an annual tax return. The local employer, as authorised by the employees, will file an annual tax return no later than 31 March. There is no specific filing in relation to equity related incentives.</p> <p><b>Report name:</b> Annual Tax Return. The tax return can be filed online. The tax return can be downloaded from the website <a href="#">here</a>.</p> <p><b>Tax period:</b> 1 January to 31 December.</p> <p><b>Reporting deadline:</b> tax returns must be filed no later than 31 March.</p> <p><b>Payment of tax:</b> income tax on salary/remuneration is generally paid by the employer but any additional tax must be paid by the reporting deadline.</p>
<b>Tax reporting - Employing company</b>	<p>The employer must report the employees' incentive related income but the filing covers all employee benefits and is not specific to equity related incentives. The local employer is required to withhold, declare and pay personal income tax on its employees' behalf.</p> <p>The local employer must declare and pay personal income tax on behalf of an employee who has received dividends in the form of shares or a bonus in the form of shares on the employee's sale of the shares. As all proceeds of sale and dividends must be repatriated through the foreign currency account (the Account) which the local employer opens and maintains to implement the Plan, the local employer can discharge its withholding obligations before it transfers payments from the Account into the employees' bank accounts in Vietnam.</p> <p><b>Report name:</b> monthly report. The return must be filed online. The return can be downloaded from the website <a href="#">here</a>.</p> <p><b>Reporting deadline:</b> withholding returns must be filed monthly by the 20th day of each month.</p> <p><b>Payment of tax:</b> withheld tax is paid at the same time that the monthly report is filed. Social security contributions are paid no later than the last day of each month. Capital gains tax and dividend tax are paid within 10 days from the date of the taxable event.</p>
<b>Malus and clawback - Tax points</b>	<p>The existence of a malus or clawback clause does not affect the moment of tax for the individual.</p>