

## Reduced Dividend Tax Rate

The expiration of the reduced withholding tax rate for dividends of listed shares etc. has been extended from the original deadline of March 31, 2009, to December 31, 2011. The current applicable withholding tax rate is 10%. For reference purposes, please review the following guidance outline.

### 1. Dividend Withholding Tax Rate Migration Schedule

Dividend pay date <sup>i</sup>	Until December 31, 2011	After January 1, 2012
Listed shares etc. <sup>ii</sup> (except individual large shareholder <sup>iii</sup> )	Income Tax 7% Local Tax <sup>iv</sup> 3%	Income Tax 15% Local Tax 5%
Unlisted shares	Income Tax 20%	
Listed shares etc. for individual large shareholder	Income Tax 20%	

### 2. Relation with Double Tax Treaty

In cases where the reduced rate mentioned above is different to the relevant DTT rate, the lower of the two rates shall be applied. The majority of non-residents and foreign corporations will receive benefit from the tax reduction regardless of the existence of a double tax treaty, with the exception of Zambia, for which a 0% tax rate is applied.

Certain supranational Institutions are exempt from tax.

Source: Information compiled from various external sources

### Note

<sup>i</sup> The Dividend payable date defined by the National Tax Agency's basic Notification is,  
(1) For fiscal year-end dividends, the resolution date at the Annual General Meeting,  
(2) For the interim dividend, the resolution date of the board meeting. However, for the interim dividend, there is an exceptional proviso; Where a board meeting (or a board director) determines the interim payment including "its payable effective date", the tax rate will be determined not by the resolution date but by the payable effective date.

<sup>ii</sup> Listed shares etc. includes OTC shares and listed investment trusts such as ETFs and REITs.

<sup>iii</sup> Individual large shareholder means an individual shareholder who held more than 5% of the total issued shares as of the record date.

<sup>iv</sup> Local Tax is not imposed on Non-Residents.