KPMG

KPMG's Individual Income Tax and Social Security Rate Survey 2010

TAX

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KPMG's Individual Income Tax and Social Security Rate Survey

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There are many surveys that provide a snapshot of taxes on personal incomes around the world for the current year. But very few look at how taxes have changed over a period of time, with the aim of drawing conclusions on how people are taxed in different parts of the world, and how different governments approach the difficult task of raising funds for necessary public services without losing the support of their citizens.

Commentary

Welcome to the 2010 edition of KPMG's Individual Income Tax and Social Security Rate Survey. This is the third year that KPMG's International Executive Services (IES) practice has produced this resource. Drawing on our global network of professionals from KPMG member firms around the world, IES has compiled personal income tax and social security rates from 86 countries for each of the past eight years.

For ease of comparison, we have again concentrated on the highest rates of personal income tax payable to central governments in each country. Following on the prior year, our review also extends to include social security – often the forgotten item when considering taxes.

With respect to personal income tax rates, the 2010 picture that emerges confirms the trend reversal observed in 2009. The steady global decline in top personal income tax rates over the past seven years generally appears to have come to an end and is now in the midst of a turnaround as this year's average rate increased 0.3 percent. As many economies seek to recover from the downturn, finding the right balance between tax stimulus measures versus tax rate increases has been a focus item in 2010. While tax rates remained static in most locations, the movements within this year's survey suggest governments in many cases have opted for a tax rate increase approach to combat deficit concerns.

The majority of rate movement in 2010, particularly upwards, comes from Europe. The highest personal income taxes in the world are still paid by citizens of the European Union (EU) where average rates went up by 0.4 percent over the past year. The low flat tax initiatives of Eastern European countries fuelling the historic downward trend have stagnated. Estonia which first created a flat tax in 1994 and intended to reduce the rate down to 18 percent by 2012 has since abolished its plan. In another example, Latvia increased rates raising its flat tax from 23 percent in 2009 to 26 percent in 2010.

In Western Europe, the upward trend initiated by Ireland last year has spread as anticipated. While the top Irish rate went up by 1 percent in 2010, the UK dominated headlines with a 10 percent increase raising its top rate from 40 percent in 2009/10 to 50 percent in 2010/11 – the highest rate increase seen globally this year. Other Western European governments have followed suit in an attempt to increase tax revenues. Iceland, amid the collapse of the banking sector, replaced its flat tax regime with a progressive approach raising the top personal income tax rate by approximately 9 percent. Greece, in response to public deficit concerns, raised its top rate by 5 percent. Portugal and most recently France raised top rates by 3 percent and 1 percent respectively to help address budget shortfalls. Even the Isle of Man, with a long standing top rate of 18 percent, saw a 2 percent increase to 20 percent in 2010/11. On the opposite end of the spectrum, Denmark opted for a stimulus package in hopes of increasing consumer spending and as a result, decreased its top rate by almost 7 percent. Croatia, this past July, also dropped its top rate by 5 percent.

After the Europeans, the next highest taxes are paid by the people of the Asia-Pacific region but the margin continues to spread. There was very little movement in 2010, but propelled by the 5 percent drop in New Zealand and a 1 percent drop in Malaysia, average top rates in Asia-Pacific declined by 0.4 percent in 2010. The rate competition in this region continues to be led by Hong Kong and Singapore.

Turning to Latin America, personal income taxes continue to remain relatively low; however, the region did not escape the upward rate development. A 2 percent decline in Panama was offset by a 2 percent increase in Mexico, but ultimately the 10 percent increase in Jamaica pushed average top rates up by 0.8 percent in 2010.

In terms of the highest income tax rates in the world, with the decrease in Danish rates, this spot is now held by the people of Sweden. The Swedes have a top personal income tax rate of over 56 percent in 2010. For the Asia-Pacific region, the top rate at 50 percent belongs to Japan. For Latin America region, the top rate at 40 percent goes to Chile.

A country's highest personal income tax rate is, however, only one indicator of what taxes individuals may pay on their income. Just as influential are which other taxes may apply and on which income thresholds are those tax rates charged.

With regards to thresholds, our survey again highlights taxable income levels where top rates take effect. Considering the economic importance of certain locations, we expanded the analysis to review the impact of tax brackets within traditional financial centers – the source of the initial downturn, along with the BRIC (Brazil, Russia, India and China) countries – potential source of further economic recovery. Among the financial centers, Hong Kong and Singapore remain the most tax attractive and the potential impact of actual and proposed rate changes in the UK and United States reiterate the upward movement in tax rates that is under way. Although the BRIC locations may often be considered together, the analysis highlights that each country has a very separate and distinct tax bracket regime – while top rates may take effect at relatively low income levels in India and Brazil, China's top rates extend to higher income thresholds and Russia opts for a relatively low flat tax rate system.

Our broader analysis comparing both effective income tax and social security rates on USD100,000 and USD300,000 of gross income emphasizes the point that other taxes and the impact of deductions clearly need to be considered. Effective rates were derived by taking total taxes over gross income prior to any deductions (which may include social security) to allow for better comparison as deductions can vary greatly across countries. While Sweden is clearly at the higher end of each scenario, it does not actually have the top rate. Using a USD100,000 basis for example, Croatia, Hungary and Greece all have higher combined effective rates ranging from approximately 45 to 52 percent. The primary difference here is social security.

Whether social security is a true tax may be debated but in terms of cost, it can be material and should not be forgotten. We have, therefore, again included a review of both the employee and employer contributions for completeness. Social security components can vary significantly including by country, employer and employee type. For ease of comparison across countries, we have therefore again restricted the review to recognized core contribution requirements for employees earning gross income of USD100,000 and USD300,000. The results show France has the highest combined rate at approximately 60 percent under either scenario followed by Belgium at 48 percent. While these rates may seem exceptionally high, about one-third of the countries within this review had social security-based effective tax rates of 20 percent or more. Although European countries dominate the list, included are Latin American countries like Costa Rica and Argentina.

Given aging populations and the fact that many economies are still in recovery mode, these support schemes are more important now than ever before. With current and future increased demands on the social security infrastructures of the countries surveyed here, we expect further stress, on many already fragile systems, to continue.

While the downward income tax rate trend over the past seven years generally appears to have reversed and upward pressure is mounting, the eight year analysis nevertheless shows that top rates are still generally lower today than they have been historically. In most locations, the economy is also in much better shape now than a year ago with the rebound of the stock markets from 2009 lows providing encouragement. Recognizing that reining in public deficits is a current and future issue, of equal importance is capital gains and the associated tax implications. This is an area that has already seen a recovery and is expected to see further future growth. Our analysis highlights that the majority of countries do offer real incentives, either via reduced or zero capital gains tax rates, to promote ongoing and needed investment in their region.

Most economies however still lag behind the stock market recovery. For many economies catching up is proving difficult in the midst of persisting budgetary pressures not expected to go away any time soon. Ultimately more funds are required to address budgetary shortfalls so further tax collection measures may be expected. There is still a long way to go for average tax rates to hit the highs from seven years ago, but preliminary increase indicators for 2009 generally came to fruition in 2010 and we may not have seen the last of it. In 2011, the United States proposed budget is slated to raise the top personal federal income tax rate from 35 percent to 39.6 percent, which reverses some of the tax cuts phased in over the past decade. Then there are the tax rate increases at the US state level – a topic that is outside the scope of this current analysis. As most countries continue to try and achieve the right balance which increases overall net revenues, one can expect diverse approaches via personal income tax rates, tax credits and social security mechanisms to continue. Hungary, for example, dropped its top rate by 4 percent in 2010 but at same time expanded an employee's tax base to now include employer social security contributions. Comprehensive solutions could also extend beyond the personal tax arena to areas like indirect and corporate taxation.

Whether the tax rate increases strike the right balance and make the intended impact has yet to be seen. Rate increases in countries like the UK have provided an impetus for some exodus. Both from an individual and corporate level, countries like Switzerland, Hong Kong and Singapore may seem more tax attractive now than ever. While everyone may have a role to play in supporting their national deficit reduction measures, the fact that high income earners often have more mobility options should not be overlooked. Attracting such individuals, including their tax revenues and disposable income, via a competitive personal tax rate market while tackling budget deficits remains the challenge.

Highest Rates of Personal Income Tax

OECD	European Union	Asia-Pacific	Latin America	Country	2003	2004	2005	2006	2007	2008	2009	2010
			●	Argentina	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	**35.0%**
				Armenia	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	**20.0%**
●		●		Australia	47.0%	47.0%	47.0%	47.0%	45.0%	45.0%	45.0%	**45.0%**
●	●			Austria	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	**50.0%**
				Bahamas	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**
				Bahrain	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**
●	●			Belgium	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	**50.0%**
				Bermuda	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**
			●	Brazil	27.5%	27.5%	27.5%	27.5%	27.5%	27.5%	27.5%	**27.5%**
	●			Bulgaria	29.0%	29.0%	24.0%	24.0%	24.0%	10.0%	10.0%	**10.0%**
●				Canada	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	**29.0%**
			●	Cayman Islands	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**
			●	Chile	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	**40.0%**
		●		China	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	**45.0%**
			●	Colombia	35.0%	35.0%	38.5%	38.5%	34.0%	33.0%	33.0%	**33.0%**
			●	Costa Rica	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	**15.0%**
				Croatia	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	**40.0%**
	●			Cyprus	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	**30.0%**
●	●			Czech Republic	32.0%	32.0%	32.0%	32.0%	32.0%	15.0%	15.0%	**15.0%**
●	●			Denmark	59.0%	59.0%	59.0%	59.0%	59.0%	62.3%	62.3%	**55.4%**
			●	Ecuador	25.0%	25.0%	25.0%	25.0%	25.0%	35.0%	35.0%	**35.0%**
				Egypt	34.0%	34.0%	34.0%	20.0%	20.0%	20.0%	20.0%	**20.0%**
	●			Estonia	26.0%	26.0%	24.0%	23.0%	22.0%	21.0%	21.0%	**21.0%**
●	●			Finland	53.5%	52.5%	52.2%	51.4%	51.0%	50.7%	49.8%	**49.6%**
●	●			France	48.1%	48.1%	48.1%	40.0%	40.0%	40.0%	40.0%	**41.0%**
●	●			Germany	48.5%	45.0%	42.0%	42.0%	45.0%	45.0%	45.0%	**45.0%**
				Gibraltar	45.0%	45.0%	45.0%	42.0%	40.0%	40.0%	40.0%	**40.0%**
●	●			Greece	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	**45.0%**
				Guatemala	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	**31.0%**
				Guernsey	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	**20.0%**
		●		Hong Kong	15.5%	16.0%	16.0%	16.0%	16.0%	15.0%	15.0%	**15.0%**
●	●			Hungary	40.0%	38.0%	38.0%	36.0%	36.0%	36.0%	36.0%	**32.0%**
●				Iceland	25.8%	25.8%	24.8%	36.7%	35.7%	35.7%	37.2%	**46.3%**
		●		India	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	**30.0%**
		●		Indonesia	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	30.0%	**30.0%**
●	●			Ireland	42.0%	42.0%	42.0%	42.0%	41.0%	41.0%	46.0%	**47.0%**
				Isle Of Man	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	**20.0%**
				Israel	50.0%	49.0%	49.0%	49.0%	48.0%	47.0%	46.0%	**45.0%**
●	●			Italy	45.0%	45.0%	43.0%	43.0%	43.0%	43.0%	43.0%	**43.0%**
			●	Jamaica	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	**35.0%**
●		●		Japan	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	**50.0%**
				Jersey	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	**20.0%**
				Kazakhstan	30.0%	20.0%	20.0%	20.0%	10.0%	10.0%	10.0%	**10.0%**
●		●		Korea (South)	36.0%	36.0%	35.0%	35.0%	35.0%	35.0%	35.0%	**35.0%**
				Kuwait	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**

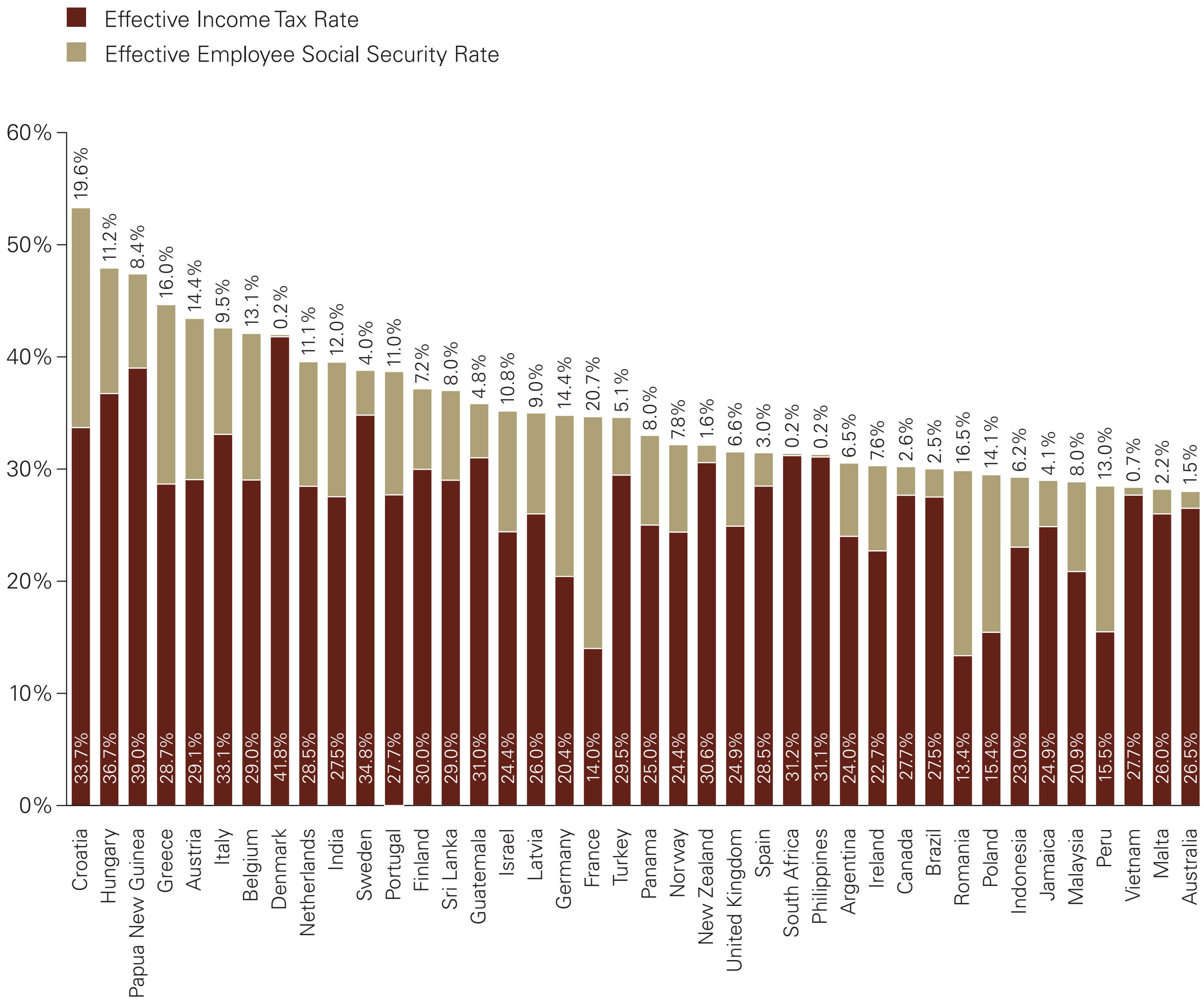
Notes:

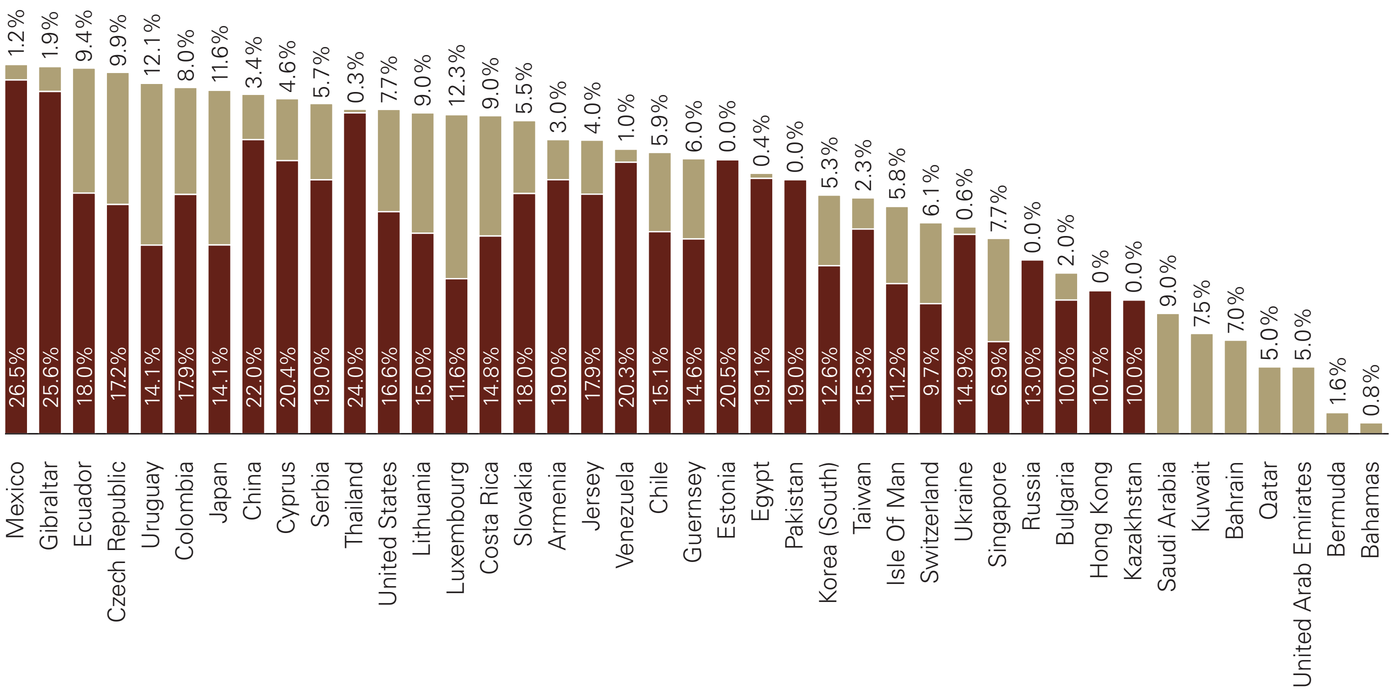
- 0.0% = No taxes are levied.
- For countries that tax sections of income at different levels, only the top level is presented.
- All tax rates are for residents.
- With the exception of Switzerland where the figure quoted includes the Zurich cantonal and communal rate and Finland where the figure quoted includes average rate across municipalities. For Canada, the United States and other countries with similar structures, the tax rates for provinces, states, etc., are not included.
- No other taxes have been included (such as social security tax, employment tax, etc.). The exception includes Sweden. Further, as from 2008 The Danish rate also includes a social security component, since the Danish 8 percent labour market contribution changed its status from a social security contribution to an income tax in 2008.

Source: Tax rate and social security information for each country provided by the KPMG international member firm in each respective country

OECD	European Union	Asia-Pacific	Latin America	Country	2003	2004	2005	2006	2007	2008	2009	2010
	●			Latvia	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	23.0%	**26.0%**
	●			Lithuania	33.0%	33.0%	33.0%	33.0%	27.0%	24.0%	15.0%	**15.0%**
●	●			Luxembourg	39.0%	39.0%	39.0%	39.0%	39.0%	39.0%	39.0%	**39.0%**
		●		Malaysia	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	27.0%	**26.0%**
	●			Malta	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	**35.0%**
●			●	Mexico	34.0%	33.0%	30.0%	29.0%	28.0%	28.0%	28.0%	**30.0%**
●	●			Netherlands	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	**52.0%**
●		●		New Zealand	39.0%	39.0%	39.0%	39.0%	39.0%	39.0%	38.0%	**33.0%**
●				Norway	47.5%	47.5%	47.5%	40.0%	40.0%	40.0%	40.0%	**47.8%**
				Oman	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**
		●		Pakistan	30.0%	30.0%	30.0%	30.0%	20.0%	20.0%	20.0%	**20.0%**
			●	Panama	33.0%	33.0%	27.0%	27.0%	27.0%	27.0%	27.0%	**25.0%**
		●		Papua New Guinea	47.0%	47.0%	47.0%	45.0%	42.0%	42.0%	42.0%	**42.0%**
			●	Paraguay	0.0%	0.0%	0.0%	0.0%	10.0%	10.0%	10.0%	**10.0%**
			●	Peru	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	**30.0%**
		●		Philippines	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	**32.0%**
●	●			Poland	40.0%	40.0%	50.0%	40.0%	40.0%	40.0%	32.0%	**32.0%**
●	●			Portugal	40.0%	40.0%	40.0%	42.0%	42.0%	42.0%	42.0%	**45.9%**
				Qatar	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**
	●			Romania	40.0%	40.0%	16.0%	16.0%	16.0%	16.0%	16.0%	**16.0%**
				Russia	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	**13.0%**
				Saudi Arabia	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**
				Serbia	10.0%	10.0%	10.0%	10.0%	15.0%	15.0%	15.0%	**15.0%**
		●		Singapore	22.0%	22.0%	21.0%	20.0%	20.0%	20.0%	20.0%	**20.0%**
	●			Slovakia	38.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	**19.0%**
	●			Slovenia	50.0%	50.0%	50.0%	50.0%	41.0%	41.0%	41.0%	**41.0%**
				South Africa	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	**40.0%**
●	●			Spain	45.0%	45.0%	45.0%	45.0%	43.0%	43.0%	43.0%	**43.0%**
		●		Sri Lanka	30.0%	30.0%	30.0%	30.0%	35.0%	35.0%	35.0%	**35.0%**
●	●			Sweden	57.0%	56.7%	56.8%	56.8%	56.8%	56.7%	56.7%	**56.6%**
●				Switzerland	40.4%	40.4%	40.4%	40.4%	40.4%	40.0%	40.0%	**40.0%**
		●		Taiwan	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	**40.0%**
		●		Thailand	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%	**37.0%**
●				Turkey	45.0%	40.0%	35.0%	35.0%	35.0%	35.0%	35.0%	**35.0%**
				Ukraine	40.0%	13.0%	13.0%	13.0%	15.0%	15.0%	15.0%	**15.0%**
				United Arab Emirates	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**
●	●			United Kingdom	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	**50.0%**
●				United States	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	**35.0%**
			●	Uruguay	0.0%	0.0%	0.0%	0.0%	25.0%	25.0%	25.0%	**25.0%**
			●	Venezuela	25.0%	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%	**34.0%**
		●		Vietnam	50.0%	40.0%	40.0%	40.0%	40.0%	40.0%	35.0%	**35.0%**
				Average	31.4%	30.6%	30.2%	29.7%	29.7%	29.4%	29.1%	**29.4%**

Effective Income Tax and Social Security Rates on USD100,000 of Gross Income





Notes

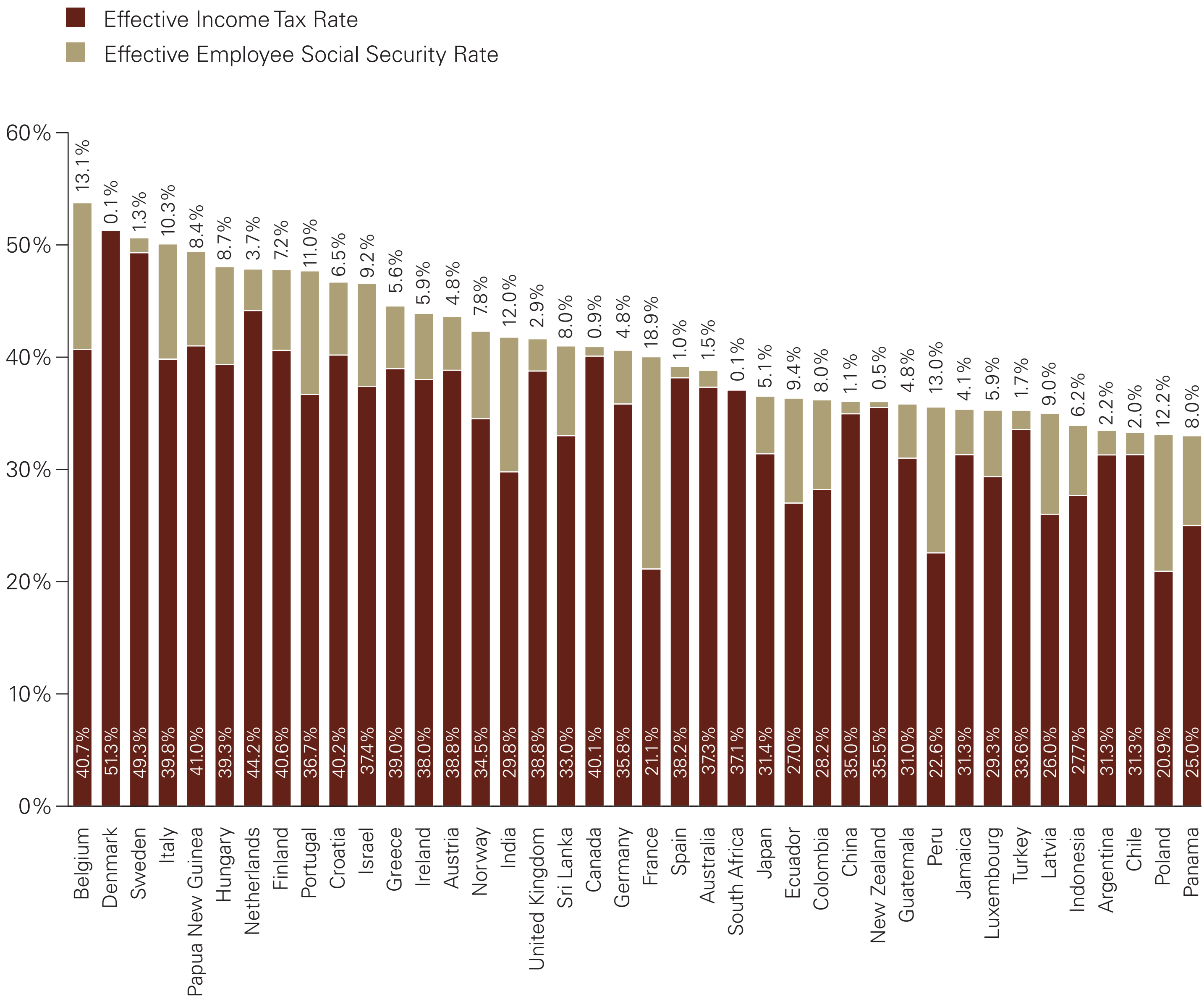
Effective rates were derived by taking total income tax and/or social security over gross income prior to any deductions (which may include social security). This allows for better comparison as deductions can vary greatly across countries.

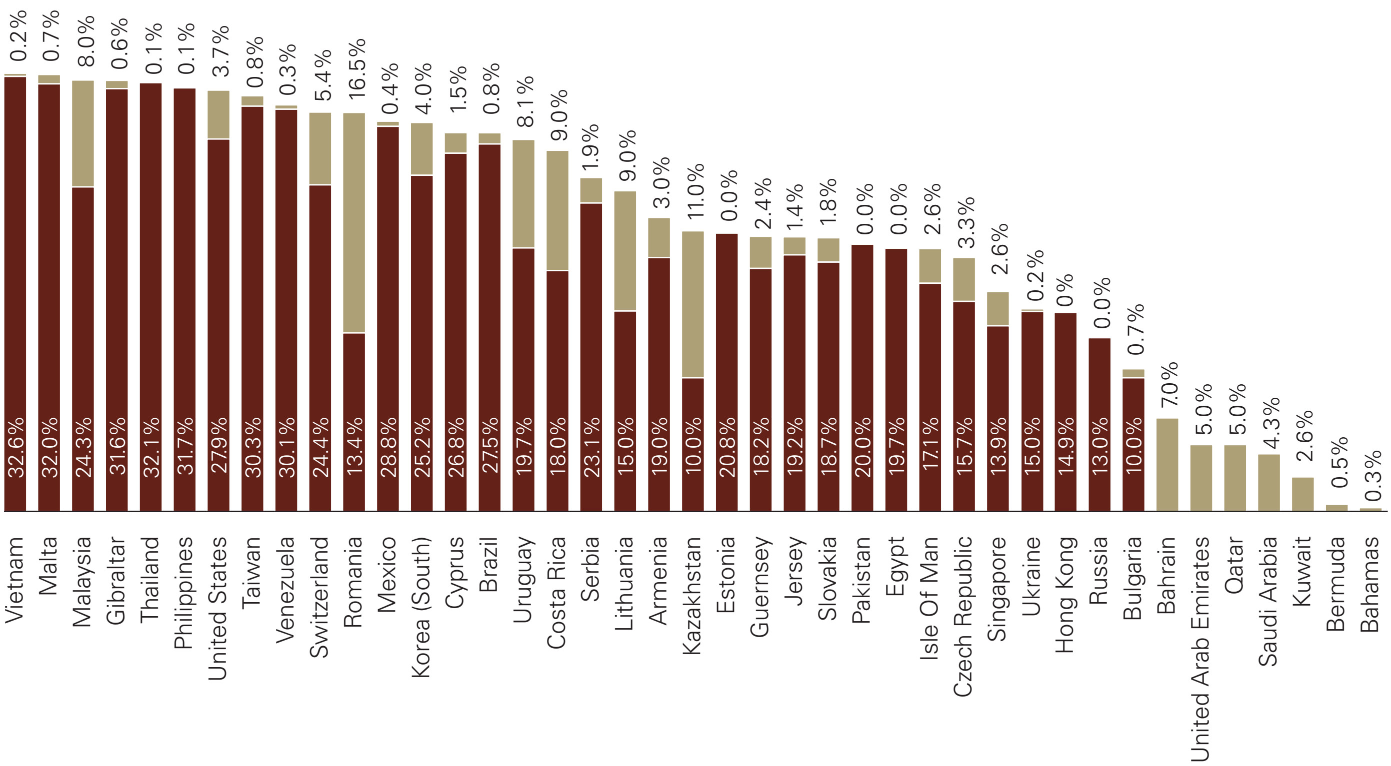
In addition to federal taxes, the US calculation factors in the state of New York; the Canadian calculation factors in the province of Ontario; the Finnish calculation factors in Helsinki; and the Swiss calculation factors in Zurich canton and community.

Tax calculations assume married, no children.

Source: Tax rate and social security information for each country provided by the KPMG international member firm in each respective country

Effective Income Tax and Social Security Rates on USD300,000 of Gross Income





Notes

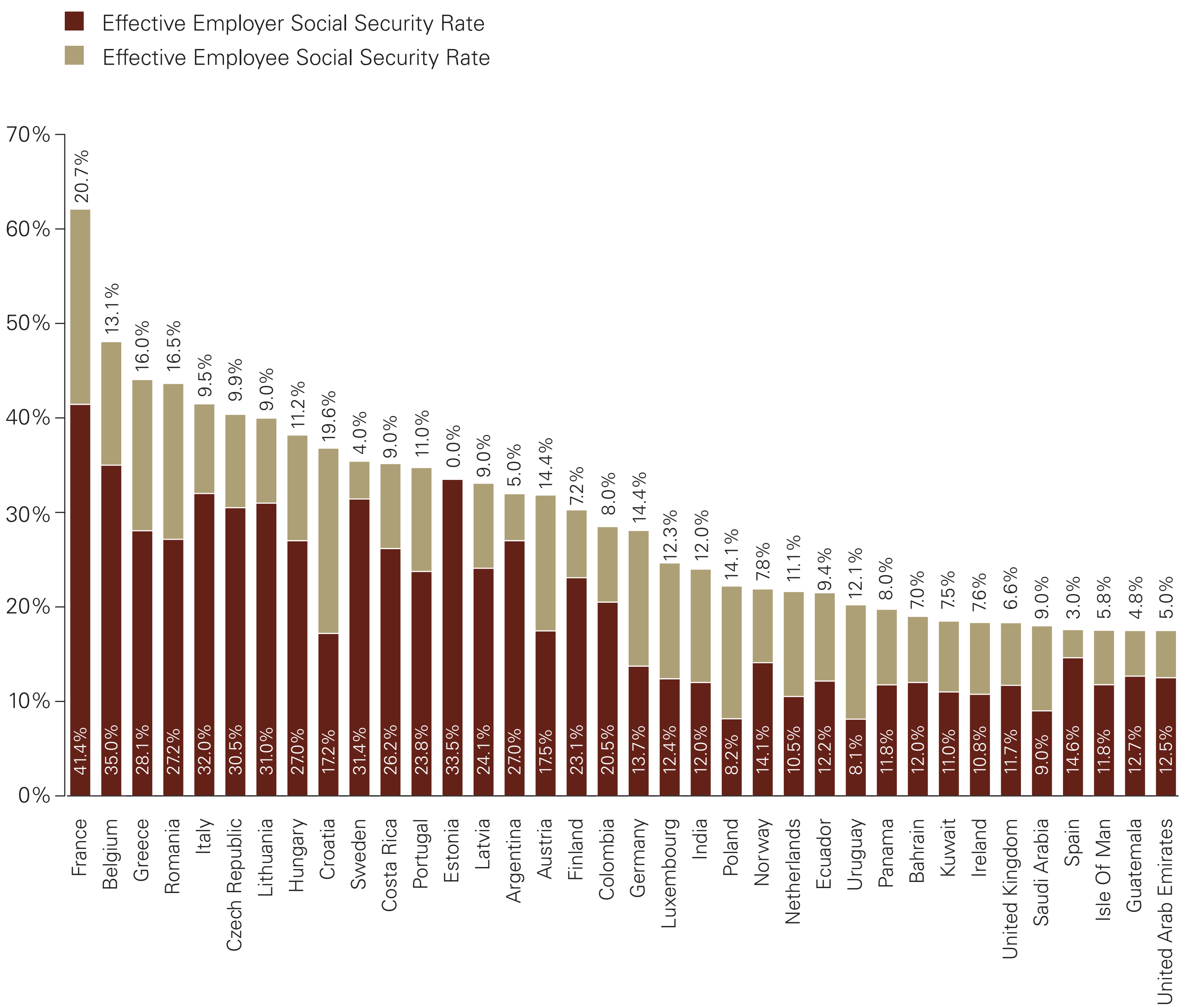
Effective rates were derived by taking total income tax and/or social security over gross income prior to any deductions (which may include social security). This allows for better comparison as deductions can vary greatly across countries.

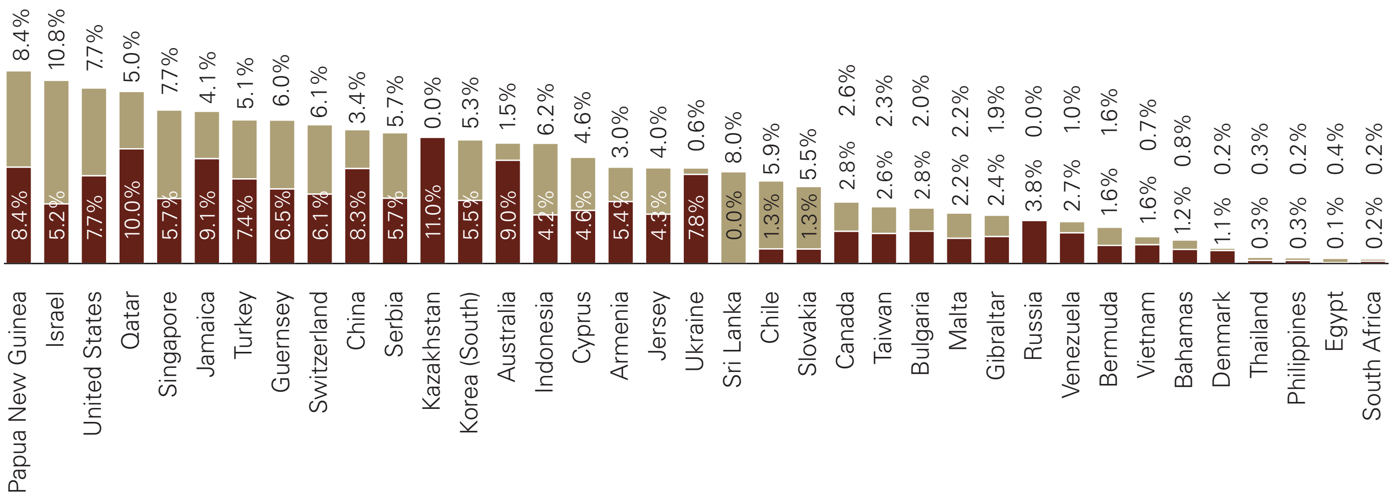
In addition to federal taxes, the US calculation factors in the state of New York; the Canadian calculation factors in the province of Ontario; the Finnish calculation factors in Helsinki; and the Swiss calculation factors in Zurich canton and community.

Tax calculations assume married, no children.

Source: Tax rate and social security information for each country provided by the KPMG international member firm in each respective country

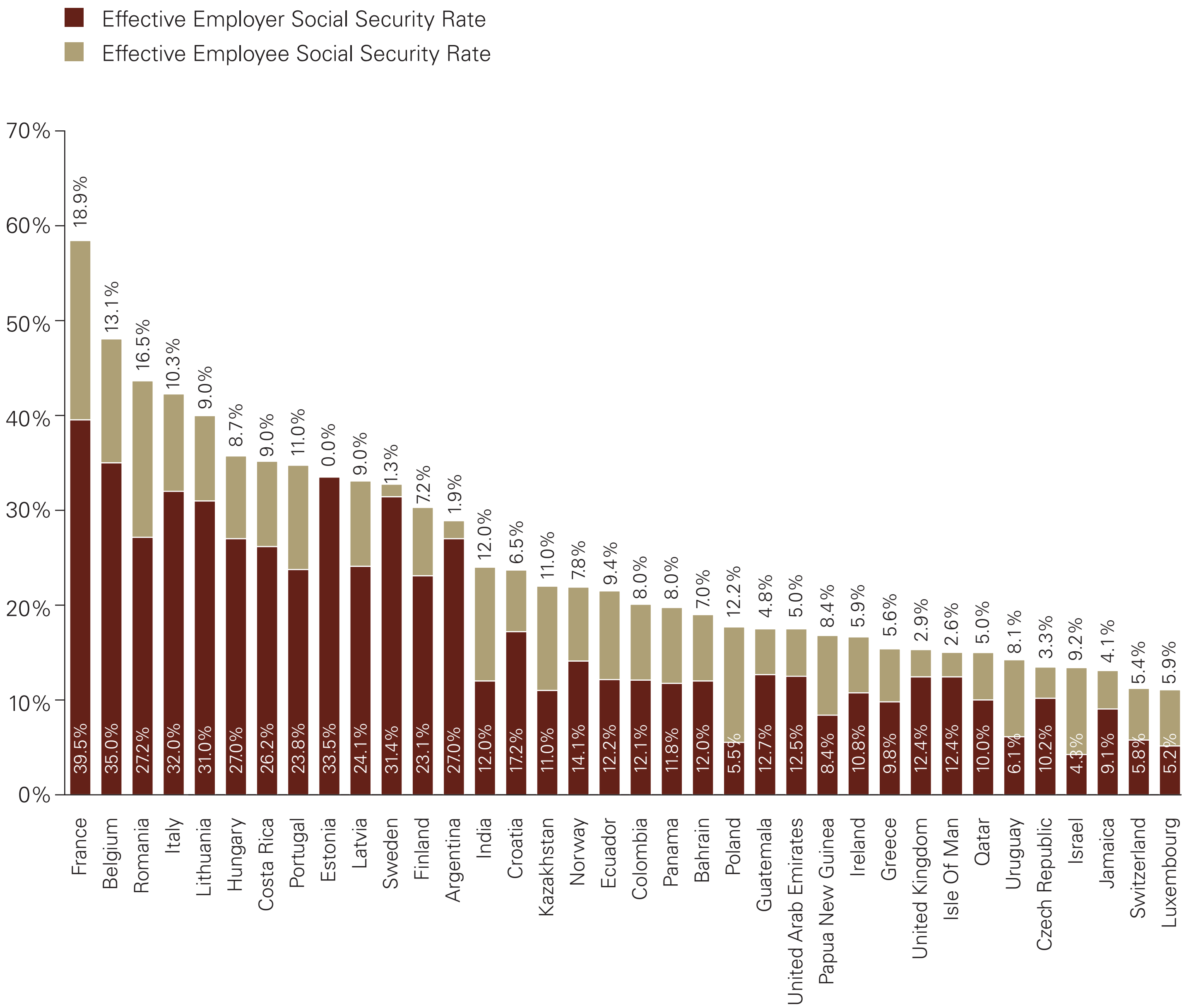
Effective Employer and Employee Social Security Rates on USD100,000 of Gross Income

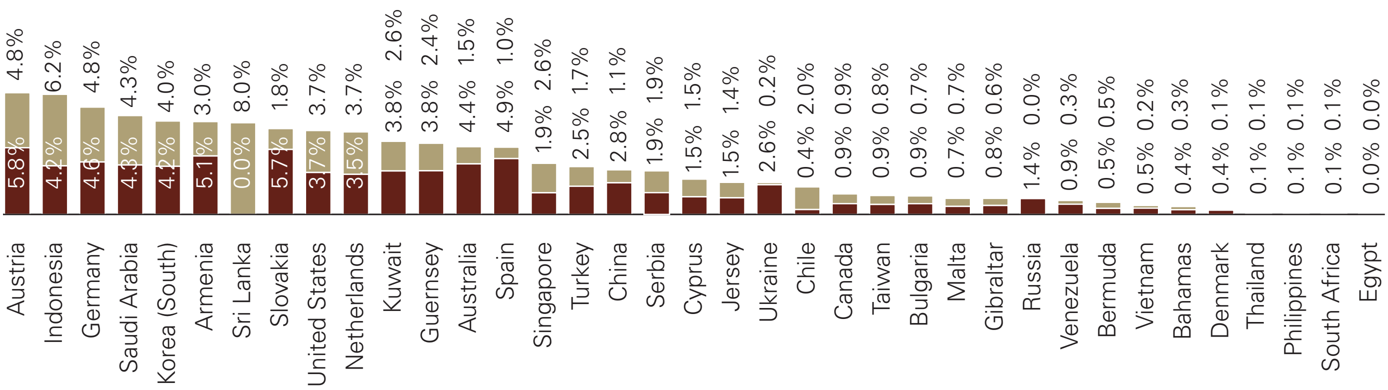




Source: Tax rate and social security information for each country provided by the KPMG international member firm in each respective country

Effective Employer and Employee Social Security Rates on USD300,000 of Gross Income

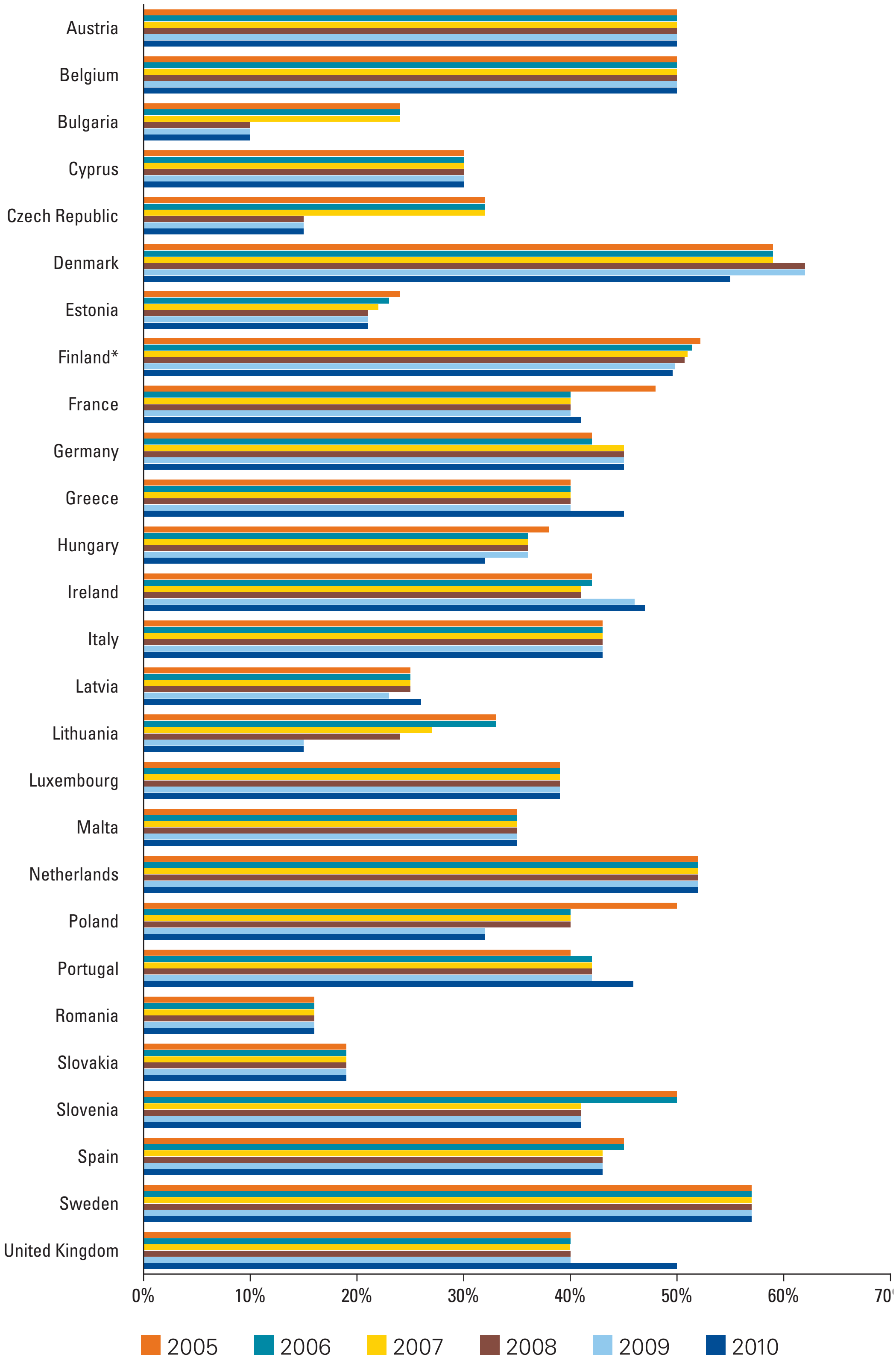




Source: Tax rate and social security information for each country provided by the KPMG international member firm in each respective country

Highest Rates of Personal Income Tax: 2005 to 2010

European Union



Notes*

The rate for Finland includes average rate across municipalities.

Source: Tax rate and social security information for each country provided by the KPMG international member firm in each respective country

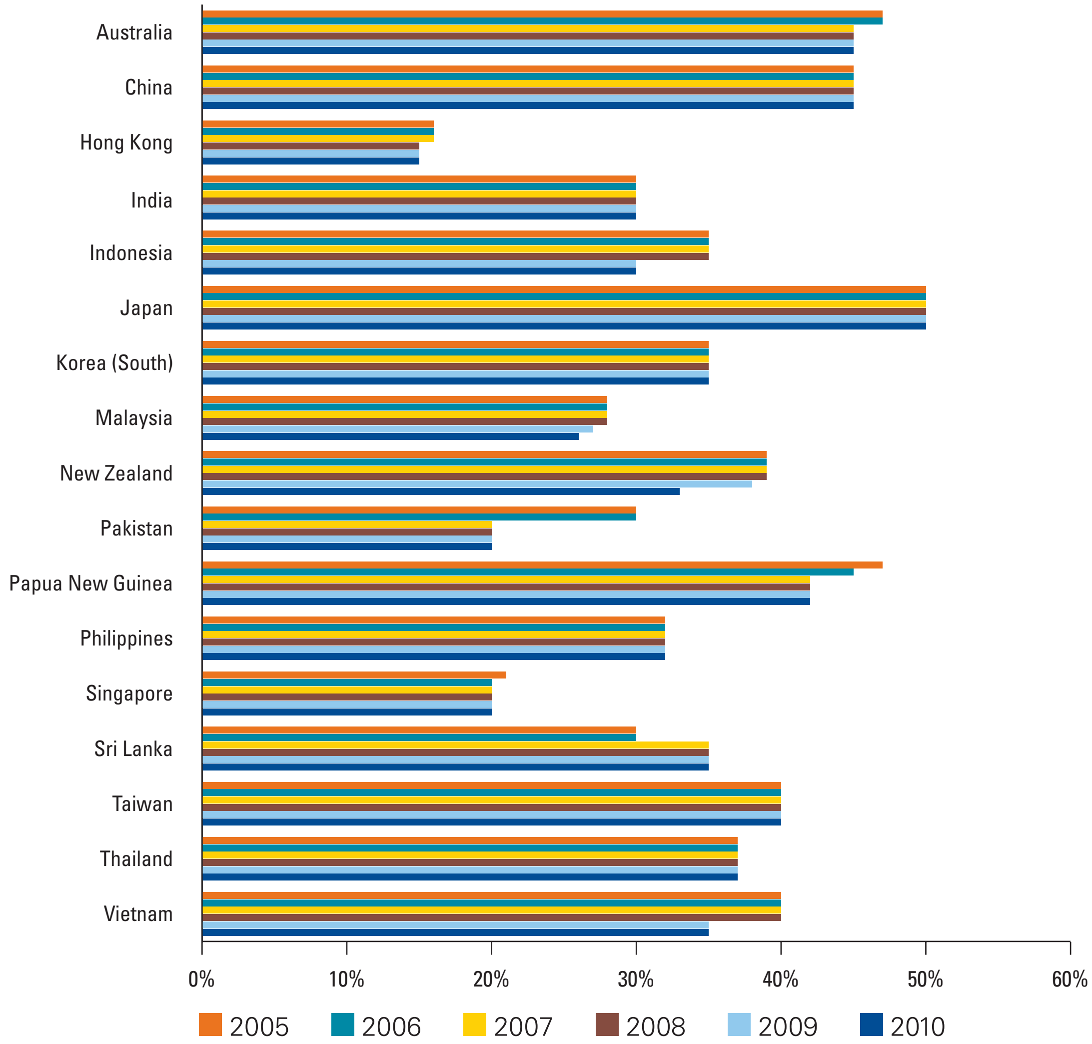
Highest Rates of Personal Income Tax – 2010

1–10%	Bulgaria
11–20%	Czech Republic, Lithuania, Romania, and Slovakia
21–30%	Cyprus, Estonia, and Latvia
31–40%	France, Greece, Hungary, Luxembourg, Malta, and Poland
41–50%	Austria, Belgium, Finland, Germany, Ireland, Italy, Portugal, Slovenia, Spain, and United Kingdom
51%+	Denmark, Netherlands, and Sweden
Flat Rate	Bulgaria, Czech Republic, Estonia, Latvia, Lithuania, Romania, and Slovakia

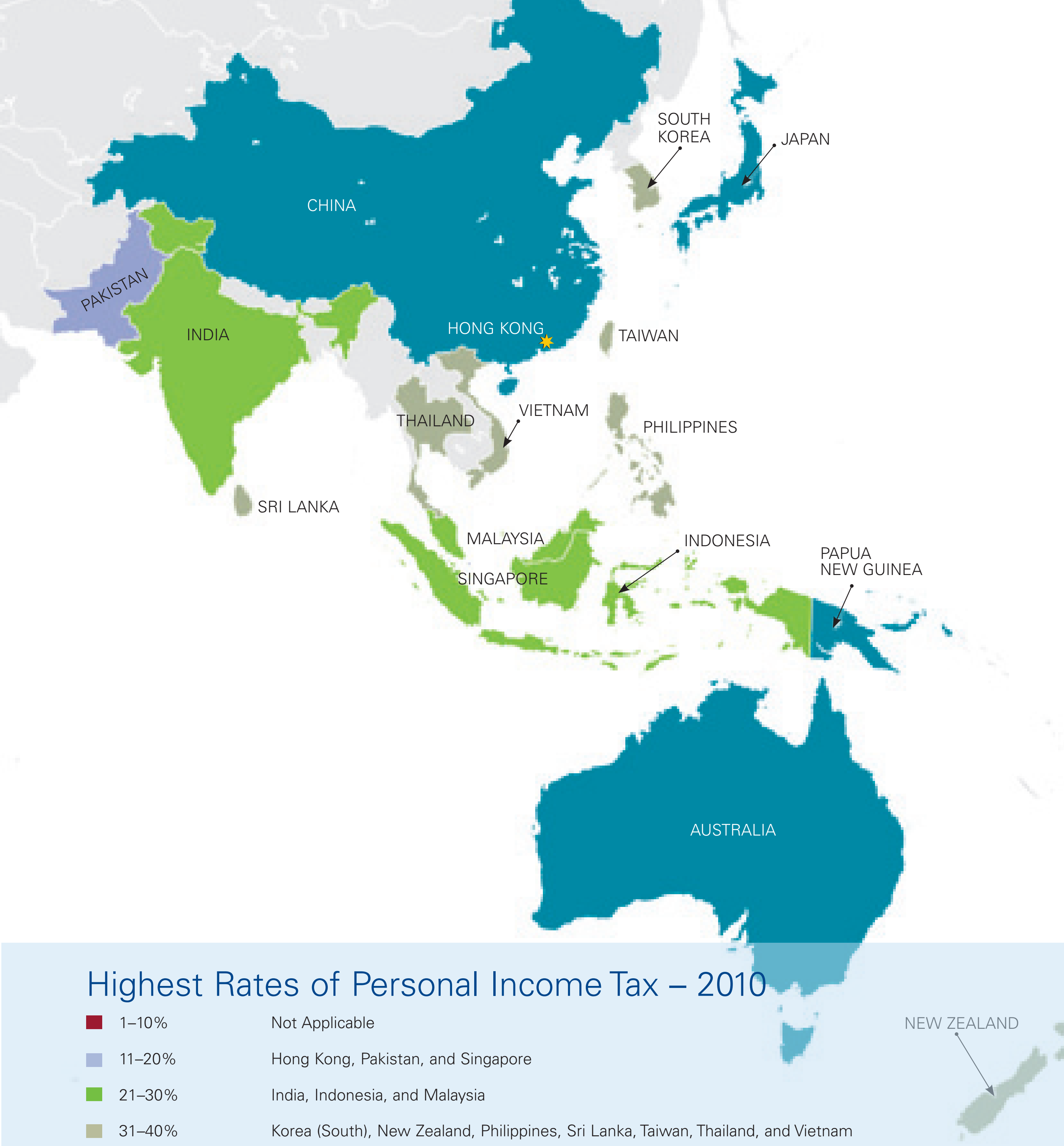
Source: Tax rate and social security information for each country provided by the KPMG international member firm in each respective country

Highest Rates of Personal Income Tax: 2005 to 2010

ASPAC



Source: Tax rate and social security information for each country provided by the KPMG international member firm in each respective country



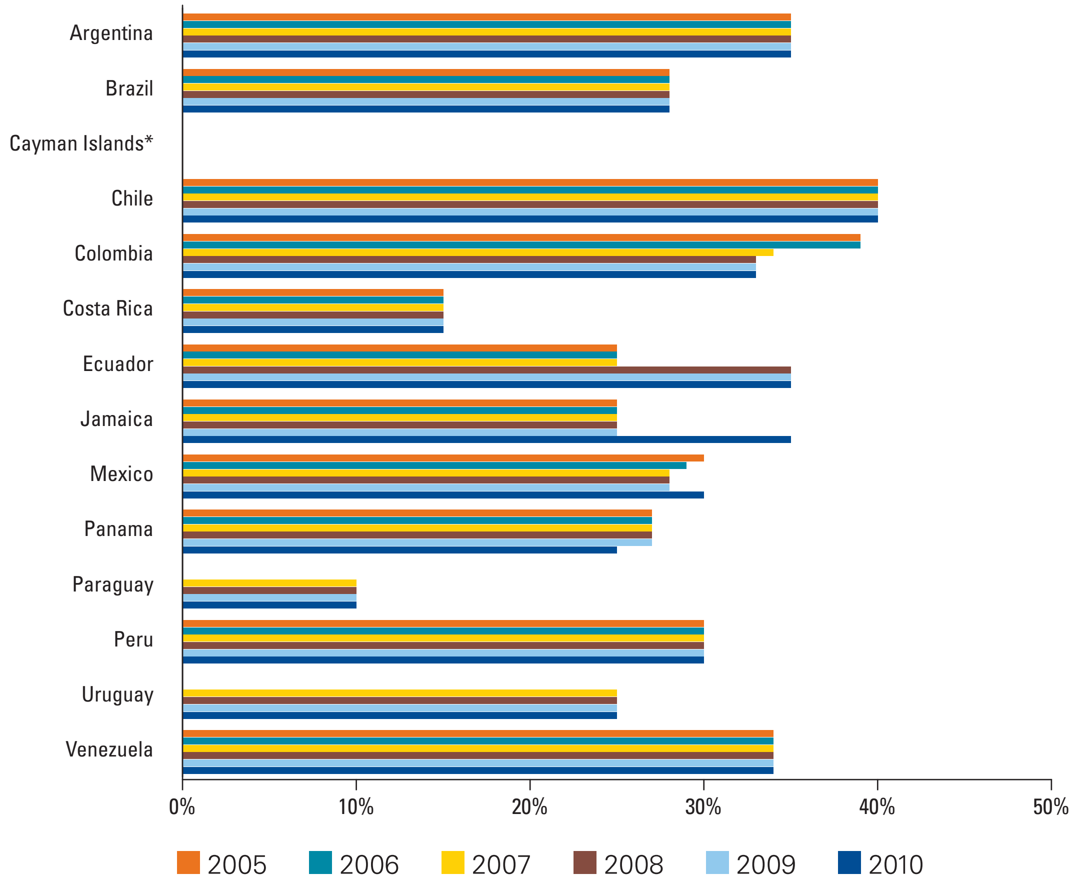
Highest Rates of Personal Income Tax – 2010

1–10%	Not Applicable
11–20%	Hong Kong, Pakistan, and Singapore
21–30%	India, Indonesia, and Malaysia
31–40%	Korea (South), New Zealand, Philippines, Sri Lanka, Taiwan, Thailand, and Vietnam
41–50%	Australia, China, Japan, and Papua New Guinea
50%+	Not Applicable
Flat Rate	Hong Kong

Source: Tax rate and social security information for each country provided by the KPMG international member firm in each respective country

Highest Rates of Personal Income Tax: 2005 to 2010

Latin America



Source: Tax rate and social security information for each country provided by the KPMG international member firm in each respective country

Notes*

Cayman Islands intentionally left blank due to no income tax.

Highest Rates of Personal Income Tax – 2010

1–10%	Paraguay
11–20%	Costa Rica
21–30%	Brazil, Jamaica, Mexico, Panama, Peru, and Uruguay
31–40%	Argentina, Chile, Colombia, Ecuador, and Venezuela
41–50%	Not Applicable
50%+	Not Applicable

Source: Tax rate and social security information for each country provided by the KPMG international member firm in each respective country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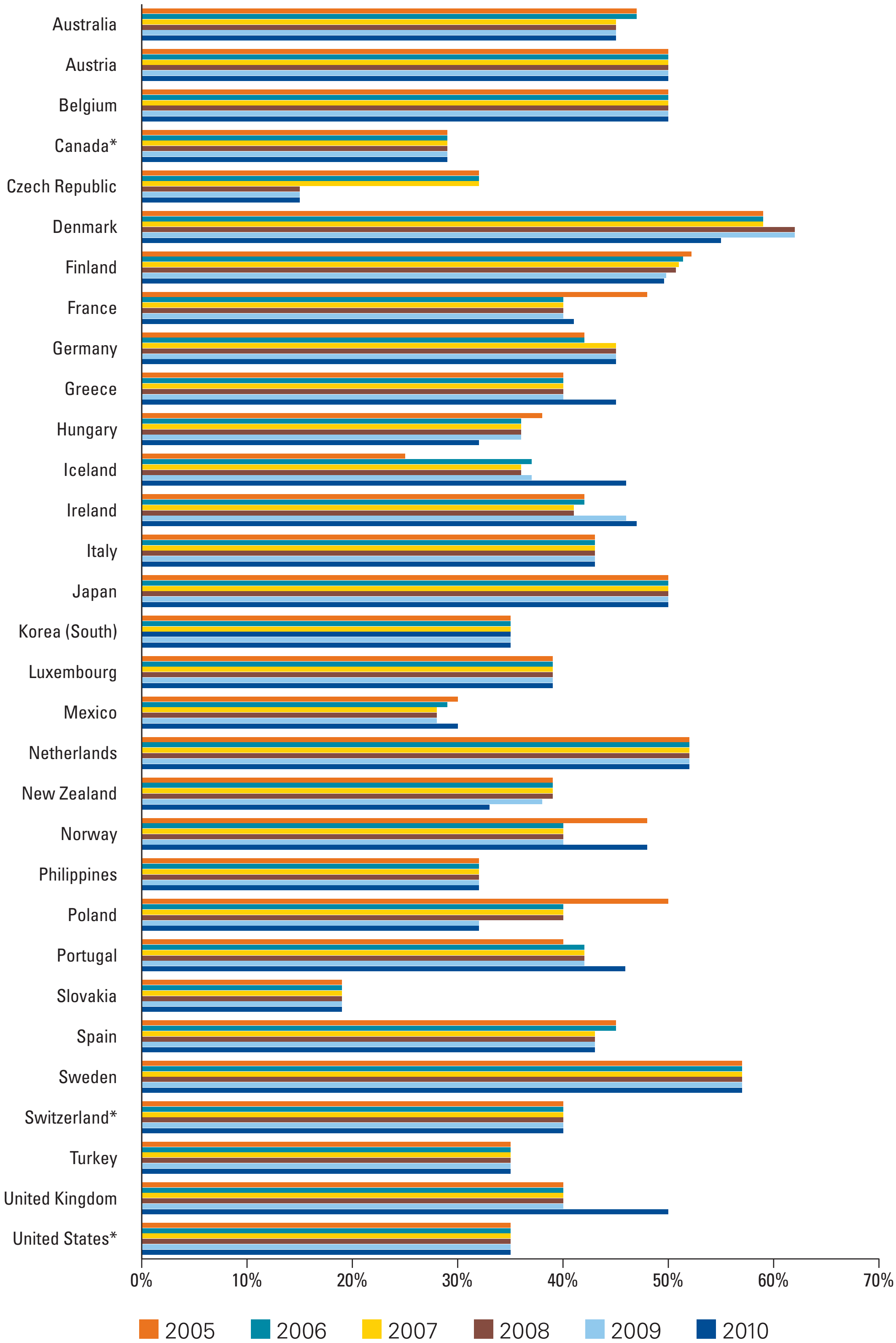
Highest Rates of Personal Income Tax: 2005 to 2010

OECD



Notes*

The rate for Canada only includes federal tax. When provincial taxes are included, the combined highest personal income tax rates vary from approximately 39 percent to over 48 percent.

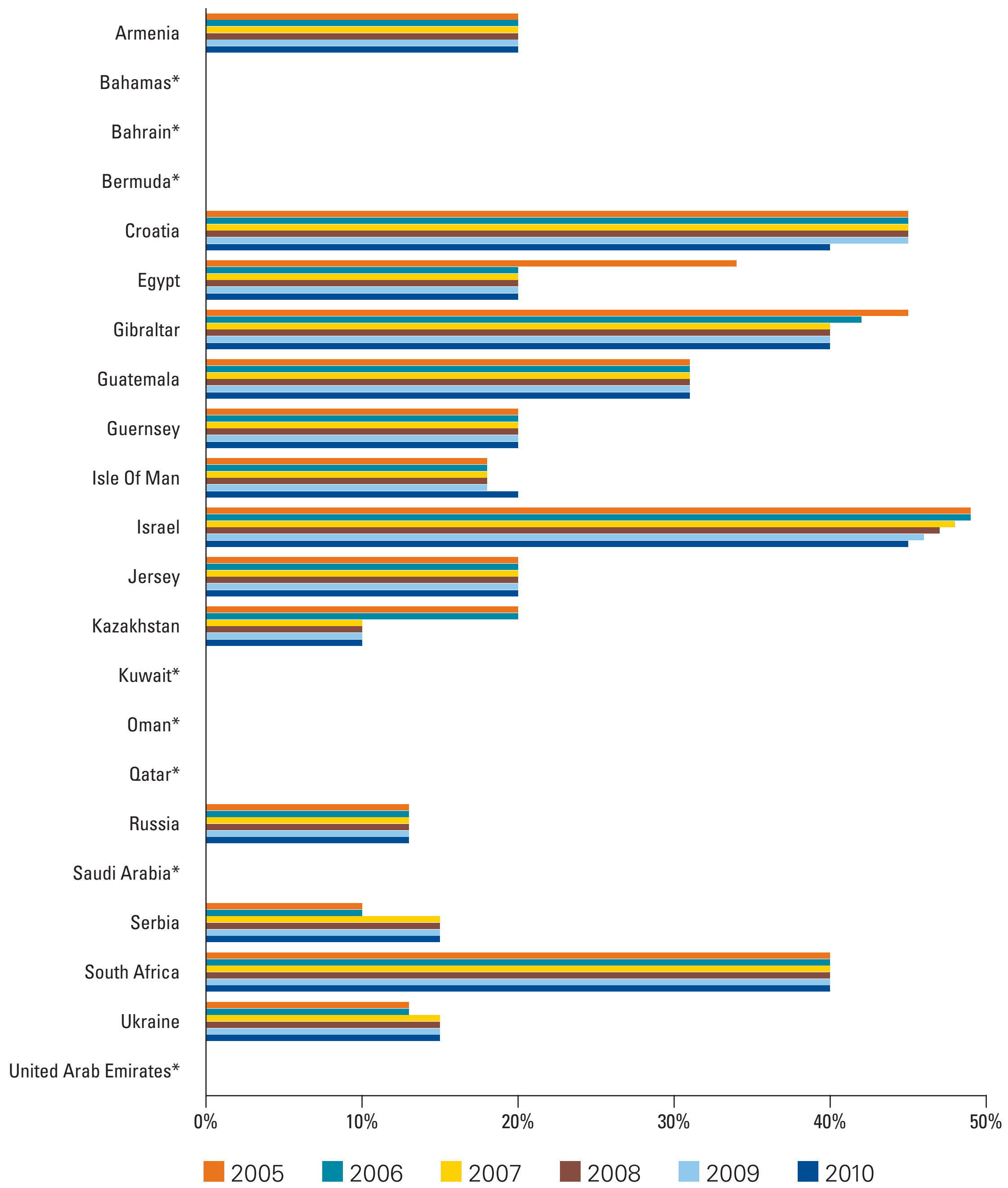
The rate for Switzerland includes federal tax along with Zurich cantonal and communal taxes. Combined highest personal income tax rates vary across Switzerland from approximately 20 percent to over 45 percent.

The rate for the United States only includes federal tax. State and local taxes vary significantly and range from 0 to over 10 percent.

Source: Tax rate and social security information for each country provided by the KPMG international member firm in each respective country

Highest Rates of Personal Income Tax: 2005 to 2010

Others

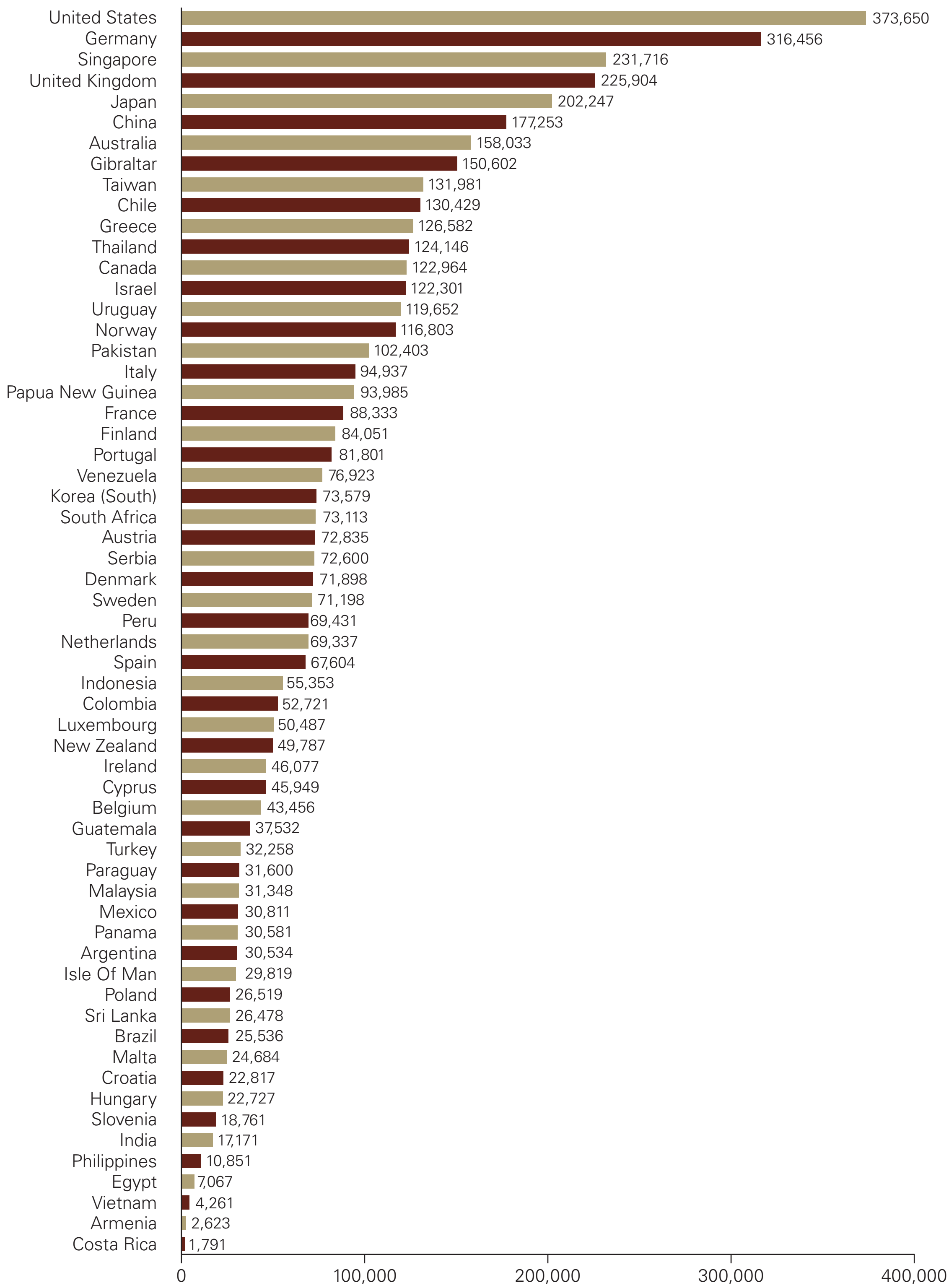


Notes*

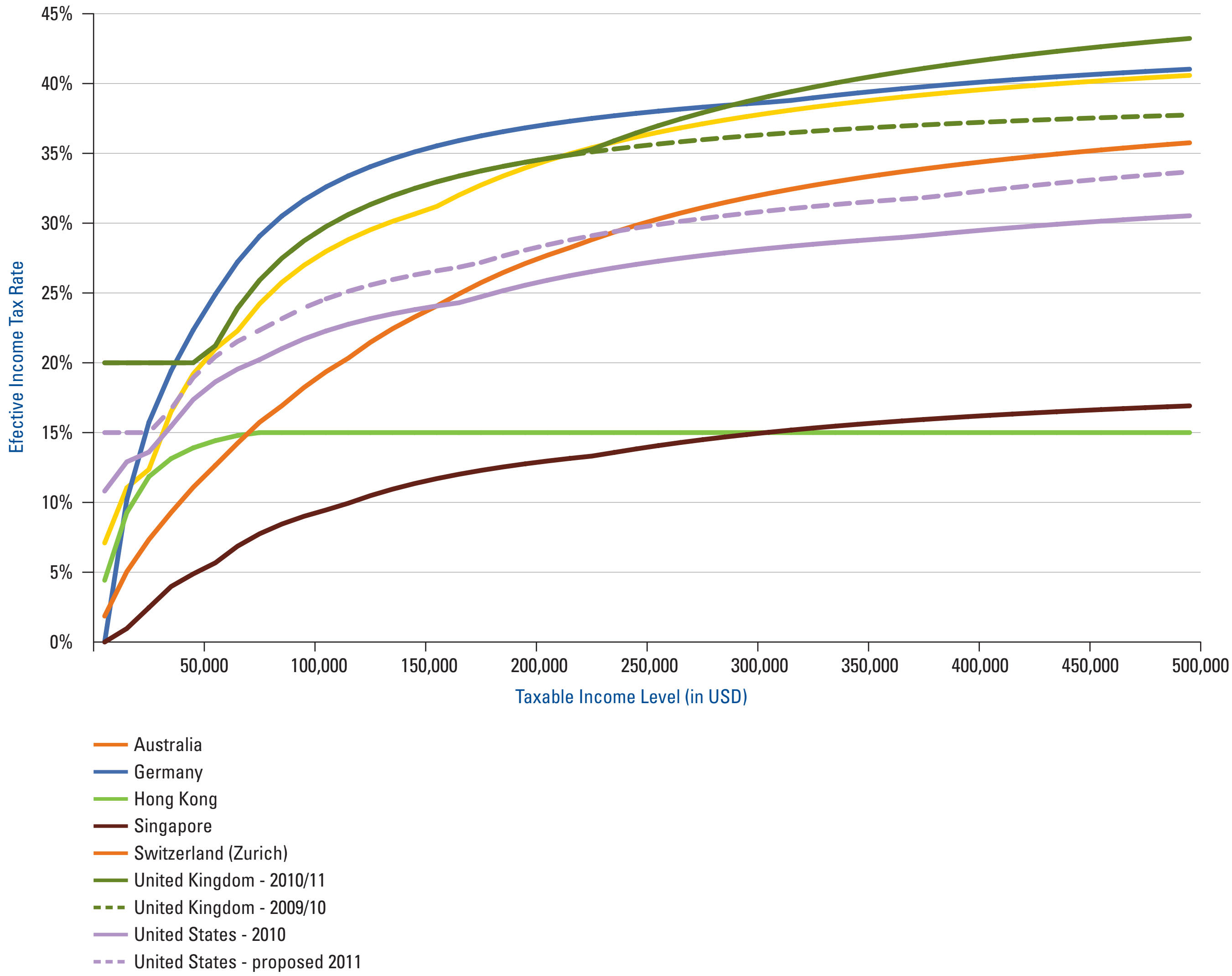
Bahamas, Bahrain, Bermuda, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates intentionally left blank due to no income tax.

Source: Tax rate and social security information for each country provided by the KPMG international member firm in each respective country.

Taxable Income Level (in USD) Where Highest Rates of Personal Income Tax Take Effect



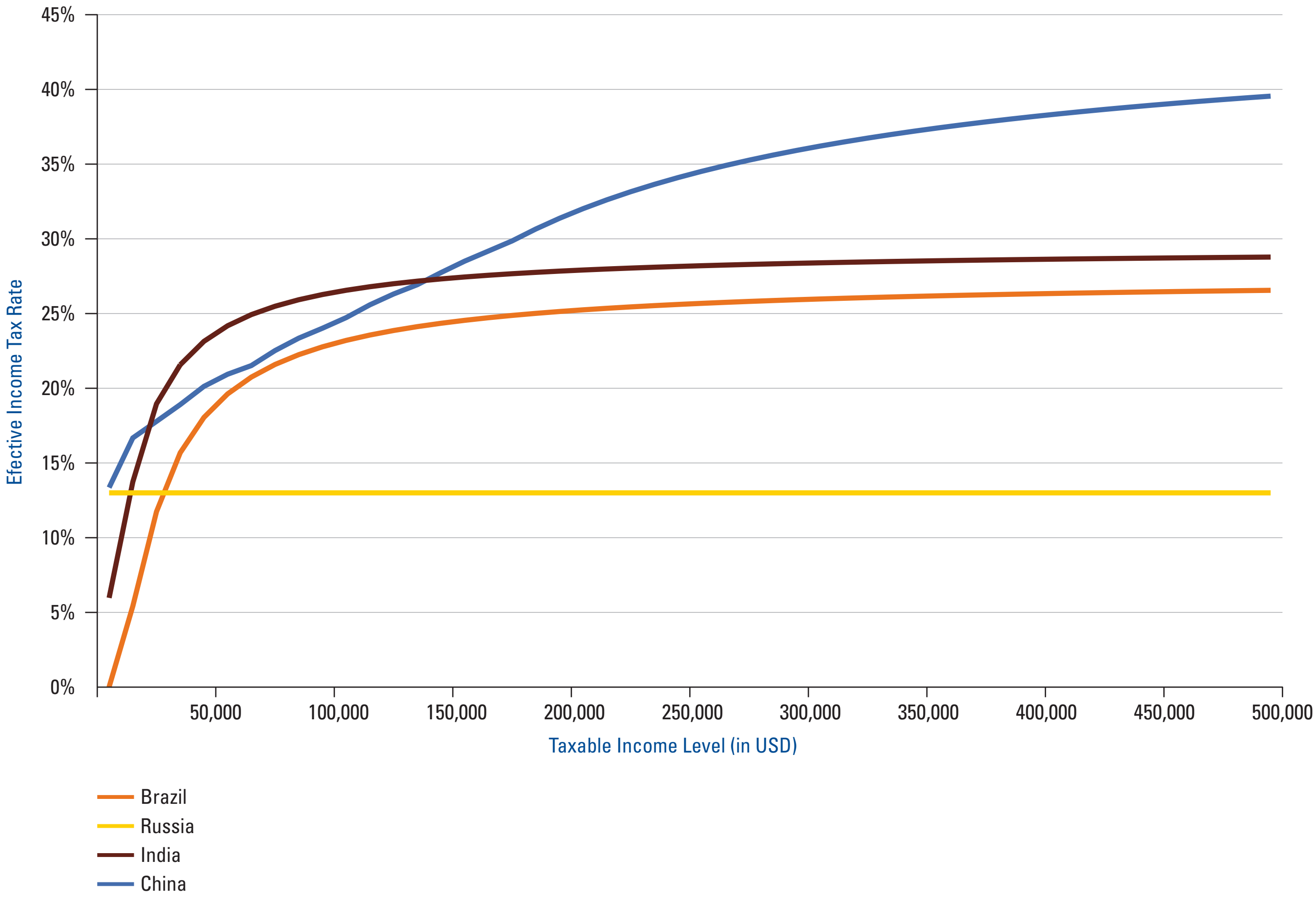
Effective Income Tax Rate for Financial Sector Countries



Notes

Effective rates were derived by taking total income tax over taxable income. Note that taxable income is after deductions which can vary greatly across countries.

Effective Income Tax rate for BRIC (Brazil, Russia, India, China) Countries

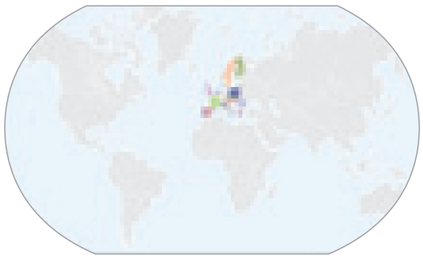


Notes

Effective rates were derived by taking total income tax over taxable income. Note that taxable income is after deductions which can vary greatly across countries.

Capital Gains Tax

European Union



	Austria	Belgium	Cyprus	Czech Republic	Denmark	Finland	France	Greece	Hungary	Ireland	Italy
Does country tax capital gains?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
If country does tax capital gains, is the tax rate different than the income tax rate?	Yes*	Yes*	Yes*	No	Yes*	Yes*	Yes*	Yes*	Yes*	Yes*	Yes*
If the capital gains tax rate is different than the income tax rate, what is the capital gains tax rate?	Normal tax rates for sales gains or 25% for interest and dividends	CGT only applies in limited cases (see page 40). Flat rates that are lower than progressive rates are usually available but depend on the type of capital gain and the holding period of the assets.	20%	N/A	28 to 43% on share income, and approx. 37.3 to 51.5% on other capital gains.	28%	30.1% (18% flat tax rate for income tax and 12.1% social surcharges)	5% or 31% depending of the income tax system adopted.	25%	25%	12.5%

* preferential treatment available

	Latvia	Lithuania	Malta	Netherlands	Poland	Portugal	Romania	Slovakia	Slovenia	Spain	Sweden	United Kingdom
	Yes	Yes	Yes	No — but deemed return on a capital applies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Yes*	No	Yes*	Yes*	Yes*	Yes*	No	No	Yes*	Yes	Yes*	Yes*
	15% on capital gains (e.g., shares, securities, real estate, etc.) and 10% on capital that is not capital gains (e.g., dividends, interest).		Capital gains are taxed at the normal rates. However, immovable property situated in Malta is generally taxed at 12%.	25% for alienation of substantial interests.	20%	20%	N/A	N/A		The flat rate applicable to capital gains obtained by a Spanish Tax resident has been increased from the flat 18% rate to 19% for the first EUR6,000 of income, and to 21 percent for income in excess of EUR6,000.	30%	During the two years ended 5 April 2010 and from 6 April 2010 to 22 June 2010 the capital gains tax rate was 18%. From midnight on Budget day (22 June) basic rate taxpayers continue to pay capital gains tax at 18%. Higher and additional rate tax payers pay capital gains tax at a rate of 28%.

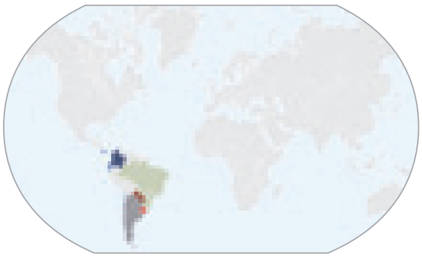
Capital Gains Tax

ASPAC

	Australia	China	India	Indonesia	Japan	Korea (South)	Pakistan	Philippines	Taiwan	Thailand
Does country tax capital gains?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
If country does tax capital gains, is the tax rate different than the income tax rate?	No	Yes - preferential treatment available	Yes - preferential treatment available	No	Yes - preferential treatment available	Yes - preferential treatment available	Yes - preferential treatment available	No	No	No
If the capital gains tax rate is different than the income tax rate, what is the capital gains tax rate?	N/A	20%	20%/15% (In a particular case, capital gains can also be taxed at individual slab rates).	N/A	The tax rate varies according to the source of the capital gains. Regarding the capital gains from stock transactions.	Please see other taxes.	Capital gains include gain on sale of shares/ securities of listed companies which are exempt up to 30 June 2010. However, gain on sale of other capital assets is subject to tax at the rate applicable to the individual but the amount of gain to be taxed will be reduced by 25% if the holding period of the capital assets is more than one year.	For capital gains on sale of shares of stock, the tax rate is 5% on the first PHP100,000.00 and 10% on any amount in excess of PHP100,000.00.	N/A	N/A

Capital Gains Tax

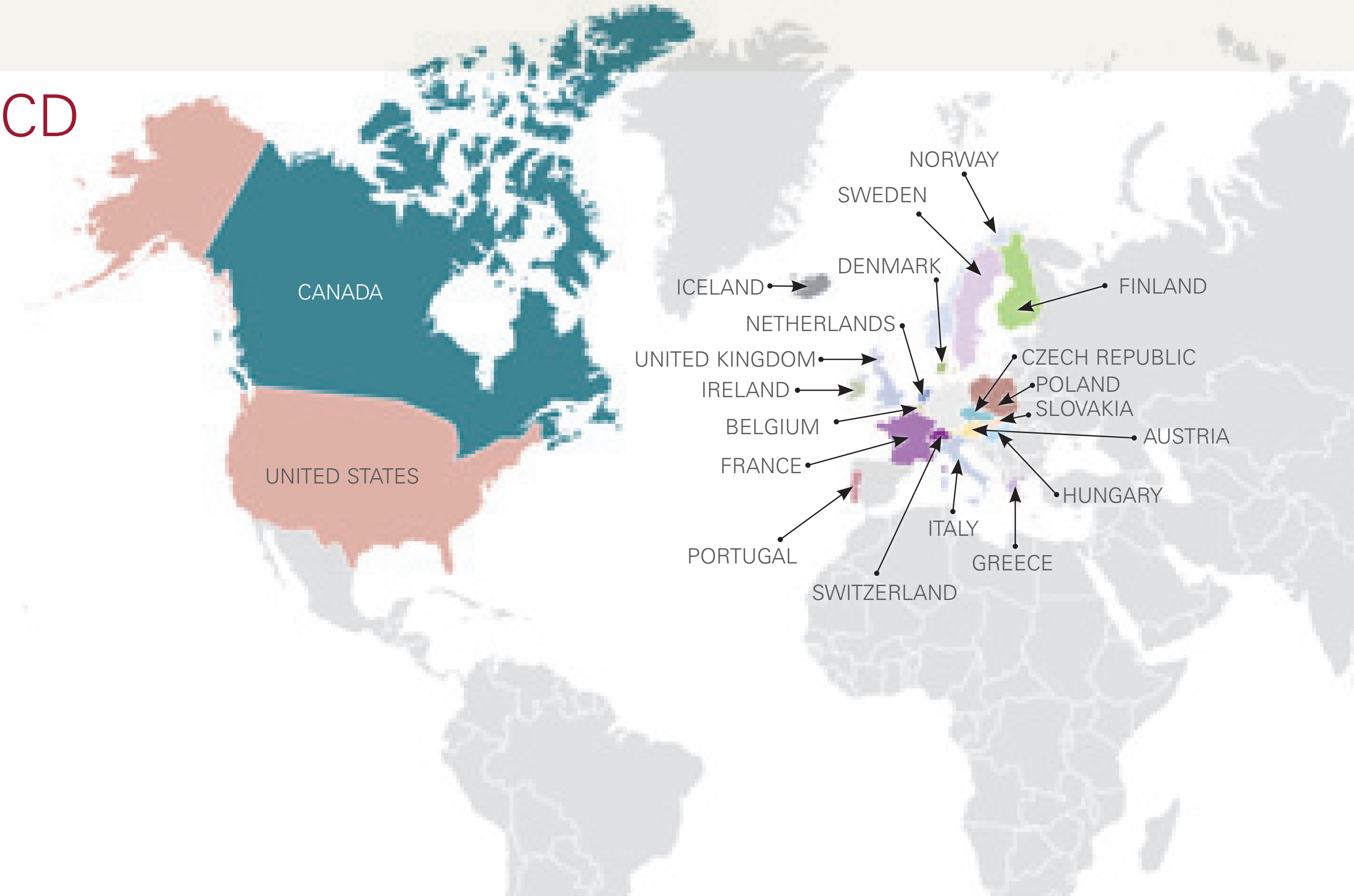
Latin America



	Argentina	Brazil	Chile	Colombia	Costa Rica	Ecuador	Panama	Paraguay	Uruguay
Does country tax capital gains?	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
If country does tax capital gains, is the tax rate different than the income tax rate?	N/A	Yes - preferential treatment available		No	No	Yes - preferential treatment available	Yes - preferential treatment available	No	Yes - preferential treatment available
If the capital gains tax rate is different than the income tax rate, what is the capital gains tax rate?	N/A	15%		N/A	N/A	Capital gains are generally taxed as ordinary income. Capital gains on investments (shares and corporate rights) and immovable properties are tax-exempt.	10%		The Personal Income Tax – IRPF rate for Uruguay source capital gains is 12% flat, with reduced rates applicable to certain items (dividends 7%; 3 or 5% over certain types of interest).

Capital Gains Tax

OECD



	Australia	Austria	Belgium	Canada	Czech Republic	Denmark	Finland	France	Greece	Hong Kong	Hungary	Iceland	Ireland	Italy
Does country tax capital gains?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
If country does tax capital gains, is the tax rate different than the income tax rate?	No	Yes*	Yes*	Yes*	No	Yes*	Yes*	Yes*	Yes*	N/A	Yes*	Yes*	Yes*	Yes*
If the capital gains tax rate is different than the income tax rate, what is the capital gains tax rate?	N/A	25% on special qualifying capital gains, such as specific interest and dividends among others	CGT only applies in limited cases (see page 40). Flat rates that are lower than progressive rates are usually available but depend on the type of capital gain and the holding period of the assets.	50% of regular tax rate	N/A	28 to 43% on share income, and approx. 37.3 to 51.5% on other capital gains.	28%	30.1% (18% flat tax rate for income tax and 12.1% social surcharges)	5% or 31% depending of the income tax system adopted	N/A	25%		25%	12.5%

* preferential treatment available

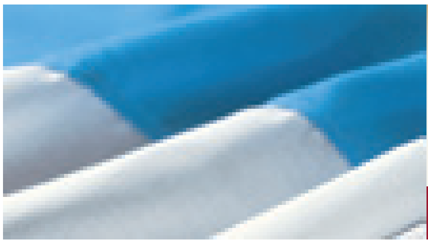
Others

	Armenia	Guatemala	Israel	Kazakhstan	Oman	Russia	Serbia
Does country tax capital gains?	Yes	Yes	Yes	Yes	Yes	Yes	Yes
If country does tax capital gains, is the tax rate different than the income tax rate?	Yes - preferential treatment available	Yes	Yes - preferential treatment available	No	No	No	Yes - preferential treatment available
If the capital gains tax rate is different than the income tax rate, what is the capital gains tax rate?	10%	5% or 31% depending of the income tax system adopted.	Generally 20 or 25%, but certain transitionary rates exist for assets purchased prior to 1 January 2003.	not a different rate	N/A	0.13%	10%

	Japan	Korea (South)	Netherlands	Norway	Philippines	Poland	Portugal	Singapore	Slovakia	Sweden	Switzerland	United Kingdom	United States
	Yes	Yes	No — but deemed return on a capital applies	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes
	Yes*	Yes*	Yes*	Yes*	No	Yes*	Yes*	N/A	No	Yes*	N/A	Yes*	Yes*
	The tax rate varies according to the source of the capital gains. Regarding the capital gains from stock transactions.	Please see other taxes.	25% for alienation of substantial interests.	28%	For capital gains on sale of shares of stock, the tax rate is 5% on the first PHP100,000.00 and 10% on any amount in excess of PHP100,000.00.	19%	10%	N/A	N/A	30%	N/A	During the two years ended 5 April 2010 and from 6 April 2010 to 22 June 2010 the capital gains tax rate was 18%. From midnight on Budget day (22 June) basic rate taxpayers continue to pay capital gains tax at 18%. Higher and additional rate tax payers pay capital gains tax at a rate of 28%.	Generally, capital gains on assets held for more than 12 months ("long term") are taxed at a maximum rate of 15%. If the taxpayer's taxable income falls within the 15% or lower tax bracket the capital gains tax rate is 0%.

KPMG's Individual Income Tax and Social Security Rate Survey

Country Specific Information



Argentina

(2010 rate = 35 percent)

- Top marginal rate kicks in at ARS120,000 of taxable income
- Tax year-end is 31 December.
- Tax return filing due date is middle April/May (if the person is holder of shares of companies whose fiscal year end is December 31st and the shares are not traded in the stock exchange the due date is in May) with no extensions. However, for individuals whose only source of income is employment income which has been subject to withholding at source and if the person is not regular board member, there is no need to file a tax return unless their annual gross salary exceeds ARS144,000. The deadline for filing annual informative income tax returns is 30 June.
- Employee social security rate is 17 percent but monthly maximum assessable base is subject to a cap. Employer social security rate is up to 27 percent and is calculated considering the total compensation paid to the employee. Please note that the rate could be 23 percent or 27 percent. The rate of 27 percent is payable by companies whose main activity is doing business, leasing or rendering services, and if the company's full gross billing (net of taxes) over the average of the last three fiscal years had been higher than ARS48 million p.a. For others, the rate is 23 percent.
- Capital gains tax (CGT) is not applicable in Argentina.
- Argentina has a wealth tax ("tax on personal assets") which is levied on worldwide assets held at the end of each year in case of individuals considered domiciled in Argentina. In case of foreign individuals who come to Argentina for labor reasons for a period not exceeding five year they are subject to tax only on assets located in Argentina. Tax rates range from 0.5 percent to 1.25 percent in case the assets, valued according to the law surpass ARS305,000.
- A tax credit is allowed for similar wealth taxes paid abroad, limited to the Argentine tax on such assets located abroad in case of individuals considered domiciled in Argentina.
- There is a tax on real property, which is computed by reference to the market value or the surface area of the land and buildings that an individual owns or rents in Argentina. Rates vary and are dependent on the location of the property.
- Married couples file returns separately.

Armenia

(2010 rate = 20 percent)

- Top marginal rate kicks in at AMD80,000 of monthly taxable income.
- Tax year-end is 31 December.
- Tax return filing due date is 15 April. However, individuals whose only source of income is employment income, which has been subjected to withholding at source, need not file a tax return.
- Employee social security payment rate is 3 percent.
- Property tax is levied on the owner of real property (buildings and vehicles). The rates depend on the cadastral value for buildings and power (horse power) of vehicles.
- Dividends are not subject to income tax. Interest, income from leasing, and royalties are taxed at a 10 percent flat rate.

Australia

(2010/11 rate = 45 percent)

- Top marginal rate kicks in at AUD180,000 of taxable income.
- Tax year-end is 30 June (fiscal year filing).
- Tax return filing due date is generally 31 October. However, filing extensions are possible if the taxpayer is enrolled with a tax agent before 31 October.
- Taxpayers are required to pay a Medicare Levy of 1.5 percent on employment income. The Medicare Levy is only applicable to Australian citizens and permanent residents and taxpayers from the United Kingdom, Northern Ireland, Italy, Malta, Sweden, the Netherlands, Finland, and Norway.
- Taxpayers with taxable income exceeding AUD77,000 (or AUD154,000 for families) and not maintaining appropriate private health care insurance are liable to an additional Medicare Levy equal to 1 percent of their taxable income.
- Employers are required to withhold 9 percent of gross salary and transfer the withheld amount into a superannuation fund of their choice to a maximum earnings level of AUD42,220 per quarter (private pension plan). Above this level of earnings, contributions do not need to be made.
- Generally, all noncash fringe benefits provided to employees are subject to Fringe Benefits Tax, which is a tax payable by the employer, with the value of such benefits being exempt from income tax in the hands of the employees.
- The Australian taxation system includes a general capital gains tax (CGT), which in broad terms applies to assets acquired after 19 September 1985. Gains taxed under the CGT provisions are not taxed separately but are included in assessable income and taxed at the individual's marginal rates. If the asset is held for more than 12 months, the gain may be discounted by up to 50 percent. Alternatively, indexation of the cost basis may be available.
- Land tax is an annual tax assessed to the owner of real estate property. It is imposed at the state level and is normally based on ownership or use of the land. Generally there is an exemption from land tax for an owner occupied principal place of residence.
- Temporary tax residents are exempt from taxation on foreign non-employment income. Accommodations, food and certain other benefits may also be paid tax free to employees living away from their usual place of residence.
- Married couples file returns separately.

Austria

(2010 rate = 50 percent)

- Top marginal rate kicks in at EUR57,540 of taxable income.
- Tax year-end is 31 December.
- Tax return filing due date is generally 30 June for electronic filing and 30 April if electronic filing is not possible. Further extensions are granted upon formal written request. If the return is prepared by a tax consultant, an automatic extension is granted without an application.
- Austrian social security rate (employee portion) is 18.07 percent (for regular salary, and the monthly maximum assessable base in 2010 is EUR4,110).
- Special payments for employees (i.e., the Christmas bonus and holiday bonus, respectively constituting a thirteenth and fourteenth month's pay, and other one-time payments) are taxed, up to a limit of one sixth of annual regular compensation, at a flat rate of only 6 percent.
- Gains taxed under Austria CGT provisions are not taxed separately but are included in assessable income and taxed at the individual's marginal rates albeit some relief may be available.
- There is no inheritance and gift tax in effect since 31 July 2008. There are, however, reporting requirements if the value of the gifted / inherited amount exceeds certain limit.
- Real estate tax is levied by the municipalities on the assessed value of real property at a rate of about 0.5 percent to 1.0 percent.
- Married couples file returns separately.

Bahamas

(no income tax)

- There is a form of social security called National Insurance. The maximum rate for an employed person is 9.8 percent of salary up to a maximum of BSD20,800 per annum, payable at 3.9 percent by the employee and 5.9 percent by the employer.
- There are no income, capital gains, wealth, succession, or gift taxes in the Bahamas.
- The only direct taxes are the real property tax and license fees.
- The majority of the tax revenue in the Bahamas is derived from import and excise duties, stamp duties, casino tax, and license fees.

Bahrain

(no income tax)

- There is no personal income tax in Bahrain. However, both social insurance and unemployment tax apply. Bahraini citizens are subject to social insurance tax on their total compensation at a flat rate of 7 percent. Employers of Bahraini citizens must pay social insurance tax at a rate of 12 percent for such employees.

Belgium

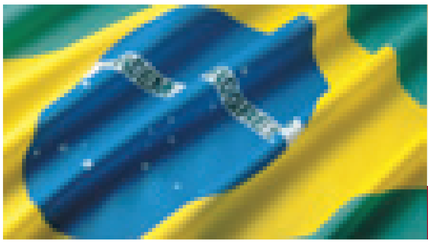
(2010 rate = 50 percent)

- Top marginal rate kicks in at EUR34,330 of taxable income.
- Tax year-end is 31 December.
- Tax returns are due within six weeks after receipt of the tax form from the tax authorities. The due date of the tax return is officially 30 June. However, in practice, the Belgian tax authorities annually set the due date for the resident and nonresident tax returns. Resident tax returns are typically due on 30 June. Nonresident tax returns are typically due in October/November but extensions are possible.
- Belgium's employee social security rate is 13.07 percent of total income and fully deductible for income tax purposes. Employer contributions are approximately 35 percent of total income.
- Municipal income taxes are also assessed and determined as a percentage of the national income tax due. For resident taxpayers, this percentage is fixed by the municipal authorities and varies from community to community (between 0 percent and 11 percent). For non-resident taxpayers, it is fixed at 7 percent.
- Capital gains are exempt if realized in the normal management of private assets. CGT exists for speculative capital gains and short term capital gains on the sale of real estate. Capital gains are taxed separately at flat rates (usually 16.5 percent or 33 percent) and relief may be available.
- Private income is taxed at separate flat rates, i.e., 15 percent for interest income and 25 percent for dividend income (in some cases the dividend flat rate may be reduced to 15 percent).
- Belgium has an inheritance and gift tax, albeit relief is available. Inheritance and gift tax are regional taxes.
- For owned property, a so-called "cadastral income" will be attributed. This is the deemed rental value, by reference to the real estate market in 1975, taking into consideration costs of 40 percent. An annual real estate tax, where the amount depends on the place where the house in located, will be subsequently due.
- Married couples are required to file jointly (except for the year of marriage, year of declaration of legal cohabitation or if they are living separately).
- Expatriate tax concessions are available for executives temporarily assigned to Belgium or directly recruited from abroad. These concessions provide for substantial income tax relief. Assuming the executive is traveling 25 percent of his/her time on business, the top marginal rate is reduced to 37.50 percent and increased with the municipal income tax to 40.125 percent.

Bermuda

(no income tax)

- Bermuda does not assess a comprehensive income tax.
- Mandatory social insurance contributions of BMD61 per week (half paid by employer, half paid by employee).
- While there is no income tax in Bermuda, a payroll tax equal to 16 percent of compensation is payable by employers on the first BMD750,000 of compensation income per employee. A portion of the payroll tax (up to 5.75 percent) may be recovered from the employee at the discretion of the employer.



Brazil

(2010 rate = 27.5 percent)

- Top marginal rate kicks in at BRL44,918 of taxable income.
- Tax year-end is 31 December.
- Tax return filing due date is 30 April with no extensions.
- Brazilian social security rate is upwards of 11 percent (and the monthly maximum assessable base is approximately BRL376).
- Flat rate of 15 percent generally applies to gains taxed under Brazil CGT.
- An inheritance and gift tax (4 percent total rate) was implemented for the State of São Paulo. This rate may differ in other states within Brazil. Under certain circumstances, a portion of the inheritance or gift may be exempt from tax.
- A municipal building tax is imposed on property owners, which is normally passed on to tenants.
- Married couples may file returns jointly or separately.

Bulgaria

(2010 rate = 10 percent)

- As of 1 January 2008, Bulgaria introduced a 10 percent flat tax applicable for all income levels, i.e., there is no non-taxable income threshold.
- Tax year-end is 31 December.
- There are two deadlines for the filing of returns and payment of any outstanding liabilities: a preliminary (10 February of the following year) and final (30 April of the following year). If the preliminary filing and payment deadline is met, the individual will be granted a 5 percent deduction from his/her outstanding personal income tax liability. The same deduction is also applicable if the tax return is filed electronically. The two deductions are not cumulative.
- No extensions are possible beyond the final deadline.
- The Bulgarian mandatory social security rate is 13 percent for an employee, while the rate is approximately 20.5 percent for an employer (depending on the industry in which the employer is involved as the employment accident fund varies accordingly between 0.4 and 1.1 percent). The maximum insurable income is capped at approximately BGN2,000 per month.
- Depending on the circumstances, certain local taxes may apply: immovable property tax, inheritance tax, donation tax and vehicle tax.

Canada

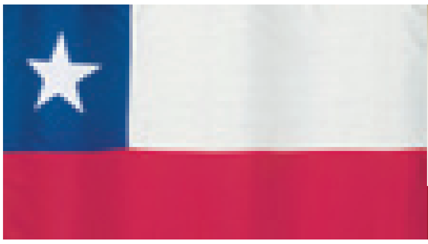
(2010 rate = 29 percent federal, provinces can vary significantly)

- Canadian income tax includes a federal and provincial component. The tax rate varies with the province of residence/ employment. The top marginal federal rate of 29 percent kicks in at CAD127,022 of taxable income. When provincial taxes are included, total top marginal tax rates vary from approximately 39 percent to 48.25 percent.
- Tax year-end is 31 December.
- Tax return filing due date is 30 April with no extensions.
- Canadian social security rate is upwards of 6.68 percent but caps out. Maximum employee contribution is approximately CAD2,910 per annum.
- Gains taxed under the Canadian CGT provisions are not taxed separately but are included in assessable income and taxed at the individual's marginal rates, albeit the gain may be discounted by up to 50 percent.
- Property tax is assessed on the owner of real property according to the value of the property. The rates vary among municipalities.
- Although there is potential relief, individuals are deemed to dispose of all property on ceasing Canadian residency and subject to a departure tax accordingly.
- In all provinces except Québec, an individual files a single tax return with the federal government who collects both federal and provincial taxes.
- Married couples file returns separately.

Cayman Islands

(no income tax)

- There is no income tax nor social security in the Cayman Islands. However, under the Cayman Islands' National Pensions Law every employer must provide a pension plan for every person working for the employer, including expatriates who have been working for a continuous period of nine months in the Cayman Islands. Partners, owners, and directors must also be covered by the pension plan. In almost all instances, the pension plan is to be a registered Cayman Islands pension plan. The contributions are related to total earnings.



Chile

(2010 rate = 40 percent)

- Top marginal rate kicks in at CLP68,722,950 of annual taxable income. Note that this amount changes on a monthly basis due to price level adjustments.
- Tax year-end is 31 December.
- Employee social security rate is approximately 20 percent, calculated over annual compensation capped at CLP15.7 million. In addition, the employee is required to contribute to unemployment insurance at a 0.6 percent rate, calculated over annual compensation capped at approximately CLP23.5 million. The employer is also compelled to contribute to unemployment insurance at a 2.4 percent rate, calculated over annual compensation capped at approximately CLP23.5 million. In addition, the employer is compelled to contribute to an accidental and work diseases insurance which has a rate between 0.9 percent and 3.4 percent depending on the risk and the work place, calculated over annual compensation capped at approximately CLP15.7 million. All annual compensation caps are floating amounts and change regularly with the consumer price index.

China

(2010 rate = 45 percent)

- Top marginal rate (applicable for each month) kicks in at CNY100,000 of monthly taxable income.
- Annual individual income tax return: Tax year-end is 31 December for those individuals earning more than CNY120,000 and who have full residence in China. Tax return filing due date is 31 March after the close of the year.
- Monthly individual income tax returns: Filed on a monthly basis, the returns should be filed and tax paid by the seventh day of the month following the month of receipt of income.
- Chinese social security contributions are mandatory for individuals of China domicile employed in China. Rates vary by local government. Generally, social security is assessed against salary, and the maximum salary assessed is capped at three times the average city salary of the prior year.
- Married couples file returns separately.

Colombia

(2010 rate = 33 percent)

- Top marginal rate kicks in at COP97,428,300 of taxable income.
- Tax year-end is 31 December.
- The tax return filing due date follows an annually published schedule.
- Colombian social security rate is upwards of 10 percent but subject to a cap.

Costa Rica

(2010 rate = 15 percent)

- Top marginal rate kicks in at CRC929,000 of taxable income.
- Tax year-end is 30 September (fiscal year filing). Employed individuals are subject to monthly final withholdings levied by the employer and accordingly are not required to file personal tax returns. The income tax withholding returns are due by the 15th day of the following month.
- Costa Rican social security rate is 9 percent (withholding from the employed individual) and 26 percent (contribution due by the employer), uncapped.
- Rates in Costa Rica are updated on 1 October each year. Also, there is a mandatory annual Christmas bonus (i.e., a 13th month) that is not subject to social security nor income tax. Note that for purposes of this survey, total income has been divided by 12, however, you could also divide total income by 13 in order to have a more accurate result.
- In principle, capital gains are not taxable, however, gains from the sale of depreciable assets or gains in habitual activities are deemed as ordinary income.

Croatia

(2010 rate = 40 percent)

- From 1 July 2010 the top marginal rate of 40 percent kicks in at HRK10,800 of taxable income on a monthly basis. As such, from 1 July 2010 the annual basis should amount to HRK129,600, unless new changes are introduced.
- Tax year-end is 31 December giving a 42.5 percent top marginal rate for the 2010 year.
- Tax return filing due date is 28 February. Extensions are possible in very limited cases.
- Social security contributions on employment income earned from a Croatian company are assessed as follows: employee pension contributions assessed at the rate of 20 percent (deducted from the gross salary capped at monthly amount of HRK46,296), and employer contributions assessed at the rate of at 17.20 percent (including health insurance, contributions for unemployment and contributions against injuries at work) applied on gross salary.
- If the individual is a Croatian tax resident, then he/she is subject to city surtax (not all cities impose city surtax and rates vary greatly). The highest city surtax rate is in Zagreb, 18 percent. City surtax is applied on the total amount of tax due.
- In addition to employment income, the following types of income are also taxable in Croatia: Income from self employment; Income from property and property rights; Income from capital (dividends, if paid from profits earned after year 2004 are not taxable); Certain types of insurance income; and Other income (e.g., authorship income, income earned based on work on contracts, benefits in kind provided by a third party and not the employer, etc).
- Married couples file returns separately.

Cyprus

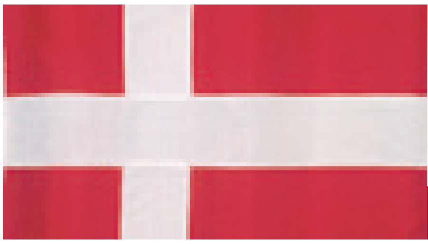
(2010/11 rate = 30 percent)

- Top marginal rate kicks in at approximately EUR36,300 of taxable income.
- Tax year-end is 31 December.
- Tax return filing due date is 30 April.
- Cyprus social security rate is upwards of 6.8 percent (and the monthly maximum assessable base is approximately EUR4,004) .
- Gains taxed under the Cyprus CGT provisions are generally subject to a rate of 20 percent. Foreign nationals who reside in Cyprus are not liable for CGT for property outside Cyprus.
- Immovable property tax (up to 4 percent rate) is payable annually on or before 30 September on all immovable property located in Cyprus.
- Married couples file returns separately.

Czech Republic

(2010 rate = 15 percent)

- Czech Republic introduced a 15 percent flat tax in 2008. Gross income must be increased by 34 percent as employer social security is added back in order to derive total taxable income. Once the taxable income reaches the annual cumulative limit up to which the social security contributions are due from, 15 percent flat tax rate applies on gross taxable income only.
- Tax year-end is 31 December.
- Tax return filing due date is 31 March but can be extended up to three months if a taxpayer grants a power of attorney to a certified tax advisor.
- Czech social security rate is 11 percent (employee's part) and 34 percent (employer's part) and it is capped. There is an upper limit on the salary subject to contributions in the amount of CZK1,707,048 for 2010 (the limit is subject to annual change).
- Inheritance and gift tax is levied on persons who acquire property by inheritance or gift, at rates depending on the closeness of the relationship between deceased/donor and recipient. Please note that there is no inheritance nor gift tax provided the property is inherited or donated between persons that meet the definition of an exempt relationship to the donor (closest relations).
- Real estate tax is paid by house and landowners. The tax on land is based on prices of land in various parts of the Czech Republic, which depend also on the number of inhabitants in a respective part. The tax rate ranges from 0.25 percent to 0.75 percent of the tax base and is multiplied by the price of land.



Denmark

(2010 rate = 55.38 percent)

- Taxation is based on categories of income and different tax rates apply to the different categories. The combined top marginal rate in the ordinary scheme, which applies to employment income and certain types of investment income, kicks in at DKK423,804. Generally, share income (dividends and capital gains) is taxed in a separate tax scheme at 28 to 43 percent, depending on income level, while certain types of share income are taxed in the ordinary tax scheme at rates up 51.5 percent.
- Tax year-end is 31 December.
- The filing due date is 1 May of the following year if the taxpayer receives a pre-printed form from the tax authorities; otherwise, the due date is 1 July of the following year.
- Danish employee social security rate is an annual lump-sum contribution of DKK1,080. From 1 January 2008, the 8 percent employee contribution is considered an income tax in respect of double tax treaties and domestic tax relief provisions (there are no social security benefits related to the 8 percent contribution); however, Danish legislation still provides for exemptions under the EEC Regulation 1408/71 and other social security conventions until 2011.
- Members of the Danish church are liable for church tax although membership in the church is voluntary.
- Danish inheritable tax is payable, provided the deceased was domiciled in Denmark at the time of death, or if the property in question is real property situated in Denmark or property regarding a permanent establishment in Denmark. The rate depends on the relationship between the heir and the deceased. Estates above DKK2,595,100 are also subject to tax.
- Gifts to unrelated parties are treated as personal income in the hands of the recipient, while gifts over a certain threshold to certain close relatives are subject to 15 percent gift tax.
- Property value tax is calculated on the basis of the taxable value of any real property, when the property is used or can be used by the owner as a private residence. The rates range from 1 percent to 3 percent of the taxable value. Taxable value is the lower of the property value on 1 January 2001 + 5 percent or 1 January 2002 or 1 October in the income year.
- Married couples generally file returns separately; certain unused allowances can be transferred between the partners in the tax calculation.

Ecuador

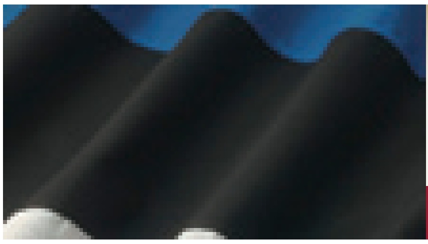
(2010 rate = 35 percent)

- Tax year-end is 31 December.
- A tax return is not required for employees. The employer should issue a certificate of income paid and tax withheld, certification that is the equivalent to a return. However, if the employee has income other than that under a labor relationship or if income is not derived from a labor relationship, the tax return filing is due between 10 March and 28 March following the end of the tax year.
- Married couples file returns separately.

Egypt

(2010 rate = 20 percent)

- Top marginal rate kicks in over EGP40,000 of taxable income.
- Tax year-end is 31 December.
- Tax filing is the employer's responsibility (handled via quarterly salary tax returns). It is the employer's responsibility to withhold the tax due and remit it to the Tax Authority within fifteen days following the month end.
- Employee social security rate is upwards of 14 percent on the basic salary and 11 percent on the variable elements (e.g., allowance, overtime, etc.). The annual maximum social insurance required to be paid by the employee amounts to EGP1,550 per month until the end of June 2010.
- The employer is required to pay 3 percent to the social insurance office to cover work injuries in the presence of a reciprocity agreement between Egypt and the foreign jurisdiction of the employee.
- Individuals are not subject to CGT except in the case of disposals of land or buildings within a city, which are subject to tax at 2.5 percent of the value of the property (provided that the sale has not taken the attributes of profession).
- Property tax is levied on the annual rental value of land and buildings, at approximately 10 percent.



Estonia

(2010 rate = 21 percent)

- Estonia applies a flat income tax rate of 21 percent.
- Tax year-end is 31 December.
- Tax return filing due date is 31 March with no extension. Certain exceptions apply in case of bankruptcy of a resident individual and in case of nonresidents.
- Social security tax (33 percent) and employer's unemployment insurance premium (0.6 percent) are fully borne by employer for most employees.
- Employee unemployment insurance premium of 1 percent must be withheld by the employer. Funded pension insurance premium of 2 percent must be withheld as well if the employee has joined a funded pension scheme or the employee was born after 1983.
- Fringe benefits are not taxable at the employee level; employers pay income tax and social tax on fringe benefits granted to an employee.
- Real estate tax ranges between 0.5 percent and 2.5 percent of the taxable value of the land.
- Married couples may file returns jointly.

Finland

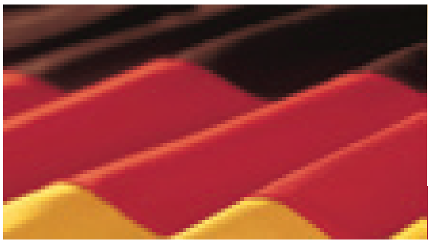
(2010 rate = 49.6 percent including state and average municipal rate, municipal rates can vary)

- Top marginal rate kicks in at EUR66,400 of taxable income. Note that municipal tax forms a significant part of the total tax rate (these vary between approximately 16.25 percent and 21 percent). If the individual belongs to a Finnish church, an additional church tax of approximately 1 percent to 2 percent may also be due.
- Tax year-end is 31 December.
- All individual taxpayers receive a pre-completed tax return in April (covering prior year). The tax return must be filed for corrections with the tax office on 11 May or 18 May.
- Employee social security rate is 0.4 percent for unemployment insurance, 2.4 percent for sickness insurance, and 4.5 percent (5.7 percent if employee is 53 years or older) for pension insurance.

France

(2010 rate = 41 percent)

- Top marginal rate kicks in at EUR69,783 (for single taxpayer – double that if married with no dependents) of net taxable income.
- Tax year-end is 31 December.
- While the official filing deadline is 1 March, in recent years, the tax administration has extended the due date until the end of May.
- Social security contributions are tax deductible. French social security is a broad term that covers obligatory health insurance, basic and complementary pension contributions, unemployment insurance and a variety of other charges and surtaxes. Rates for some of these items may vary from company to company and according to industry. The employee portion of social charges and surtaxes ranges from approximately 18 percent to 22 percent of gross remuneration.
- Capital gains on the disposal of securities, where not otherwise exempt, are taxed at a flat rate of 19 percent, plus 12.1 percent surtaxes if the annual proceeds exceed the threshold (EUR25,830 for 2010).
- Capital gains on the disposal of real property, where not otherwise exempt, are taxed at a rate of 17 percent, plus 12.1 percent surtaxes
- Wealth tax is applicable to individuals whose household net assets exceed a legal threshold on 1 January of each tax year (EUR790,000 for 2010).
- France imposes a progressive inheritance tax ranging from 5 percent to 60 percent, with different rates applied to the spouse's inheritance and that of the children.
- Married couples must file returns jointly.



Germany

(2010 rate = 45 percent)

- Top marginal rate kicks in at EUR250,000 (for single taxpayer – double that if married) of taxable income. In addition to income tax, there is a solidarity surcharge of 5.5 percent of the income tax and where applicable, a Church tax of 8 or 9 percent of the income tax may be levied.
- Tax year-end is 31 December.
- Tax return filing due date is 31 May. If the tax return is prepared by a tax consultant, an automatic extension until 31 December is granted without application. Upon formal written request, further extensions can be granted as an exception.
- Employee social security rate for pension and unemployment contributions is approximately 11.6 percent capped at monthly income of EUR5,300. Contribution to health and long-term care is approximately 9 percent capped at monthly income of EUR3,600.
- A real estate transfer tax at a rate of 3.5 percent is levied on the acquisition of German real estate.
- Married couples can file returns jointly or separately.

Gibraltar

(2010 rate = 35 to 40 percent)

- Gibraltar has a dual tax system, based on either allowances or gross income. On the allowance based system, the top rate of 40 percent kicks in at GIP16,000 of taxable income. Allowances are given for married couples, children, mortgage interest, home purchases, life insurance policies, medical insurance policies and pension contributions.
- On the gross income based system, the following rates apply for those earning over GIP25,000 per annum: 20 percent on the first GIP25,000, 29 percent on GIP25,001 to GIP100,000, and a top rate of 35 percent kicks in at over GIP100,000.
- Tax year-end is 30 June.
- Tax return filing deadline is 30 September, which is three months after the tax year-end.
- Social security tax is as follows: employer's contribution is 20 percent of employee's gross earnings subject to a maximum of GIP28.82 per week and a minimum of GIP15 per week.
- Employee's contribution is 10 percent of employee's gross earnings subject to a maximum of GIP22.83 per week and a minimum of GIP5 per week.
- There is no capital gains tax, inheritance tax, wealth tax, or VAT.
- Married couples file returns jointly.

Greece

(2010 rate = 45 percent)

- Top marginal rate kicks in at EUR100,000 of taxable income.
- Tax year-end is 31 December.
- Tax return filing due date ranges between 1 March and 31 May (date depends on the category of income earned and on the last digit of an individual's Greek tax number).
- Greece does not have a uniform social security system. There are many different social security funds covering various sectors of the population. In addition to the basic social security funds, employed persons must also be covered by a supplementary retirement fund. The main funds applicable to employed persons are the Social Insurance Fund (IKA) and the Employees' Supplementary Insurance Fund (TEAM). The social security contribution rates (both IKA and TEAM) are 16 percent for the employee and 28.06 percent for the employer limited to a monthly salary ceiling.
- The annual flat real estate duty has been abolished. However, a real estate tax has been introduced and is imposed on individuals irrespective of their citizenship. Individuals are subject to real estate tax at progressive rates varying from 0.10 percent to 1 percent and enjoy a high tax free value bracket of EUR400,000 per owner. For years 2010 through 2012, a tax rate of 2 percent applies for real estate value exceeding EUR5,000,000.
- Special contribution of 1 percent is imposed on taxpayers who declared income exceeding EUR100,000 on their income tax return in 2010 (i.e., income earned in 2009).
- A withholding tax of 20 percent or 10 percent applies for the short term trade of shares (resale within three or twelve months respectively). This is not a final tax as this income will also be taxed in the hands of the individual according to the general tax brackets.
- Married persons are taxed separately. However, a joint income tax return is filed.

Guatemala

(2010 rate = 31 percent)

- Top marginal rate kicks in over GTQ295,000 of taxable income.
- Tax year-end is 31 December.
- The employer is required to withhold personal income tax on a monthly basis. Monthly tax withheld by the employer from the employee shall be declared and remitted to the local tax authority by the 10th working day of the following month.
- Employees of a local company are required to make contributions to Social Security on a monthly basis. The rates are 4.83 percent and 12.67 percent for the employee and the employer, respectively.

Guernsey

(2010 rate = 20 percent)

- Guernsey applies a flat tax rate of 20 percent.
- Tax year-end is 31 December.
- A return should be filed within 180 days of issue by the local authority. An individual chargeable with income tax who has not received a return should notify the local tax authority by 30 June in the taxable period.
- Guernsey social security payable by employees is deducted at the rate of 6 percent (and the monthly maximum assessable base is GBP6,656).
- Married couples file returns jointly.

Hong Kong

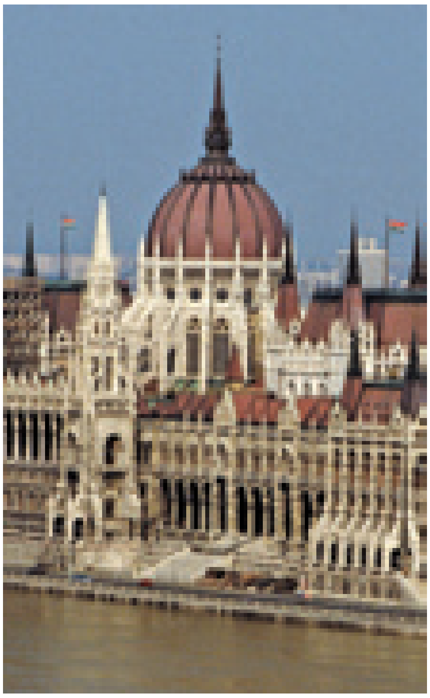
(2010/11 rate = 15 percent)

- Hong Kong Salaries Tax is charged using graduated tax rates ranging up to 17 percent, but cannot exceed the standard tax rate of 15 percent of net assessable income less charitable donations and allowable deductions.
- Tax year-end is 31 March.
- Tax return filing due date is one month after date of issue of the tax return form by the Inland Revenue Department (IRD). The granting of an extension is at the discretion of the IRD.
- There is no employee social security in Hong Kong. However, all employees, the self employed, and employers are required to make contributions to a mandatory provident fund (MPF). MPF contribution rate for the employee is 5 percent of relevant income but maximum contribution caps out at HKD1,000 per month. (The employer also contributes 5 percent of the employee's relevant income capped at HKD1,000 per month.
- There are no capital gains, estate, gift nor wealth taxes in Hong Kong.
- Married couples can elect to be assessed jointly. Generally, each spouse will be separately assessed on their respective income on the same basis as unmarried taxpayers. Each spouse is individually responsible for the lodgment of returns.

Hungary

(2010 rate = 32 percent)

- Top marginal rate kicks in at HUF5,000,000 of super-grossed up taxable income. The gross income must be increased by 27 percent to derive the taxable base.
- Tax year-end is 31 December.
- Tax return filing due date is 20 May with no extensions.
- Employee social security rate is 17 percent. It consists of health insurance (6 percent uncapped), pension (9.5 percent capped at annual income of HUF7,453,300) and labor market insurance (1.5 percent uncapped).
- Employer pays 27 percent social security contribution (uncapped), and 1.5 percent contribution to the Training Fund (uncapped). The 27 percent social security contribution includes 24 percent pension contribution, 2 percent health insurance contribution, and 1 percent labor market contribution.
- Generally, capital gains and other investment-like income are taxed at 25 percent.
- Interest is taxed at a 20 percent rate, dividends are taxed at a 25 percent rate, and dividends from EEA stock exchange are taxed at a 10 percent rate.
- Married couples file returns separately.



Iceland

(2010 rate = 46.28 percent)

- Effective 1 January 2010, Iceland replaced its flat rate personal income tax (combined national and municipal) with three national rates: top rate of 33 percent kicks in on income exceeding ISK7,800,000. The additional municipal tax on these brackets range up to 13.28 percent, putting the top personal rate at 46.28 percent.
- Tax year-end is 31 December.
- At the beginning of each year the Director of Internal Revenue determines when tax returns must be filed.
- Employees do not make separate social security contributions. However, employers pay social security contributions on all remuneration paid for dependent personal services.
- Married couples and cohabiting persons who fulfill certain requirements for taxation as married couples are taxed together. Net financial revenues of both spouses are taxed in the hands of the spouse whose total income is higher.

India

(2010/11 rate = 30 percent)

- Top marginal rate kicks in at INR 800,000 of taxable income. An Education cess at the rate of 3 percent is applicable on the amount of tax. The maximum marginal income tax rate on employment income is 30.90 percent including an education cess of 3 percent levied on tax.
- Tax year-end is 31 March.
- An individual's tax return must be filed by 31 July immediately following 31 March, which is the end of the tax year. An individual, whose total income includes business income and where the accounts are required to be audited, must file the return by 30 September following the tax year.
- The Government of India, has issued a notification whereby a new concept of "International Workers" (IW) has been introduced, which includes expatriates (foreign passport holders) working for an employer in India and the Indian employees working overseas. Existing IW(s) would be required to become member by joining the PF Scheme and the Pension Scheme effective from 1 November 2008. A relief has been provided in case of "Excluded Employee" which primarily refers to IWs coming from a country with which India has entered into a totalization agreement.
- Broadly both employee and the employer are required to make contribution (12 percent of salary) to the Provident Fund (PF) Act.
- No extension date for filing tax return is available in India.
- Married persons file tax returns as separate individual except in certain circumstances when the income of an individual is clubbed with the income of the individual's spouse.
- Recently, Ministry of Commerce and Industry (MCI) have made sweeping changes to the employment, business and tourist visa guidelines. This is evidenced by strict eligibility criteria, quota restrictions, requirement for specific approvals, restrictions on the number of visits, etc. The employment and business visa guidelines have been modified primarily to protect the interests of the Indian workers, whereas, tourist visa guidelines have been modified to address concerns on internal security.
- Broadly, business visa will be granted to a foreign national who wants to visit to India to establish an industrial/ business venture and employment visa to foreign nationals who are highly skilled or employed at senior levels and no such skill is available in India.

Indonesia

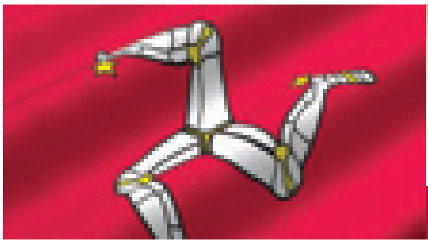
(2010 rate = 30 percent)

- Top marginal rate kicks in at IDR500,000,000 of taxable income.
- Tax year-end is 31 December.
- Tax return filing due date is 31 March but can be extended to 31 May.
- Employee social security contribution rate is 2 percent, and employer's mandatory social security contribution ranges from 4.24 percent to 5.74 percent (depending on the industry). The employer's contribution is considered a deductible expense for the company.
- Individuals are taxed on worldwide income. Onshore bank interest, dividends, rental income and capital gains from sale of property and shares are taxed at final rates. Other onshore income and all offshore income are combined with employment income and taxed at regular rates.
- A resident with no tax identification number must pay fiscal exit tax upon each departure from Indonesia. This represents a prepayment of personal tax if paid by the individual. The fiscal exit tax will be abolished as of 1 January 2011.

Ireland

(2010 rate = 47 percent)

- Top marginal rate kicks in at EUR36,401 of taxable income.
- Tax year-end is 31 December.
- Tax return filing due date is 31 October.
- Employee social security has two components: Pay Related Social Insurance (PRSI) is 4 percent up to an earnings cap of EUR75,036; health levy is 4 percent on the first EUR75,036, 5 percent on remainder.
- An income levy on gross income applies for 2010 as follows: 2 percent on first EUR75,036, 4 percent on the next EUR99,944 and 6 percent on the remainder.
- Married couples file returns jointly or separately.



Isle Of Man

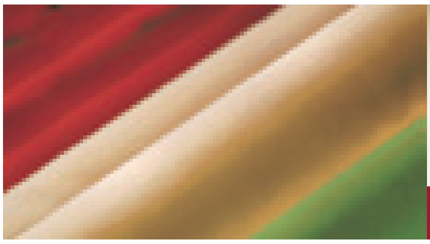
(2010/11 rate = 20 percent)

- Top marginal rate kicks in at GBP19,800 (for single taxpayer - double that if married) of taxable income.
- Tax year-end is 5 April.
- Tax return filing due date is 6 October.
- Employee social security rate is 11 percent of weekly earnings which fall between GBP110 and GBP730 per week. An additional 1 percent rate is applied to earnings that are above GBP730 per week.
- Employers pay social security at a rate of 12.8 percent on all weekly earnings above 730 GBP.
- There are no capital gains, gift nor estate taxes.
- Following a couple's marriage or commencement of residence after 6 April 2006, couples are assessed independently for tax purposes unless they elect for joint taxation. Where couples are independently assessed, each spouse will file his or her own tax return and will be responsible for paying his or her own tax liability. If a couple elects for joint taxation, they are both responsible for filing a joint tax return and are jointly and severally liable for any outstanding tax liability. An individual's tax liability is capped at GBP115,000 for the year to 5 April 2011.

Israel

(2010 rate = 45 percent)

- Top marginal rate kicks in at NIS472,081 per year.
- Tax year-end is 31 December.
- The tax return filing due date is generally 31 May but in certain cases may be 30 April. Extensions may be available.
- Employee social security rate is 3.5 percent (0.4 percent social security, 3.1 percent health insurance) on income up to a monthly NIS4,809, and 12 percent (7 percent social security, 5 percent health insurance) on income up to a monthly NIS79,750.
- A municipality tax is payable based on details of the individual's residence and the charge varies from district to district, with no connection to income.
- Certain types of income (dividend, interest, etc.) may be subject to special tax rates.
- Married couples may elect to file tax returns jointly or separately, and receive a joint or separate tax calculation.



Italy

(2010 rate = 43 percent)

- Top marginal rate kicks in at EUR75,000. There may be an additional regional tax (from 0.9 percent up to 1.4 percent) and municipal tax (up to 0.8 percent) depending on the location in which the individual has his/her domicile.
- Tax year-end is 31 December.
- The filing due date is 30 September if the tax return is prepared electronically and filed by electronic submission, which means by an approved intermediary. The tax return may be filed late but within 90 days from the deadline by paying a penalty. After this time frame of 90 days, the tax return is considered in arrears.
- The employee social security rate ranges from 9.19 percent to 10.19 percent of taxable compensation, depending on the classification of the employee (worker, executive, or manager) and depending upon the employer's activity.
- Capital gains are treated as miscellaneous income and, depending on the underlying nature of the asset, may be taxed with a final tax rate at 12.5 percent (non-qualifying shareholdings) or may contribute for 40 percent to the personal income of the employee and it is consequently taxed with the Italian progressive tax rates (qualifying shareholdings).
- Real estate tax (0.4 percent to 0.9 percent), so called ICI, is annually levied on the cadastral value for each property located in Italy, apart from the habitual abodes that are tax exempt.
- Married couples file returns separately.

Jamaica

(2010 rate = 35 percent)

- For nonresident individuals, Jamaica applies a flat tax rate of 25 percent. For resident individuals, beginning 1 January 2010 Jamaica applies a top tax rate of 35 percent to income from JMD10,000,000 and above.
- Tax year-end is 31 December.
- The tax return filing due date is 15 March. Extensions are at the discretion of authorities.
- Employee social security has several components: national insurance scheme (2.5 percent caps out at annual income of JMD500,000, proposed to be increased to JMD1 million effective 1 June 2010); national housing trust (2 percent uncapped); and education tax (2 percent uncapped).
- There is no capital gains tax but there is a transfer tax on the transfers of land, leases of land and securities, and beneficial interest under certain types of settlements.
- Married couples file returns separately. However, they may elect to attribute the wife's income to the husband.

Japan

(2010 rate = 50 percent)

- Top marginal rate kicks in at JPY18,000,000 of taxable income. Local inhabitant (municipal and prefectural) tax of additional 10 percent is also payable.
- Tax year-end is 31 December.
- The tax return filing due date is 15 March. No extension is available.
- Employee social security has several components and can vary by employer and/or age of employee. General breakdown is as follows: welfare insurance (7.852 percent capped at JPY48,682 a month); health insurance (4.66 percent capped at JPY56,386 a month); and employment insurance (0.6 percent uncapped).
- Capital gains from stock transactions are taxed at 20 percent (15 percent National Tax and 5 percent Local Inhabitant Tax) if the listed shares are traded through a securities company located outside Japan. However, if the listed shares are traded through a securities company located in Japan, the capital gains are taxed at 10 percent (7 percent National Tax and 3 percent Local Inhabitant Tax) for the period from 1 January 2003 to 31 December 2011, and 20 percent (15 percent National Tax and 5 percent Local Inhabitant Tax) thereafter.
- In addition to health insurance, those aged 40 or older are required to contribute to the nursing care insurance (0.75 percent capped at JPY9,075 per month).
- All taxpayers (including spouses and children) file tax returns separately.

Jersey

(2010 rate = 20 percent)

- Jersey applies a flat tax rate of 20 percent. This kicks in after relief for personal allowances dependent on circumstances.
- Tax year-end is 31 December.
- Returns are issued to taxpayers by the local authorities on the first working day in January following the end of the tax year. The return should be filed within 60 days of issue. Notices are placed in the local official Gazette in May each year advising individuals to notify the local tax authorities if they have not received a return. If a return is not filed by the final Friday of May, then a penalty of GBP250 is assessed. If however, the taxpayer has engaged a professional agent to complete the return, then the deadline is extended to the final Friday in July, where a GBP200 penalty is imposed if the return is not submitted by this deadline.
- Social security rate is 6 percent for an employee and 6.5 percent for an employer (and the monthly maximum assessable base is GBP3,646).
- There are no capital gains, gift nor estate taxes.
- Married couples generally file tax returns jointly. Separate filing is possible upon request; however, there must be no reduction in tax liability gained by separate assessment.

Kazakhstan

(2010 rate = 10 percent)

- Flat tax of 10 percent introduced in 2007.
- Tax year-end is 31 December.
- The tax return filing due date is 31 March. Official filing extensions are not typically granted to individuals. However, individuals may gain a de facto extension by filing a nil tax return by the filing deadline and then submitting an amended tax return at a later date.
- There is no employee-paid portion of social tax in Kazakhstan. However, local employees should remit 10 percent of their gross salaries as obligatory contributions to a pension fund. Currently, the maximum monthly amount of income subject to obligatory pension contributions is approximately USD6,740. Employers must pay social tax at a flat rate of 11 percent on the gross income of their employees. Pension contributions are deductible for both social tax purposes and personal income tax purposes.
- There are no inheritance and gift taxes in Kazakhstan. The value of property received as a gift or inheritance is also not subject to income tax.

Korea (South)

(2010 rate = 35 percent)

- Top marginal rate kicks in at KRW88,000,000 of taxable income. Individuals are also assessed a resident surtax at the rate of 10 percent of the income tax liability.
- Instead of the regular progressive tax rates, foreigners can elect the flat tax rate (15 percent) in calculating their taxes on Korea sourced earned income. When the flat tax rate is elected, no deductions or credits are allowed (as such, flat tax rate election is generally beneficial to high income individuals earning approximately KRW120,000,000 or more annually).
- Tax year-end is 31 December.
- The tax return filing due date is 31 May of the year following the tax year. If the taxpayer's only source of income is earned income on which the employer withholds taxes, the year-end withholding tax reconciliation statement submitted by the employer (by 10 March of the year following the tax year) on behalf of the employee is deemed to be the final return and no further return is required.
- Employee social security has several components: national pension (4.5 percent capped at KRW165,600 a month); employment insurance (0.45 percent); and health insurance (2.8395575 percent including geriatric long-term care surcharge; capped at KRW1,868,145 a month).
- CGT is charged using either flat rates or a progressive schedule, depending on the category of assets. There is preferential treatment for securities.
- CGT tax rates for properties other than real estate are levied at rates which range from 6 percent to 35 percent while CGT rates for stocks are generally applied from 10 percent to 30 percent. Properties which are not held in the South Korea jurisdiction are subject to CGT rates from 6 percent to 35 percent except for stocks that are levied from 10 percent to 20 percent. In addition to the percent CGT, resident surtax is also levied at a rate of 10 percent of the CGT.
- As a rule, Korea has only one filing status. Accordingly, married couples file tax returns separately and the income of a child is reported under the name of the child.

Kuwait

(no income tax)

- According to Kuwait Tax Law, individuals are exempted from Kuwait taxation. However, social security contributions are required for Kuwaiti employees only. Also, please note that social security benefits are for Kuwaiti nationals only.
- For Kuwaiti national employees, the employer is required to make a monthly social security contribution of 11 percent of the salary of the staff to the Ministry of Social Affairs (MOSA). The employee is also required to contribute 7 percent (7.5 percent from 1 August 2010) of his/her salary for this purpose. The employee's contribution is deducted from the salary of the employee and the employer is expected to ensure that the above contributions are made on a timely basis. The above contribution is required for a maximum salary limit of KD2,500 for the employee.

Latvia

(2010 rate = 26 percent)

- Latvia has a 26 percent flat tax on employment income.
- Tax year-end is 31 December.
- The filing deadline is 1 April.
- Social security rate for employee and employer is 9 percent and 24.09 percent, respectively.

Lithuania

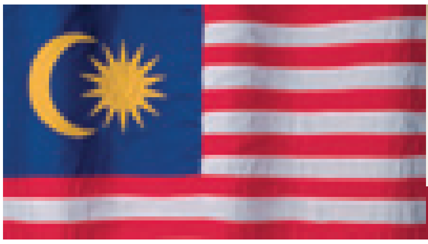
(2010 rate = 15 percent)

- Lithuania has a 15 percent flat tax.
- Tax year-end is 31 December.
- Tax return filing due date is 1 May.
- Employee social security rate is 9 percent.
- Individual CGT rate is 15 percent.
- Dividends are taxed at a 20 percent rate.

Luxembourg

(2010 rate = 39 percent)

- Top marginal rate kicks in at EUR39,885 of taxable income. The income tax due includes a surcharge of 2.5 percent for the benefit of the employment fund.
- Tax year-end is 31 December.
- Tax return filing due date is 31 March.
- Employee social security rate for sickness (2.95 percent on ordinary base salary and 2.70 percent on non-periodic remunerations such as 13th month bonus and gratifications) and pension (8 percent) apply up to annual salary of EUR100,965. Employees are also subject to a dependence insurance (1.4 percent, uncapped), calculated on the gross salary minus an annual deduction of EUR5,048. The dependency insurance is not tax deductible.
- A 10 percent withholding tax is levied on interest paid by resident paying agents or paying agents located in Luxembourg to resident individuals, including interest on bank deposits, government bonds and profit-sharing bonds as long as they fall in scope of the law. The withholding tax constitutes the final tax and is not reported in the individual's annual tax return.



Malaysia

(2010 rate = 26 percent)

- Top marginal rate kicks in at MYR100,000 of taxable income.
- Tax year-end is 31 December.
- Tax return filing due date is 30 April (for non business income) and 30 June (for business income) with no further extension of time.
- Employee and employer social security rate is 11 percent and 12 percent, respectively. The scheme is the Employee Provident Fund (EPF) which is more akin to a retirement fund established by the Government and all Malaysians must contribute to the EPF.
- Malaysia has adopted the territorial scope of taxation, i.e., only income accruing in or derived from Malaysia is taxable in Malaysia. There are no wealth, net worth taxes, or other municipal taxes.
- Married couples may file returns jointly or separately.

Malta

(2010 rate = 35 percent)

- Top marginal rate kicks in at EUR28,501 for individuals applying married rates and at EUR19,501 for individuals applying single rates.
- Tax year-end is 31 December.
- Tax filing due date is 30 June of the following year.
- Duty is levied on the transfer of immovable property or securities. Duty is generally levied at 5 percent in the case of immovable property and 2 percent in the case of transfers of marketable securities including transfers on inheritance.

Mexico

(2010 rate = 30 percent)

- Top marginal rate kicks in at approximately MXP32,737 monthly (MXP392,842 annual) taxable income.
- Tax year-end is 31 December.
- Tax filing due date is 30 April, following the end of the tax year. In general, individual income tax is withheld on a monthly basis from compensation payments. All Mexican employers are required to withhold the tax. Where there is no Mexican employer, that is, the compensation is paid and borne by a foreign company; the individual is responsible for the payment of the tax on a monthly basis via the Internet (Mexican personal bank account) on all compensation received from the foreign employer.
- Employee social insurance rate is 2.73 percent and annual contributions are capped at MXP13,122.
- Married couples file returns separately.

Netherlands

(2010 rate = 52 percent)

- Top marginal rate kicks in at approximately EUR54,776 of taxable income.
- Tax year-end is 31 December.
- The tax office sends a form to the taxpayer after the end of the year, usually in February, consisting of a questionnaire seeking responses to questions concerning income, family circumstances, expenses to be deducted and the wages tax that has been withheld. The form must be returned by 1 April, unless there has been a request for an extension.
- There are various amounts payable and it is not possible to quote a single rate for social insurance purposes. The employed persons' insurance schemes are compulsory for employees who perform activities within the Netherlands, or who live in the Netherlands and have a resident employer.
- Municipal tax (property tax) is assessed on the owner of real property according to the value of the property (general range is EUR350 to EUR600 per year for both). The rates vary from town to town.
- Inheritance tax is levied on the net assets inherited from a person who is a resident of the Netherlands or who died as a Dutch citizen within ten years of leaving the Netherlands. The inheritance tax imposes less of a burden on close family members compared with that imposed on distant relatives or unrelated persons. Specific tax advice is required for estate planning.
- Property tax is levied on the owner of real property. The rates depend on the value of the property and vary from town to town.
- Married couples (fiscal partners) file tax returns as separate individuals, however unmarried couples living together on the same address for more than half a year, can elect to be treated as fiscal partners too.

New Zealand

(2010/11 rate = 33 percent)

- Top marginal rate kicks in at NZD70,000 of taxable income.
- Tax year-end is 31 March.
- Returns are usually req-uired to be filed by 7 July following the tax year end. The due date may be extended to 31 March following tax year end if an extension of time arrangement has been made through a tax agent.
- All employees are subject to workplace accident compensation (an ACC earner levy). This is included within Pay As You Earn deductions forwarded to the Inland Revenue Department (IRD). From 1 April 2010, the earner levy rate is 2 percent but capped at maximum annual earnings of NZD110,018. Once an employee's earnings exceed this amount there is no further amount to pay. Employers are also subject to a levy, determined by the nature of their industry, and administered by the Accident Compensation Corporation (outside of the tax system).
- New Zealand does not have a comprehensive CGT regime. However, certain gains that would normally be considered to be capital in nature are taxed as ordinary income. These include gains on the sale of real and personal property that was acquired with the purpose of resale or was generally acquired as part of a profit-making activity, and gains on financial arrangements including any profit on realization and gains arising from foreign exchange fluctuations. Losses are subject to the normal tests of deductibility.
- In New Zealand, each individual taxpayer is taxed separately. There is currently no provision for the aggregation of the income of spouses.

Norway

(2010 rate = 47.8 percent)

- Generally, the top marginal rate kicks in at approximately NOK741,700 of gross taxable income.
- Tax year-end is 31 December.
- Tax filing due date is 30 April the year after the income year. This applies for both resident as well as for foreign nationals working for foreign employers with income taxable in Norway.
- A completed income tax return will be sent by post to all taxpayers at the end of March or the beginning of April. This return must be reviewed by the taxpayer and then the revised return must be signed and returned to the tax authorities by 30 April. The assessment will normally be made public in October the same year.
- The employee must pay 7.8 percent (uncapped) on gross income to the social security scheme. The contribution is included in the general tax assessment.
- Gains deriving from the sale of shares are subject to taxation as ordinary income and a loss is deductible (at the rate of 28 percent). Please note that shares acquired below market value from the employer will be taxed at the marginal tax rate of 47.8 percent. The tax rate of 28 percent applies for interest income and interest deduction.
- Married couples and cohabiting persons who fulfill certain requirements for taxation as married couples are taxed together. Net financial revenues of both spouses are taxed in the hands of the spouse whose total income is higher.

Oman

(no income tax)

- Although there is no individual income tax in Oman, foreign nationals carrying on businesses or professions as sole proprietors are liable to tax on the profits earned from such businesses or professions.

Pakistan

(2010 rate = 20 percent)

- The top marginal rate kicks in at PKR8,650,000 of taxable income.
- Tax year-end is 30 June.
- Tax filing due date is 31 August if tax return is e-filed and 30 September in all other cases.
- Old age benefit and social security are provided on a very low scale. The following are the salient features of these schemes:

  Old Age Benefit Scheme:

  – Contribution from employer is 5 percent of PKR6,000 (minimum wage scale)

  – Contribution from employee is 1 percent of PKR6,000 (minimum wage scale)

  – Minimum pension to be PKR2,000 per month

  – Entitlement begins at the age of 60 years for men and 55 years for women

- Social Security Scheme:

  – Only employer to contribute 6 percent of salary between PKR6,000 and PKR10,000.

  – Medical facility provided at specified clinics / hospitals of Social Security Institution.

Panama

(2010 rate = 25 percent)

- The top marginal rate kicks in at approximately PAB30,000 of taxable income.
- Tax year-end is 31 December.
- Tax filing due date is 15 March.
- Social insurance employee rate payable is 8 percent.
- CGT rate of 10 percent on sale of movable goods or real property held for more than two years. Short term capital gains are considered ordinary income. This is payable at 1.50 percent by the employer and 1.25 percent by the employee.
- Married couples generally file tax returns separately. However, they may choose to report their income and pay any tax due jointly.

Papua New Guinea

(2010 rate = 42 percent)

- The top marginal rate kicks in at PKG250,000.
- Tax year-end is 31 December.
- Individuals who do not lodge an income tax return through an approved tax agent must lodge a return within two months of the end of the year of income (i.e., 28 February). Individuals lodging through an approved tax agent usually lodge within six months of the end of the year of income (i.e., 30 June). Where the only income derived by an individual is salary or wages, and salary or wages tax has been paid, an income tax return is not required to be lodged.
- Married couples file tax returns separately.

Paraguay

(2010 rate = 10 percent)

- The 10 percent rate kicks in once taxable earnings reach an amount that surpasses 120 times the minimum wage.
- Tax year-end is 31 December.
- Tax filing due date is June 2010.
- Individual income tax on salaries and other income was introduced in 2006 and brought into effect in 2007. A top rate of 10 percent is charged on employment income, interest, capital gains from property and on 50 percent of dividends received from Paraguayan companies.

Peru

(2010 rate = 30 percent)

- The top marginal rate kicks in at approximately 54 tax units (one tax unit is approximately PEN3,550)
- Tax year-end is 31 December.
- Tax filing due date 31 March.
- The employee social security rate payable is 13 percent for the National Pension Plan or approximately 13 percent for the Private Pension Plan.
- Married couples generally file tax returns separately. However, they can elect to file a joint return.

Philippines

(2010 rate = 32 percent)

- The top marginal rate kicks in at approximately PHP500,000.
- Tax year-end is 31 December.
- Tax filing due date 15 April.
- Employee social insurance maximum is PHP1,590 per month.
- Fringe benefits granted by the employer to the employee are generally subject to a 32 percent Fringe Benefits Tax.

Poland

(2010 rate = 32 percent)

- The top marginal rate kicks in at approximately PLN85,528.
- Tax year-end is 31 December.
- Tax filing due date is 30 April. Monthly advance payment requirement applies to income derived from foreign employment contracts (due by the 20th of the following month the income was earned, except for the income earned in December).
- Employee social insurance maximum rate is up to 13.71 percent.
- Flat rate tax of 19 percent on interest, dividends, and capital gains.
- As a general rule, spouses are taxed separately on their income. However, spouses may file a joint tax return at their request.

Portugal

(2010 rate = 45.88 percent)

- The top marginal rate kicks in at approximately EUR150,000 (for single taxpayers – double if married) of net taxable income. For 2010, a partial increase (7/12 of 1 percent for the first three income brackets and 7/12 of 1.5 percent for the remaining brackets) on the marginal rates will apply, and for the years 2011 up to 2013, the referred increase of 1 percent and of 1.5 percent on the marginal tax rates will apply (they will then vary from 11.5 percent up to 46.5 percent).
- Tax year-end is 31 December.
- The tax return filing due date is up to the end of March (if filed on paper) or up to the end of April (if filed through the internet) if only employment and/or pension income is received, or up to the end of April (if filed in paper) or up to the end of May (if filed through the internet) if any other type of income is also reported.
- Portuguese resident and non resident employees are liable for social security contributions at a rate of 11 percent on their gross remuneration.
- Gains arising from the sale of real estate and other intellectual property by tax residents are subject to taxation at marginal rates. With regards to the sale of real estate, the taxation at the normal rates applies only on 50 percent of the gain.
- Capital gains on the sale of shares are taxed at a 20 percent special rate regardless of the period of during which the shares were held, unless if the capital gain is lower than EUR 500 which will be tax exempt.
- Generally, the investment income received is taxed at a flat rate of 21.5 percent (for income received from the 1st of July 2010 onwards; until the end of June 2010, the applicable rate was 20 percent).
- Unless the spouses claim that they no longer live together due to a break up of the marriage, married couples file tax returns jointly according to an income splitting system which allows the couple to combine their income and then split it by a factor of two for the purpose of applying the progressive tax rates. However, married couples may also file separate tax returns (indicating their personal status as if they were separated) if one of the spouses spent less than 183 days in Portugal during the relevant tax year and provided that he/she demonstrates that most of his/her economic activities are not linked to the Portuguese territory.

Qatar

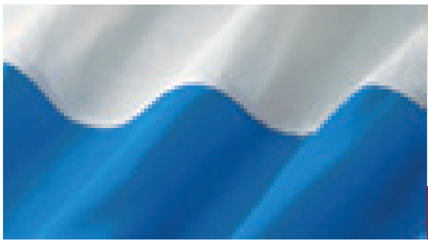
(no income tax)

- Qatar levies no taxes on employment income, dividends, royalties, profits, capital gains, wealth, property, or transfers, including death duties.
- Employee social security rate is 5 percent and employer social security rate is 10 percent for Qatari local employees.

Romania

(2010 rate = 16 percent)

- Romania applies a flat income tax rate of 16 percent.
- Tax year-end is 31 December.
- Annual filing due date is 25 May. Individuals deriving employment income from non-Romanian employers have a personal obligation to calculate, declare and pay the Romanian income tax on a monthly basis, by 25th of the following month.
- Apart from social security contributions (10.5 percent employee and 20.8 percent employer), health insurance contributions (5.5 percent employee, 5.2 percent employer), unemployment insurance contributions (0.5 percent employee and 0.5 percent employer), accidents at work insurance (between 0.15 and 0.85 percent employer), medical leaves insurance (0.85 percent employer), salaries guarantee fund (0.25 percent employer) and Labor Chamber commission (0.25 percent) are due.



Russia

(2010 rate = 13 percent)

- Russia applies a flat tax rate of 13 percent.
- Tax year-end is 31 December.
- The filing deadline is 30 April of the following year.
- No employee social security contributions are payable (all employer-provided).

Saudi Arabia

(no income tax)

- For employees, there are no taxes levied on salaries. However, self-employed expatriates are taxed at a rate of 20 percent.
- Tax year end is usually 31 December.
- The tax return must be filed within 120 days of the end of the financial year.
- There is a 9 percent employee contribution plus a 9 percent employer contribution to the General Organization Social Insurance (GOSI) in Saudi Arabia for all Saudi employees. There is an additional 2 percent occupational hazard charge payable to GOSI for all employees (Saudi and expatriates).
- Employment income derived from wages, salaries, fees, allowances, bonuses, rewards including director's fees derived by expatriate employees are not subject to taxation in Saudi Arabia.
- Non-Saudi nationals are taxed on income from self-employment, income from capital investment, and income from any activity conducted in the Kingdom of Saudi Arabia (tax rate is 20 percent).
- Saudi nationals are exempt from the payment of income tax but are instead subject to the payment of Zakat. Zakat is a religious tax and is assessed on earnings and holdings. (Zakat rate is 2.5 percent).

Serbia

(2010 rate = 15 percent)

- Annual income tax rate of 15 percent kicks in when taxable income exceeds: Six annual average salaries per employee in Serbia (approximately EUR19.200).
- Tax year-end is 31 December.
- Tax return filing due date is 15 March of the following year.
- An employee in Serbia is liable for salary tax at the rate of 12 percent. Employer is obligated to calculate, withhold, and pay salary tax on behalf of the employee at the moment of salary payment.
- Employer is obliged to calculate, withhold and pay social security contributions on behalf of the employee. Subject to caps, social security rates are 11 percent for pension and disability insurance, 6.15 percent for health insurance and 0.75 percent for unemployment insurance payable both on behalf of employee and on behalf of employer.
- Married couples file returns separately.

Singapore

(2010 rate = 20 percent)

- Top marginal rate kicks in at SGD320,000 of taxable income.
- Tax year-end is 31 December.
- Returns are to be filed by 15 April of the year of assessment. Extension beyond 15 April is generally allowed if there are valid reasons.
- Social security or Central Provident Fund (CPF) contributions are mandatory for Singapore citizens or permanent residents who are employed in Singapore. The employee is generally required to contribute to the CPF at 20 percent of his/her ordinary wages, subject to an annual wage cap of SGD54,000 (SGD76,500 when considering additional wages (such as bonus)).
- Capital gains are not subject to tax in Singapore. There are property tax and goods & services tax.
- Married couples are assessed as separate individuals.

Slovakia

(2010 rate = 19 percent)

- Since 1 January 2004, the progressive tax rates were replaced by the flat tax rate of 19 percent.
- Tax year-end is 31 December.
- Returns are to be filed by 31 March following the calendar year and extensions are available.
- Social security contributions for employee and employer are 13.4 percent and 35.2 percent, respectively.

Slovenia

(2010 rate = 41 percent)

- Top marginal tax rate of 41 percent kicks in at EUR14,821.
- Tax year-end is 31 December.
- Returns are to be filed by 30 June following the calendar year.
- Employee social security contribution is upwards of 22.1 percent uncapped.
- Dividends, interest and capital gains are taxed at a flat rate. The tax rate for dividends and interest income is 20 percent. Capital gain tax for individuals is 5 to 20 percent, depending on the holding period before selling. For holding periods longer than 20 years, the tax rate is zero percent.

South Africa

(2010/11 rate = 40 percent)

- Top marginal rate kicks in at ZAR552,000.
- Tax year-end is 28/29 February.
- The tax return should be filed within 60 days of the date of issue of the return. Generally, this means the return needs to be filed by early July. E-Filing was recently introduced, which has changed the filing deadline timing somewhat.
- In general, there is no social security system in South Africa. However, private sector employees must make contributions to the unemployment insurance fund, which provides limited benefits if they become unemployed. The rate is currently 2 percent of remuneration paid to the employee. The employer and employee contribute equally to the monthly contribution (i.e., 1 percent each). The 2 percent contribution is levied on the first ZAR11,662, remuneration paid to an employee during a month. To the extent that an individual earns more than this amount, he/she will pay the capped amount.
- A Skills Development Levy is payable by employers at a rate of 1 percent of taxable remuneration.
- Donations tax is levied on the donor at 20 percent on the value of property donated. The first ZAR100,000 of property donated each year by a natural person is exempt. This is only applicable to donations made by tax residents.
- Taxes on capital gains are payable by all South African tax residents on all capital gains accrued after 1 October 2001 from any assets, irrespective of where the asset is held. In the case of an individual, 25 percent of the gain, less a ZAR15,000 exemption, is added to taxable income in a particular year and taxed at the individual's marginal tax rates.
- Stamp duty at a rate of 0.25 percent is levied on the purchaser on the transfer of marketable securities, such as shares.
- Transfer duty is payable on the purchase of immovable property (the maximum applicable rate is 8 percent). There are minimum limits applicable to determine the total amount applicable.
- Married couples file tax returns separately. Individuals married in community of property are however taxed on 50 percent of the total passive income or income from a trade earned between them, in their individual returns.

Spain

(2010 rate = 43 percent)

- Top marginal rate kicks in at EUR53,407.
- Tax year-end is 31 December.
- Employees must submit their declarations between 1 May and 30 June of the following year.
- Employee social security rate is upwards of 6.35 percent but annual contribution caps out at approximately EUR2,436.

Sri Lanka

(2010/11 rate = 35 percent)

- Top marginal rate kicks in at LKR3,000,000.
- Tax year-end is 31 March.
- The filing date is 30 November following the year of assessment. No extension is available.
- A local tax is levied on property. This tax is called "rates" and is based on the rental value of property. Rates vary from one locality to another.

Sweden

(2010 rate = 56.56 percent)

- Top marginal rate kicks in at SEK532,700 of taxable income.
- Tax year-end is at 31 December
- The filing date is 2 May following the income year. Extensions are available.
- Sweden has a comprehensive social security system including retirement pension insurance, health insurance, parenthood insurance, survivor's pension insurance, rehabilitation insurance and occupational accident insurance. Both employers and employees contribute to the social charges. The employee rate is 7 percent, capped at SEK412,377 (maximum contribution SEK28,900). A tax credit of 100 percent of the employee social security contributions is granted.
- The employer social security contributions are levied at a rate of 31.42 percent, uncapped.
- Tax on investment income – flat rate of 30 percent.
- Church tax is included in the municipal tax system. Municipal tax is slightly reduced if the payer is not a member of the Swedish Church or other religious community.
- From 1 January 2008, Real Property Tax on Private Residences is abolished and replaced with a Municipal Property Fee. The Municipal Property Fee for a house is SEK6,387 (2010) with maximum fee of 0.75 percent of the assessed value.

Switzerland

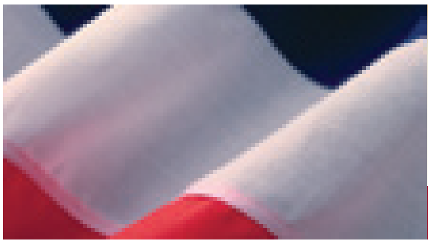
(2010 rate = 11.5 percent federal, cantonal/ communal rates can vary significantly (e.g. combined 40 percent total rate for Zurich city))

- While higher marginal rates can kick in at lower income levels, the top effective federal rate of 11.5 percent starts at CHF712,500 for single taxpayers. This does not include cantonal, communal or church taxes which can vary significantly. Combined highest marginal rates range from approximately 20 percent to over 45 percent.
- Tax year-end is 31 December
- Filing deadlines vary by Canton, generally end of March with extension available.
- Employee social security rate is 5.05 percent uncapped and 1 percent capped at annual income of CHF126,000.
- Capital gains taxes are generally not levied on the sale of securities in Switzerland unless an individual is deemed to be a "securities dealer". Most cantons will, however, levy capital gains taxes on the gains relating to the sale of Swiss immovable property (for example real estate or businesses that are located in Switzerland).
- Switzerland applies a wealth tax which varies from Canton to Canton. It is mostly progressive and depends on the total value of the net assets.
- Married couples file returns jointly.

Taiwan

(2010 rate = 40 percent)

- Top marginal rate kicks in at TWD4,230,000.
- Tax year-end is 31 December.
- The filing date is 31 May following the income year with no extensions.
- There is no social insurance program in Taiwan. However, the labor and health insurance program is the closest in content.
- Capital gains, and other than gains from securities and land, are taxed at the regular income tax rate. Gains from securities and land are not subject to income tax, but securities transfer tax and land value increment tax will be imposed.
- Married couples must file jointly (tax can be separately calculated).



Thailand

(2010 rate = 37 percent)

- Top marginal rate kicks in at THB4,000,000.
- Tax year-end is 31 December.
- The filing date is 31 March following the income year.
- Employees pay contributions to the Social Security Fund at 5.0 percent, subject to a maximum contribution of THB750 (5.0 percent of THB15,000) per month.

Turkey

(2010 rate = 35 percent)

- Top marginal rate kicks in at TRY50,000.
- Tax year-end is 31 December.
- Tax filing due date is 25 March.
- Social insurance system contributions for the employee are 15 percent. Monthly contributions cap out at approximately TRY4,841.
- Married couples must file returns separately.

Ukraine

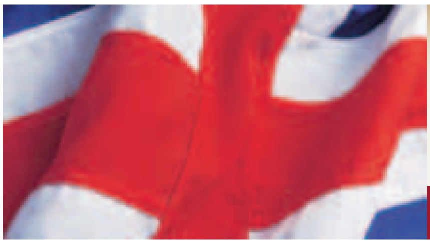
(2010 rate = 15 percent)

- Applies flat tax of 15 percent. (Remuneration paid by a foreign entity to an individual who is a tax nonresident in the Ukraine for his/her work in the Ukraine is subject to tax at 30 percent).
- Tax year-end is 31 December
- Tax return filing due date is 31 March of the following year.
- Employee social security contributions are 3.6 percent of the gross salary. However, the taxable base for these contributions is currently capped at UAH10,035 per month. For salaries exceeding this threshold, the contributions are calculated based on UAH10,035 rather than on the actual gross amount.

United Arab Emirates

(no income tax)

- Individual income tax is not assessed.
- Expatriate employees do not make contributions to UAE Social Insurance. However, the employer of a UAE national must make monthly social security and pension contributions of 12.5 percent of the employee's basic salary and allowances and the employee must make monthly contributions at a rate of 5 percent of total remuneration.
- There is no capital gains tax for individuals. The capital gains income of businesses is taxed as ordinary business income (regarding banks and oil companies).



United Kingdom

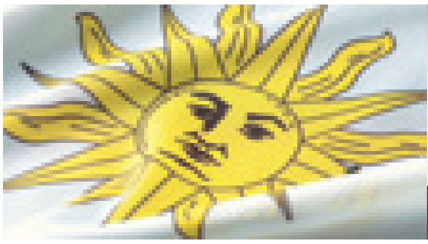
(2010/11 rate = 50 percent)

- Top marginal rate kicks in at GBP150,000.
- Tax year-end is 5 April.
- The deadline for submission of tax returns electronically is 31 January following the end of the year of assessment, by which time payment of any additional tax for the year should also be made. If the taxpayer wishes to file a paper tax return, the tax return must be lodged by the earlier date of 31 October.
- Employee social security (NIC) is payable at a rate of 11 percent on compensation between GBP110 and GBP844 per week. A further liability at the rate of 1 percent arises on all earnings above GBP844 per week.
- UK allows for some preferential tax treatment on capital gains. For instance, first GBP10,100 are tax free and a 10 percent rate applies for qualifying entrepreneurial gains up to a maximum of GBP5 million. During the two years ended 5 April 2010 and from 6 April 2010 to 22 June 2010 the capital gains tax rate was 18 percent. From midnight on Budget day (22 June) basic rate taxpayers continue pay capital gains tax at 18 percent. Higher and additional rate taxpayers pay capital gains tax at a rate of 28 percent.
- The UK applies a council tax on property; this local tax is based on the value of an individual's home. The charge varies from district to district. A similar tax applies to secondary residences.
- The sale or other transfer of real estate within the UK is subject to Stamp Duty Land Tax (at rates up to 4 percent) if the asset transferred is valued at over GBP125,000 for residential property or GBP150,000 for nonresidential property.
- Although 50 percent is the top rate of tax, the phase out of personal allowances on income over GBP100,000 can result in a marginal tax rate of 60 percent.
- Married couples file tax returns as separate individuals.

United States

(2010 rate = 35 percent federal, state/local rates vary significantly and generally range from 0 to 10 percent)

- Top marginal rate kicks in at USD373,650 (for all filing statuses except Married Filing Separate, which reaches the top marginal rate at USD186,825). Each state and local government in the United States has its own set of rules with respect to taxing income (and real and personal property and consumption).
- Tax year-end is 31 December.
- Filing deadline is 15 April of the following year. A six-month automatic extension is available which extends the time to file the tax return but not to pay the tax.
- The US social security tax (often referred to as "FICA," for Federal Insurance Contributions Act) consists of two parts, each of which is imposed at the same rate against the employer and the employee. Tax at the rate of 6.2 percent is applied against the wage base for Old Age, Survivors and Disability Insurance (OASDI). The wage base consists of all compensation income, not adjusted by any contributions to qualified retirement plans, up to a maximum amount. The OASDI maximum wage base for 2010 is USD106,800. In addition, a tax of 1.45 percent is applied for Medicare (hospital insurance). There is no limit to the amount of wages subject to the 1.45 percent Medicare tax. The employer withholds the employee's FICA taxes from the employee's wages, and remits the amount withheld, together with the employer's equal contribution, to the IRS. In addition to the social security taxes discussed above, federal and state unemployment tax may be imposed on every employer with respect to individuals in their employ.
- Generally, capital gains on assets held for more than 12 months are taxed at a maximum rate of 15 percent, and if held 12 months or less are taxed at regular income tax rates.
- "Qualified" dividends (dividends received from a domestic corporation or a qualified foreign corporation) are also taxed at 15 percent.
- An individual holding real property in the United States may be subject to real estate tax at a rate determined by the jurisdiction where the property is located.
- Many states impose gift, estate and/or inheritance taxes at varying rates. Many state and local jurisdictions impose sales and use taxes, including on out-of-state purchases, at varying rates. In some cases the unpaid sales and use taxes are reported and paid with the income tax return.
- Married couples may elect to file tax returns jointly or separately.



Uruguay

(2010 rate = 25 percent)

- Top marginal rate kicks in at UYU2,473,200.
- Tax year-end is 31 December.
- The tax returns have to be filed by May. However, tax returns are often not required given monthly withholdings is applied on compensation.
- Compensation paid to employees for personal activities developed in Uruguay is also subject to social security contributions. These contributions are paid monthly, charged on both employers and employees.

Venezuela

(2010 rate = 34 percent)

- Top marginal rate kicks in at 6,000 Fiscal Units for tax residents (1 Fiscal Unit equals VEF55 for 2010 tax year).
- Tax year-end is 31 December.
- Filing deadline is 31 March of the following year with no extension available.
- Employee social security rate is 4 percent and unemployment insurance rate is 0.5 percent. The maximum ceiling tax contributions are set at 5 minimum salaries and 10 minimum salaries, respectively.
- Inheritance and gift tax is levied at rates that vary depending on the relationship of the beneficiary to the deceased or donor.
- An employee who owns a residence in Venezuela must pay municipal real estate tax.

Vietnam

(2010 rate = 35 percent)

- Top marginal rate kicks in at VND80,000,000 per month for both citizens and non-citizens.
- The first taxable year is based on 12 consecutive months from the date of first arrival in Vietnam and subsequent taxable years are calendar years.
- The employer is required to withhold Personal Income Tax on a monthly basis. Monthly tax withheld by the employer from the employee shall be declared and remitted to the local tax department by the 20th of the following month. Monthly provisional Personal Income Tax is calculated on that month's income and finalized at the end of the calendar year when the annual tax return is filed (i.e., on or before 31 March of the following year). Any tax shortage based on the annual tax return shall be remitted to the local tax department by the same date of submission of the annual tax return.
- Only Vietnamese employees are required to make contributions to the Social Insurance, Health Insurance and Unemployment Insurance Funds on a monthly basis.

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