

TAX TREATMENT OF RESTRICTED STOCK & RSUS SINGAPORE



	EMPLOYEE	EMPLOYER
GRANT DATE	<p>Restricted stock: No tax consequences.</p> <p>Restricted stock units (RSUs): No tax consequences.</p>	No tax consequences.
VESTING DATE	<p>Restricted stock: Taxed on vest. The taxable amount is the difference between the market value of the shares at the time of vesting and the price the participant paid on award (if any).</p> <p>RSUs: Taxed on vest. The taxable amount is the difference between the market value of the shares at the time of vesting and the price the participant paid on award (if any).</p>	No tax consequences.
WITHHOLDING & PAYMENT OF TAX	There is no withholding tax obligation in Singapore for employment income which includes gain arising from the vesting of restricted stock or restricted stock units.	There is no withholding tax obligation in Singapore for employment income which includes gain arising from the vesting of restricted stock or restricted stock units.
SOCIAL SECURITY	Not applicable in respect of vesting of restricted stock/RSUs.	Not applicable in respect of vesting of restricted stock/RSUs.
REPORTING	The employee must report details of taxable income on the annual income tax return.	The employer must include the restricted stock/RSU income in the annual year end payroll form to be submitted to the tax authorities.

For further information and to register for future updates contact:

globalequity@bdo.com

Defined terms used in this summary:

Restricted Stock - Issued shares transferred to employees on the date of grant which are typically subject to restrictions on sale or forfeiture for example if performance targets are not met.

Restricted Stock Units - Awards where employees receive a right to acquire shares. Shares are only issued following vesting and attainment of performance targets, if applicable.

Information contained herein is intended to reflect present law and provides only a general outline of the subjects covered. Material discussed herein is meant for general informational purposes only and should not be relied on as professional advice. As such you should consult your own tax advisor regarding your specific tax matters.

This summary has been prepared on the basis that employees are resident in Singapore throughout the period from grant of stock awards until the shares are sold and that the employee is employed by a local employer in Singapore, which is a subsidiary of an overseas parent. The potential tax consequences may vary greatly depending on your company's equity plan's design, administration, as well as many other factors.

Should you have a need for a trusted advisor in this area, please contact BDO's Global Equity team.

This information is current as of August 2016.

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SINGAPORE

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SALE OF SHARES	Not applicable, as no tax is charged on capital gains. No tax consequences.	
IS A CORPORATION TAX DEDUCTION AVAILABLE?	A corporation tax deduction will be allowed to a company of the cost incurred to acquire its own shares (i.e. treasury shares) if such shares are transferred to its employees under the stock award scheme. Similarly, if a holding company transfers treasury shares to employees of its subsidiary to meet the stock award requirements, the subsidiary may claim a corporate tax deduction for the expenses charged by the holding company, with certain limitations.	
"QUALIFYING" PLANS AVAILABLE?	None.	
INTERNATIONALLY MOBILE EMPLOYEES	<p>The above summary has been prepared on the basis that employees are resident in Singapore throughout the period from the grant of the stock award until the shares are sold.</p> <p>The rules for internationally mobile employees are complex and there are specific rules applicable to non-resident individuals. Generally, Singapore will have the right to tax the gain if there is a link between the award which the employee has received and the work of the employee performed in Singapore. Singapore broadly sources equity income based on the period between grant and vesting. Expatriates tax may be charged on departure from Singapore in respect of a deemed exercise. It is highly recommended that advice is sought on an individual by individual basis.</p>	
OTHER POINTS FOR CONSIDERATION	<p>This summary is provided by BDO for informational purposes only to provide an outline of the general tax and social security position based on current tax law.</p> <p>There are also a number of legal and regulatory issues to consider on the implementation of any employee equity plan including, but not limited to, employee entitlement claims, prospectus requirements and data protection regulations. We recommend that legal advice is obtained prior to the implementation of any employee equity plan.</p>	
KEY ACTION POINTS	<ul style="list-style-type: none"> ✓ Employers are responsible for the reporting of employee equity awards. Companies should review their systems to ensure that they are sufficiently robust to be able to capture, process and report Restricted Stock grants and RSU vests as required. ✓ There are specific rules applicable for Internationally Mobile Employees holding equity in Singapore. We recommend that companies review their systems to ensure that Internationally Mobile Employees moving in or out of Singapore whilst holding equity can be identified to ensure correct compliance and identify any potential trailing liabilities. 	