



APAC Payroll Essentials 2025

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Welcome to the APAC Payroll Essentials guidebook, presented by Forvis Mazars. This comprehensive resource is prepared to assist businesses and entrepreneurs in navigating the complex landscape of payroll management across the Asia-Pacific (APAC) region.

As the APAC region continues to expand and diversify, understanding the unique payroll requirements and regulations of each country and territory is essential for successful business operations. Whether you are incorporating a new business or expanding existing operations, this guidebook provides crucial information to help you manage payroll effectively and ensure compliance with local laws.

In this guide, you will find detailed insights into country and territory specific backgrounds and workplace norms, mandatory registrations, work visa requirements, employment contracts and policies, compensation structures, employee benefits, social security systems, tax obligations, and termination procedures. We aim to equip you with the knowledge and tools necessary to ensure smooth payroll processes and maintain compliance with local regulations.

We would like to extend our sincere thanks to the dedicated team members across the APAC region who contributed their expertise and insights to this publication. Their collaboration, local knowledge, and commitment were instrumental in bringing together this comprehensive guide. This publication reflects the collective effort of professionals who are passionate about helping businesses navigate the complexities of payroll in a diverse and dynamic region.

At Forvis Mazars, we are committed to supporting your business endeavours in the APAC region. We trust that this guidebook will serve as a valuable resource for your payroll management needs.



Thomas Chen
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This APAC Payroll Essentials publication, dated June 2025, contains general information and is not intended to be comprehensive nor to provide financial, investment, legal, tax, or other professional advice or services. It is not a substitute for such professional advice or services, and it should not be acted on, relied upon, or used as a basis for any investment or other decision or action that may affect you or your business. Any reliance you place on such information is therefore strictly at your own risk.

Please note that the regulatory environment in the APAC region is subject to frequent changes. It is essential to consult with qualified professionals or legal advisors to obtain the most current and accurate information specific to your circumstances.

While reasonable effort has been made to ensure the accuracy of the information contained in this publication, this cannot be guaranteed. Neither Forvis Mazars nor any of its subsidiaries, affiliates, or related entities shall have any liability to any person or entity that relies on the information contained in this publication, including incidental or consequential damages arising from errors or omissions. Any such reliance is solely at the user's risk.

In the context of this publication, "China," "Mainland China," or the "PRC" refers to the People's Republic of China, excluding the Hong Kong Special Administrative Region, Macao Special Administrative Region, and Taiwan Region.



Country and territory overview

Tax year, working hours and payroll cycle

Country and territory	Tax year	General working hours	Daily working hours	Payroll cycle
Australia	1 July – 30 June	38 hours/week		Monthly, fortnightly or weekly
China	1 January – 31 December	40 hours/week	Up to 8 hours	Monthly
Hong Kong	1 April – 31 March		No statutory maximum working hours. Normally up to 8 hours	Monthly
India	1 April – 31 March	48 hours/week	Up to 9 hours with state variations	Monthly
Indonesia	1 January – 31 December	40 hours/week	Up to 7 hours a day for 6 workdays, or 8 hours a day for 5 workdays	Monthly
Japan	1 January – 31 December	40 hours/week	Up to 8 hours	Monthly
Korea, The Republic of	1 January – 31 December	40 hours/week	Up to 8 hours	Monthly
Malaysia	1 January – 31 December	45 hours/week	Up to 8 hours	Monthly
Philippines	1 January – 31 December	40-44 hours/week	Up to 8 hours	Semi-monthly
Singapore	1 January – 31 December	40-44 hours/week		Monthly
Taiwan	1 January – 31 December	40 hours/week	Up to 8 hours	Monthly
Thailand	1 January – 31 December	40-48 hours/week	Up to 8 hours	Monthly
Vietnam	1 January – 31 December	40-48 hours/week	Up to 8 hours	Monthly

Country and territory overview

Mandatory registrations

Country and territory	Mandatory registrations	
Australia	<ul style="list-style-type: none"> • Australian Taxation Office (ATO) • Single Touch Payroll (STP) • Default Superannuation Fund 	<ul style="list-style-type: none"> • Workers' Compensation • State Revenue Offices
China	<ul style="list-style-type: none"> • Social Insurance Bureau: • Housing Fund Management Centre 	<ul style="list-style-type: none"> • Tax Bureau • Local Labour Bureau
Hong Kong	<ul style="list-style-type: none"> • Inland Revenue Department (IRD) • Mandatory Provident Fund (MPF) Scheme 	<ul style="list-style-type: none"> • Employees' Compensation Insurance (ECI)
India	<ul style="list-style-type: none"> • Employees' Provident Fund Organisation (EPFO) • Employees' State Insurance Corporation (ESIC) 	<ul style="list-style-type: none"> • Income Tax Department • State Labour Welfare Boards
Indonesia	<ul style="list-style-type: none"> • Indonesian Tax ID (NPWP) • BPJS Social Security 	<ul style="list-style-type: none"> • BPJS Healthcare
Japan	<ul style="list-style-type: none"> • Social Insurance Office • Tax office 	<ul style="list-style-type: none"> • Labour Standards Inspection Office
Korea, The Republic of	<ul style="list-style-type: none"> • National Tax Service (NTS) • National Pension Service (NPS) • National Health Insurance Service (NHIS) 	<ul style="list-style-type: none"> • Employment Insurance • Workers' Compensation Insurance
Malaysia	<ul style="list-style-type: none"> • Inland Revenue Board (IRB) • Employees Provident Fund (EPF) 	<ul style="list-style-type: none"> • Social Security Organisation (SOCSO) • Human Resources Development Corporation (HRD Corp)
Philippines	<ul style="list-style-type: none"> • Bureau of Internal Revenue (BIR) • Social Security System (SSS) 	<ul style="list-style-type: none"> • Philippine Health Insurance Corporation (PhilHealth) • Home Development Mutual Fund (Pag-IBIG Fund)
Singapore	<ul style="list-style-type: none"> • Central Provident Fund (CPF) Board • Inland Revenue Authority of Singapore (IRAS) 	<ul style="list-style-type: none"> • Ministry of Manpower (MOM)
Taiwan	<ul style="list-style-type: none"> • National Taxation Bureau • Bureau of Labour Insurance (BLI) 	<ul style="list-style-type: none"> • National Health Insurance Administration (NHIA) • Bureau of Labour Funds (BLF)
Thailand	<ul style="list-style-type: none"> • Revenue Department • Social Security Office (SSO) • Employee Welfare Fund • Work Rules and Regulations • Employment and Working Conditions 	<ul style="list-style-type: none"> • Welfare Committee • Workplace Safety • Employment of Persons with Disabilities • Department of Skill Development
Vietnam	<ul style="list-style-type: none"> • Tax Department Office • Vietnam Social Security (VSS) Office 	<ul style="list-style-type: none"> • Ministry of Home Affairs / Department of Home Affairs • Immigration Department / Office

Country and territory overview

Type of work visa, minimum wage, and personal income tax

Country and territory	Types of work visa	Minimum wage	Personal income tax
Australia	Skills In Demand Visa (Subclass 482)	AUD 24.10 per hour	Progressive rates: 0 to 45%
China	<ul style="list-style-type: none"> Z Visa Work permit 	Varies by region	Progressive rates: 3 to 45%
Hong Kong	<ul style="list-style-type: none"> General Employment Policy (GEP) Admission Scheme for Mainland Talents and Professionals (ASMP) Immigration Arrangements for Non-local Graduate Entrants (IANG) Top Talent Pass Scheme (TTP) 	HKD 42.10 per hour	Progressive rates: 2% to 17% Standard rates: 15 to 16%
India	Employment Visa (E-Visa)	Varies by states and industries	Progressive rates: 0% to 30%
Indonesia	<ul style="list-style-type: none"> Limited Stay Permit (KITAS) Working Visa (IMTA) 	IDR 5,396,760 per month	Progressive rates: 5% to 35%
Japan	<ul style="list-style-type: none"> Engineer / Specialist in Humanities/ International Services Intra-Company Transferee Business Manager Highly Skilled Professional 	Varies by region	Progressive rates: 5% to 45%
Korea, The Republic of	<p>There are many types of visas in Korea. Visas often used by foreign companies are:</p> <ul style="list-style-type: none"> D-8 visa (Business investment); and E-7 visa (Specially designated activities) 	KRW 10,030 per hour	Progressive rates: 6% to 45%
Malaysia	Employment Pass	MYR 1,700 per month	Progressive rates: 0% to 30%
Philippines	<ul style="list-style-type: none"> Work permit / AEP 9(g) Pre-arranged Employment Visa 	Varies by region	Progressive rates: 0% to 35%
Singapore	<ul style="list-style-type: none"> Employment Pass (EP) S Pass Work permit 	No nationwide statutory minimum wage	Progressive rates: 0% to 24%
Taiwan	Employment Gold Card	TWD 28,590 per month	Progressive rates: 5% to 40%
Thailand	Non-Immigrant Visa Category "B" (Business Visa)	Varies by province	Progressive rates: 0% to 35%
Vietnam	<p>There are many types of visas in Vietnam. Visas often used by foreign companies are:</p> <ul style="list-style-type: none"> Labour visa; Investment visa; Business visa. <p>A temporary resident card allows a foreign employee to reside in Vietnam for up to 3 or 10 years, replacing the need for a visa, provided certain conditions are met.</p>	Varies by region	Progressive rates: 5% to 35%

Country and territory overview

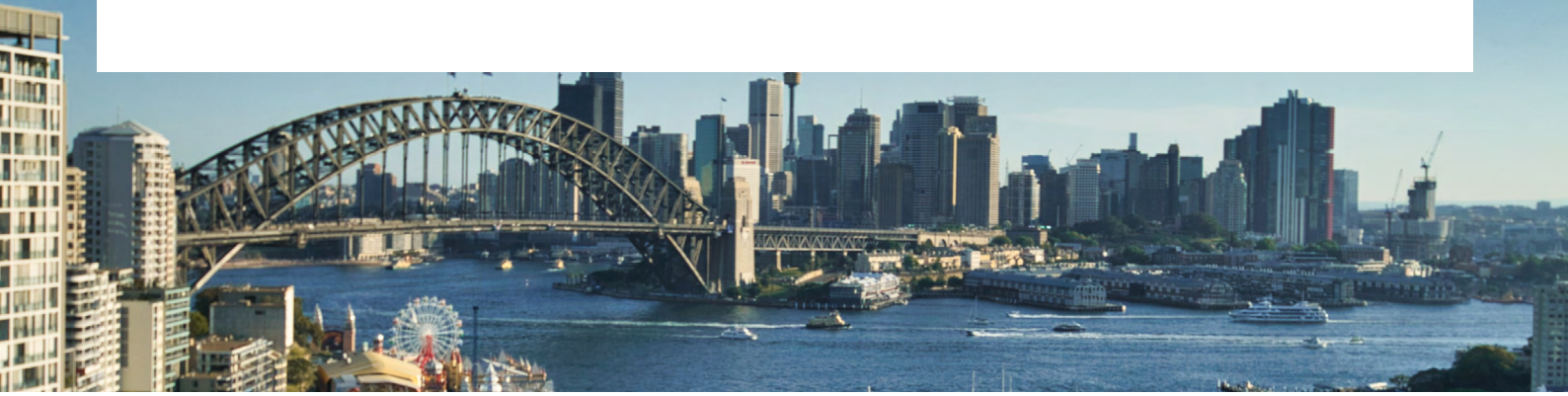
Leave

Country and territory	Annual leave	Maternity leave	Paternity leave
Australia	4 weeks/year	Apply as 'Parental leave': Up to 12 months unpaid, with possible extension.	Apply as 'Parental leave': Up to 12 months unpaid, with possible extension.
China	5-15 days/year	98 days	Varies by region
Hong Kong	7-14 days/year	14 weeks	5 days
India	12-18 days/year	26 weeks	15 days
Indonesia	12 days/year	3 months	2 days
Japan	10-20 days/year	14 weeks	Varies depending on the company and employment contract
Korea, The Republic of	15-25 days/year	90 days	20 days
Malaysia	8-16 days/year	98 days	7 days
Philippines	Minimum of 5 days/year	105 days	7 days
Singapore	Minimum of 7 days/year	Up to 16 weeks	Up to 4 weeks
Taiwan	3-30 days/year	8 weeks	7 days
Thailand	Minimum of 6 days/year	Up to 98 days, with paid leave for up to 45 days	None
Vietnam	Minimum of 12 days/year	Standard duration is 6 months, with potential paid leave covered by the Social insurance fund.	Standard duration is 5 days, with potential paid leave covered by the Social insurance fund.

Country and territory overview

Social security contributions

Country and territory	Social security contributions	
Australia	Superannuation	<ul style="list-style-type: none"> Employee: Voluntary contributions possible. Employer: 11.5% (12% from July 2025) of ordinary time earnings
China	Social insurance	<ul style="list-style-type: none"> Employee: Contributes a percentage of salary. Employer: Contributes a higher percentage of salary.
Hong Kong	Mandatory Provident Fund (MPF)	<ul style="list-style-type: none"> Employee: Contributes 5% of relevant income from HKD 7,100 to HKD 30,000 or capped at HKD 1,500 if relevant income exceeds HKD 30,000. Employer: Contributes 5% of relevant income or capped at HKD 1,500 if relevant income exceeds HKD 30,000.
India	Provident Fund (PF)	<ul style="list-style-type: none"> Employee: Contributes 12% of basic salary. Employer: Contributes 12% (8.33% to Pension Fund, 3.67% to EPF).
Indonesia	BPJS Social Security	<ul style="list-style-type: none"> Employer: Contributes 6.24% to 7.27% on wages with certain cap Employee: Contributes 3% on wages with certain cap
Japan	Social insurance	<ul style="list-style-type: none"> Employee: Contributes approximately 15% based on gross salary (<i>subject to caps for health and pension insurance</i>) Employer: Contributes approximately 15% to 23% based on gross salary (<i>subject to caps for health and pension insurance as well as industry risk for Workers Accident Compensation Insurance</i>)
Korea, The Republic of	Social insurance:	<ul style="list-style-type: none"> Employee: Contributes 9% of the gross salary. Employer: Contributes 10% of the gross salary (vary depending on the industry).
Malaysia	Employees Provident Fund (EPF)	<ul style="list-style-type: none"> Employee: Contributes 11% of salary. Employer: Contributes 12 to 13% of salary. <p>Employee aged 60 and above contributes 0% to 5.5% of salary for employee's contribution and 4% to 6.5% of salary for employer's contribution.</p>
Philippines	Social Security System (SSS)	<ul style="list-style-type: none"> Employee: Contributes 5% of salary. Employer: Contributes 10% of salary.
Singapore	Central Provident Fund (CPF)	<ul style="list-style-type: none"> For Singapore Citizens and Permanent Residents (PRs) CPF contribution limits apply Contribution rates range from 5% to 20%
Taiwan	Labour insurance	<ul style="list-style-type: none"> Employee: Contributes 20% of the premium. Employer: Contributes 70% of the premium. Government: Contributes 10% of the premium.
Thailand	Social security	<ul style="list-style-type: none"> Employee: Contributes 5% of salary. Employer: Contributes 5% of salary.
Vietnam	Social insurance	<ul style="list-style-type: none"> Employee: Contributes 8% of salary (subject to a capped threshold). Employer: Contributes 17.5% of salary (subject to a capped threshold).



Country and territory backgrounds and workplace norms

General information:

- **Currency:** Australian Dollar (AUD)
- **Tax year:** 1 July – 30 June
- **Working hours:** General standard: 38 hours/week
- **Payroll cycle:** Monthly, fortnightly or weekly

Governing laws:

- The Fair Work Act, 2009
- Data privacy is governed by the Privacy Act 1988 and the Australian Privacy Principles (APPs). Employers must ensure secure handling of employee information, adhering to local data protection rules.

Mandatory registrations

Employers must register with:

1. **Australian Taxation Office (ATO):** For tax deduction and compliance (PAYG) and for Single Touch Payroll (STP)
2. **Default Superannuation Fund:** For superannuation contributions.
3. **Workers' Compensation insurance:** For insurance coverage of workplace incidents
4. **State Revenue Offices** (only if national wages are over the threshold): For payroll tax (varies by state).

Registration	General requirement	State-specific variations
Superannuation	Generally mandatory for all employees	Uniform across all states.
Payroll tax	Thresholds and rates vary by state.	Specific rates and thresholds apply.
Workers' compensation	Mandatory for all employers.	Managed by state-specific agencies.

Work visa requirements

Types of work visas

Skills In Demand Visa (Subclass 482):

- For skilled workers sponsored by an employer.
- Requires a minimum salary as per the market rate.

Ease of obtaining

Documentation and compliance are strict.

Employment contracts and policies

Contracts

- Written contracts are highly recommended.
- Must comply with the Fair Work Act 2009 and National Employment Standards (NES).

Employee suite of policies: Useful for outlining company policies, benefits, and compliance with regional laws.

Employment commencement

Probation period

Typically, 6 months

Payslip requirements

Itemised payslips must include details of earnings, tax deductions, and superannuation contributions. Must be made available within 1 business day after the pay date.

Compensation, wages, and allowances

Minimum wage

- Set by the Fair Work Commission; varies by industry and role.
- Employees covered by Modern Awards have their minimum wage set out in the Modern Award. All other employees are subject to the national minimum wage.
- Example: As of July 2024, the national minimum wage is AUD 24.10 per hour.

Overtime

- Overtime is only payable for employees covered by a Modern Award. The rates payable may vary between Awards
- Generally, 1.5x hourly wage for the first 2 hours, then 2x thereafter.

Common allowances and taxability

- **Taxable:** Car allowance.
- **Non-taxable:** Travel allowance (up to certain limits).

Payment frequency

- Monthly, fortnightly or weekly.
- Employee benefits and leave

Statutory benefits

- **Superannuation:** Employer contributes 11.5% (12% from July 2025) of ordinary time earnings.
- **Workers' compensation:** Insurance for work-related injuries.

Statutory leave entitlements

- **Annual leave:** 4 weeks/year.
- **Personal / carer's leave or sick leave:** 10 days/year.
- **Parental leave:** Up to 110 days paid (120 days from July 2025) and up to 12 months unpaid, with possible extension.

There are several other mandatory statutory leave entitlements.

Public holidays

- Under the Fair Work Act, there is no fixed national number of public holidays, but each state and territory gazettes 10–13 designated days each year.
- These holidays are part of the National Employment Standards (NES) and vary regionally (e.g., Australia Day, ANZAC Day, King's Birthday, Christmas).
- Employees are entitled to paid leave on public holidays if they would ordinarily work that day.
- Should an employee work on a public holiday, they're typically eligible for penalty rates or time off in lieu, depending on awards or enterprise agreements, if applicable.

Social security and retirement

Superannuation

- **Employee:** Voluntary contributions possible.
- **Employer:** 11.5% (12% from July 2025) of ordinary time earnings.

Work injury compensation

- Employers must have workers' compensation insurance for eligible employees.
- Governed by state-specific Workers' Compensation Acts.
- Employer is liable to compensate employees for workplace injuries, accidents, or occupational diseases.
- Compensation depends on the nature of injury and salary.

Tax

Personal Income Tax (PIT)

Current progressive rates:

Taxable income (Annual)	Tax rate
Up to AUD 18,200	0%
AUD 18,201 – 45,000	16%
AUD 45,001 – 120,000	30%
AUD 120,001 – 180,000	37%
Above AUD 180,000	45%

Employer obligations

PAYG (Pay As You Go) withholding must be remitted to the ATO by the 21st of the following month for small/medium withholders.

Termination

Notice period

Commonly 1-4 weeks, subject to contract terms. Governed by the Fair Work Act 2009 and NES.

Termination pay

- Unused annual leave or long service leave is required to be paid out upon termination.
- Severance pay is only payable for a genuine redundancy. The amount paid is based on years of continuous service.

Offboarding requirements

Offboarding requirements include final settlement of dues, issuance of separation certificates, if required.

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Country and territory backgrounds and workplace norms

General information

- **Currency:** Chinese Yuan (CNY)
- **Tax year:** 1 January – 31 December
- **Working hours:**
 - Standard: 40 hours/week
 - Daily: Up to 8 hours, with flexible arrangements possible
- **Payroll cycle:** Monthly

Governing laws

- **Labour Law:** This law outlines the basic rights and obligations of employers and employees, including working hours, wages, labour contracts, and workplace safety.
- **Labour Contract Law:** This law governs the establishment, performance, modification, and termination of labour contracts. It emphasises the protection of employees' rights and interests.
- **Social Insurance Law:** This law mandates employers to contribute to social insurance programs, including pension, medical, unemployment, occupational injury, and maternity insurance.
- **Personal Information Protection Law (PIPL):** This law provides a comprehensive framework for the collection, use, and protection of personal information.

Mandatory registrations

Employers must register with:

1. **Social Insurance Bureau:** For social insurance contributions.
2. **Housing Fund Management Centre:** For housing fund contributions.
3. **Tax Bureau:** For tax deduction and compliance.
4. **Local Labour Bureau:** For employment registration.

Registration	General requirement	State-specific variations
Social Insurance	Mandatory for all employees.	Contribution rates vary by city.
Housing Fund	Mandatory for all employees except for foreign staff.	Contribution rates vary by city.
Individual Income Tax (IIT)	Central government imposes; managed by local tax authorities.	Uniform across all regions.

Work visa requirements

Types of work visas

Z Visa (Work Visa) and Work permit:

- For foreign nationals working in China.
- Requires a valid employment contract and relevant qualifications.

Ease of obtaining

Documentation and compliance are strict; varies by region depending on local authorities.

Employment contracts and policies

Contracts

- Written contracts are mandatory.
- Must comply with the Labour Contract Law and local regulations.

Employee handbook

Useful for outlining company policies, benefits, and compliance with regional laws.

Employment commencement

Probation period

Typically 1 to 6 months; practiced and regulated based on the duration of the labour contract.

Payslip requirements

Itemised payslips must include details of earnings, tax deductions, and social security contributions.

Compensation, wages, and allowances

Minimum wage

- Set by local governments; varies by region.
- Example: As of 2025, the minimum wage in Shanghai is higher than in many other regions.

Overtime

- Governed by the Labour Law.
- Generally, 1.5x hourly wage for workday, 2x for weekends, and 3x for public holidays.

Common allowances and taxability

- **Taxable:** Housing allowance, meal allowance.
- **Non-taxable:** Travel allowance (supported by tax invoice).

Payment frequency

Monthly

Employee benefits and leave

Statutory benefits

- **Social Insurance:** Covers pension, medical, unemployment, work injury, and maternity insurance.
- **Housing Fund:** Employer and employee contribute to a fund for housing-related expenses.

Statutory leave entitlements

- **Annual leave:** 5-15 days/year, based on years of service.
- **Sick leave:** Varies by region and length of service.
- **Maternity leave:** 98 days, with additional leave for complications or multiple birth and some regions offer additional days.
- **Paternity leave:** Varies by region (e.g., Shanghai: 10 days, Beijing, Guangzhou and Shenzhen: 15 days)

Public holidays

- Employees are entitled to 13 official public holidays annually.
- These are determined by the central government and apply across all regions.
- Additional observances may occur based on local customs or administrative decisions, but these are not mandated under national labour regulations.

Social security and retirement

Social Insurance

- **Employee:** Contributes a percentage of salary.
- **Employer:** Contributes a higher percentage of salary.
- Mandatory for all employees.

Retirement scheme

- **Pension Insurance:** Main retirement savings scheme.
- Voluntary additional contributions possible.

Work injury compensation

- Employers must have work injury compensation insurance for eligible employees.
- Governed by the Work Injury Insurance Regulations.
- Employer is liable to compensate employees for workplace injuries, accidents, or occupational diseases.
- Compensation depends on the nature of injury and salary.

Tax

Personal Income Tax (PIT)

Withholding PIT in China for a resident individual is calculated based on cumulative income.

Progressive rates on yearly taxable income:

Taxable income (Annual)	Tax rate
Up to CNY 36,000	3%
CNY 36,001 – 144,000	10%
CNY 144,001 – 300,000	20%
CNY 300,001 – 420,000	25%
CNY 420,001 – 660,000	30%
CNY 660,001 – 960,000	35%
Above CNY 960,000	45%

Withholding tax (WHT)

Withholding tax varies for non-residents, with rates ranging from 3%-45% on monthly salary.

Employer obligations

PIT deductions must be remitted to the government by the 15th of the following month.

Termination

Notice period

Commonly 30 days, governed by the Labour Contract Law and local regulations.

Severance pay

Required as per the Labour Contract Law for employees with continuous service. Example: 1 or 2 month's salary for each year of service based on the reason of the breach of the labour contract.

Offboarding requirements

Includes final settlement of dues, issuance of separation certificates, and social insurance transfer/withdrawal.

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Country and territory backgrounds and workplace norms

General information

- **Currency:** Hong Kong Dollar (HKD)
- **Tax year:** 1 April – 31 March
- **Working hours:**
 - Daily: No statutory maximum working hours. Normally up to 8 hours, with flexible arrangements possible.
- **Payroll cycle:** Monthly

Governing laws

- Employment Ordinance (Cap. 57)
- Employees' Compensation Ordinance (Cap. 282)
- Mandatory Provident Fund Schemes Ordinance (Cap. 485)
- Personal Data (Privacy) Ordinance (Cap. 486)
- Minimum Wage Ordinance (Cap. 608)

Mandatory registrations

Employers must register with:

1. **Inland Revenue Department (IRD):** For employer's tax return submission and compliance.
2. **Mandatory Provident Fund (MPF) Scheme:** For retirement contributions.
3. **Employees' Compensation Insurance (ECI):** For coverage of Ordinance benefits such as medical expenses, loss of wages, permanent disablement benefit and death benefit.

Registration	General requirement
MPF	Mandatory for all employees aged 18-65. Must enrol joiners within the first 60 days of their employment.
Employer's tax return	Within 3 months of commencement of employment
Employees' Compensation Insurance	Mandatory for all employers. Must ensure joiners are covered under the insurance scheme.

Work visa requirements

Types of work visas

- For foreign nationals working in Hong Kong.
- The most common work visa types are General Employment Policy (GEP), Admission Scheme for Mainland Talents and Professionals (ASMP), Immigration Arrangements for Non-local Graduate Entrants (IANG) and Top Talent Pass Scheme (TTP).
- Eligibility criteria vary depending on visa type. Generally requires a valid employment contract, relevant qualifications and work experience where applicable.

Ease of obtaining

Documentation and compliance are strict, subject to verification of skills and qualifications, job offer authenticity and other factors.

Employment contracts and policies

Contracts

- Written contracts are recommended.
- Must comply with the Employment Ordinance and local regulations.
- In case of any changes in employment conditions, the employer must inform employees of this in a clear manner.

Employee handbook

Useful for outlining company policies, benefits, and compliance with Hong Kong laws.

Employment commencement

Probation period

Typically 1 to 3 months; widely practiced but not mandated; subject to contract terms.

Payslip requirements

Itemised payslips must include company name, name of employee, payroll period, payment date, details of earning, deductions, and MPF contributions.

Compensation, wages, and allowances

Minimum wage

- Minimum Wage Ordinance set by the Government: minimum wages levels reviewed yearly.
- Effective from 1 May 2025, the statutory minimum wage will be HKD 42.10 per hour.
 - An employee's entitlements to end-of-year payment, maternity leave pay, paternity leave pay, severance payment, long service payment, sickness allowance, holiday pay, annual leave pay and payment in lieu of notice is calculated according to the definition of wages.
 - Wages are defined under the Employment Ordinance as including all remuneration, earnings, allowances, tips and service charges payable to an employee in respect of work done or work to be done. Other than specific exemptions indicated in the Employment Ordinance (e.g. commission or allowances which are gratuitous in nature or payable only at the discretion of the employer), all allowances fall within the definition of wages.
- Statutory entitlement pay is based on the average daily wages earned in the 12-month period preceding the specified dates.

Overtime

No compulsory overtime pay is mandated by the Employment Ordinance. Subject to contract terms.

Common allowances and taxability

- **Taxable:** Any allowance, perquisite or fringe benefit is taxable.
- **Non-taxable:** Only severance payments and long service payments that are paid under the Employment Ordinance are not taxable.

Payment frequency

Monthly, no later than 7 days after the end of the pay period.

Employee benefits and leave

Statutory benefits

- **Mandatory Provident Fund:** Both employer and employee contribute 5% of the employee's relevant income. Maximum contribution level at HKD 1,500. Employer and employee may choose to make additional voluntary contributions.
- **Employees' Compensation Insurance:** Insurance for work-related injuries. No employer shall employ any employee unless an insurance policy is in force to cover liabilities under the law.

Statutory leave entitlements

- **Rest days:** 1 day in a 7-day period.
- **Annual leave:** 7-14 days/year, based on years of service.
- **Sick leave and sickness allowance:** 2 days/month during first 12 months, and 4 days thereafter, up to 120 days.
- **Maternity leave:** 14 weeks
- **Paternity leave:** 5 days

Public holidays

- Employees are entitled to 13 official public holidays annually.
- These are determined by the central government and apply across all regions.
- Additional observances may occur based on local customs or administrative decisions, but these are not mandated under national labour regulations.

Social security and retirement

Mandatory Provident Fund (MPF)

- Mandatory for all employees aged 18-65. Exemption may apply if certain circumstances are met.
- MPF Contributions:

Relevant income (HKD)	Employer's Mandatory Contribution	Employee's Mandatory Contribution
≤ 7,100	Relevant income x 5%	No contribution is required
7,100 – 30,000	Relevant income x 5%	Relevant income x 5%
≥ 30,000	1,500	1,500

- New employees enjoy a contribution holiday, i.e., they are not required to make contributions for the first 30 days of employment, nor do they have to make contributions for:
 - any incomplete wage period that immediately follows the 30-day contribution holiday; or
 - the calendar month in which the 30th day of employment falls.
- Additional voluntary contributions are possible.
- For employees paid monthly, the contribution day is the 10th day of the following month.
- For new employees, employers must make their first contributions on or before the next contribution day after the calendar month in which the 60th day of employment falls.

Employees' Compensation Insurance

- Employers must have employees' compensation insurance for employees.
- Governed by the Employees' Compensation Ordinance.
- Employer is liable to compensate employees for workplace injuries, accidents, or occupational diseases.
- Compensation depends on the nature of injury and salary.

Tax

Personal Income Tax (PIT)

- Net chargeable income (assessable income after deductions and allowances) is charged at progressive rates. If the net chargeable income based on progressive rates exceeds the tax charged at the standard rate on net income (assessable income after deductions but before allowances), the standard rate on net income should be used.
- **Progressive rates:** from 2% to 17%, depending on net chargeable income.
- **Standard rate:** 15-16%, depending on net chargeable income.

Withholding tax (WHT)

Employers do not have any withholding obligations in Hong Kong. Employees should file and settle their tax liabilities with the Inland Revenue Department (IRD) directly.

Employer obligations

Employment condition	Form to complete	Period for notification
Commencement of employment	IR56E	Within 3 months
Employment still valid as at 31 March	BIR56A & IR56B	Within 1 month
Cessation of employment	IR56F	Not later than 1 month before cessation
Departure from, Hong Kong	IR56G	Not later than 1 month before departure and withhold money for tax clearance

Termination

Notice period

- Subject to contract terms, but shall not be less than the statutory minimum as prescribed under the Employment Ordinance:
 - During probation (after the first month): not less than 7 days.
 - After probation / no probation: not less than 1 month.

Severance payment and long service payment

- Severance payment:
 - Required as per the Employment Ordinance for employees with continuous service of 2 years or more when laid off or made redundant.
- Long service payment:
 - Required as per the Employment Ordinance for employees with continuous service of 5 years or more if the employee is dismissed (except for serious misconduct), resigns on grounds of ill health, dies, or reaches the age of 65.
- An employee will not be simultaneously entitled to both Severance Payment and Long Service Payment.
- For an employee starting after 1 May 2025:
 - Severance payment and long service payment are calculated at 2/3 of the last full month's wages immediately preceding the termination of employment (capped at HKD 22,500) for each year of service, up to a maximum amount of HKD 390,000.
- For an employee who started before 1 May 2025:
 - Severance payment and long service payment are divided into two portions (pre-transition and post-transition).
 - Pre-transition portion: calculated at 2/3 of the last full month's wages immediately preceding 1 May 2025 (capped at HKD 22,500) for each year of service before 1 May 2025.
 - Post-transition portion: calculated at 2/3 of the last full month's wages immediately preceding the termination of employment (capped at HKD 22,500) for each year of service after 1 May 2025.
 - The maximum amount of total pre-transaction and post-transaction portions of severance pay is HKD 390,000.

Offboarding requirements

- Includes final settlement of dues, and MPF transfer/withdrawal.
- Notify the IRD of cessation of employment or departure from Hong Kong (withheld last payment for tax clearance).
- Final payment (other than severance pay) should be released to employee no later than 7 days after the termination date (except in the event of departure from Hong Kong).
- The employer shall provide severance pay to the employee no later than 2 months after the receipt of notice from the employee claiming severance pay.

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Country and territory backgrounds and workplace norms

General information

- **Currency:** Indian Rupee (INR).
- **Tax year:** 1 April – 31 March.
- **Working hours:**
 - Standard: 48 hours/week.
 - Daily: Up to 9 hours with state variations
- **Payroll cycle:** Monthly

Governing laws

- Labour Law:
 - Factories Act 1948, Minimum Wages Act 1948, Payment of Gratuity Act 1972, Maternity Benefit Act 1961, Provident Fund Act 1952, Labour Welfare Fund, Profession Tax, Employees State Insurance Act 1948 etc.
 - Employees State Insurance Act 1948, Factories Act (manufacturing only).
- Data privacy is governed by the Information Technology Act, 2000. Employers must ensure secure handling of employee information, adhering to local data protection rules.

Mandatory registrations

Employers must register with:

1. **Employees' Provident Fund Organisation (EPFO):** For provident fund contributions.
2. **Employees' State Insurance Corporation (ESIC):** For medical insurance (availability varies by region).
3. **Income Tax Department:** For tax deduction and compliance (TAN, PAN).
4. **State Labour Welfare Boards:** For state-specific welfare contributions (varies by state).

Registration	General requirement, with some variation by State
Employees' Provident Fund (EPF)	Mandatory for establishments with 20+ employees.
Employees' State Insurance (ESI)	Mandatory for establishments with 10+ employees, earning ≤ INR 21,000/month.
Professional Tax (PT)	Central government does not impose this; managed by states where applicable.
Labour Welfare Fund (LWF)	Contribution to welfare funds for employee benefits.

Work visa requirements

Types of work visas

Employment Visa (E-Visa)

- For foreign nationals working in India.
- Requires a minimum annual salary of INR 1.625 million, including perquisites reckoned for computing taxable income, as quantified in the employment contract (exceptions for specific roles).

Ease of obtaining

Documentation and compliance are strict; varies by region depending on local authorities.

Employment contracts and policies

Contracts

- Written contracts are highly recommended, though verbal agreements are legally binding for unskilled roles.
- Must comply with **central laws** (e.g., Industrial Disputes Act) and **state laws** (e.g., Shops and Establishments Acts).

Employee handbook

Useful for outlining company policies, benefits, and compliance with regional laws.

Employment commencement

Probation period

Typically 3 to 6 months; widely practiced but not mandated.

Payslip requirements

Itemised payslips must include regional statutory contributions like professional tax or LWF (if applicable).

Compensation, wages, and allowances

Minimum wage

- Varies significantly across states and industries.
- Example: Maharashtra's minimum wage is higher than Odisha's for similar skill levels.

Overtime

- Governed by the Factories Act, 1948, with state-specific amendments.
- Generally, 2x hourly wage for overtime, capped by state-specific rules.

Common allowances and taxability

- **Taxable:** Housing Rent Allowance (HRA), Special Allowance.
- **Non-taxable:** Leave Travel Allowance, Professional Development
- Taxability would depend on documents submitted and the tax regime chosen by the employees.

Payment frequency

Monthly, within 7-10 days of the end of the pay period.

Employee benefits and leave

Statutory benefits

- **Provident Fund (PF):** Employee contributes 12%, employer matches.
- **ESI:** Employee 0.75%, employer 3.25%. Applicable to employees earning ≤ INR 21,000/month, subject to regional dispensary availability.
- **Gratuity:** Payable to employees with ≥5 years of continuous service.

Statutory leave entitlements

- **Earned Leave (EL):** 12-18 days/year, varies by state.
- **Casual Leave (CL):** 7-10 days/year, state-dependent.
- **Sick Leave (SL):** 5-12 days/year, state-dependent.
- **Maternity leave:** 26 weeks (6 months)
- **Paternity leave:** 15 days

The above applies mostly to government and public sector employees. For the private sector, there is more flexibility. Somewhere between 24 and 30 days overall is generally expected.

Public holidays

- Employees are entitled to a minimum of 3 national holidays: Republic Day (26 Jan), Independence Day (15 Aug), and Gandhi Jayanti (2 Oct).
- In addition, there are typically some optional (state/local) holidays recognised by each state government.
- Employers compile an annual holiday list each year to cover both national and regional or local holidays, and share it with staff.

Social security and retirement

Provident Fund (PF)

- **Employee:** 12% of basic salary.
- **Employer:** 12% (8.33% to Pension Fund, 3.67% to EPF).
- Mandatory for salaries up to INR 15,000/month; voluntary above this threshold.

Employees' State Insurance (ESI)

- Covers medical benefits, sickness, maternity, and disability.
- Contribution deadlines: by the 15th of the following month.

Regional variations

- ESI coverage depends on the availability of dispensaries in specific regions.

Retirement scheme

Gratuity:

- Payable to employees with ≥5 years of continuous service.
- Calculation: 15 days' wages for each completed year of service (based on the last drawn basic salary).
- National Pension Scheme (NPS):
- Optional, government-backed savings scheme available to employees in the private sector.
- Allows additional retirement savings with tax benefits under Section 80CCD.

Work injury compensation

- Employers must have work injury compensation insurance for eligible employees.
- Governed by the Employee's Compensation Act, 1923.
- Employer is liable to compensate employees for workplace injuries, accidents, or occupational diseases.
- Compensation depends on the nature of injury and salary.
- Regional enforcement may vary based on state-specific guidelines.

Tax

Personal Income Tax (PIT)

- Progressive rates:
 - Old tax regime – FY 2025-26

Taxable income (Annual)	Tax rate
Up to INR 2.5 lakh	0%
INR 2.5–5 lakh	5%
INR 5–10 lakh	20%
Above INR 10 lakh	30%

- New tax regime – FY 2025-26

Taxable income (Annual)	Tax rate
Up to INR 3.00 lakh	0%
INR 3 – 7 lakh	5%
INR 5 –10 lakh	10%
INR 10 – 12 lakh	15%
INR 12 – 15 lakh	20%
Above INR 15 lakh	30%

- Rebate:
 - For new regime – tax rebate up to INR 60,000 is applicable if the total income does not exceed INR 1,200,000 (not applicable for NRIs). Therefore, no tax for an income up to INR 1,200,000.
 - For old regime – tax rebate up to INR 12,500 is applicable if the total income does not exceed INR 500,000 (not applicable for NRIs). Therefore, no tax for an income up to INR 500,000.
- Standard deduction: The standard deduction for salaried employees is INR 75,000 under the new regime.
- Regional allowances like HRA are tax-exempt if paid to employees in eligible cities.

Withholding tax (WHT)

Withholding tax varies for non-residents, with rates ranging from 10%-40%.

Employer obligations

Tax deducted at source (TDS) deductions must be remitted to the government by the 7th of the following month.

Termination

Notice period

- Commonly 1-3 months, subject to contract terms.
- Governed by the Industrial Disputes Act and state amendments.

Severance pay

- Required as per the Industrial Disputes Act for employees in specific industries (e.g., manufacturing).
- Example: 15 days' wages for every year of service.

Offboarding requirements

Offboarding requirements include final settlement of dues, Form 16 issuance, and PF transfer/withdrawal.

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Country and territory backgrounds and workplace norms

General information

- **Currency:** Indonesian Rupiah (IDR)
- **Tax year:** 1 January – 31 December
- **Working hours:**
 - Standard: 40 hours/week
 - Daily: Up to 7 hours a day for 6 workdays or 8 hours a day for 5 workdays, with flexible arrangements possible
- **Payroll cycle:** Monthly

Governing laws

- **Labour Law Cluster of Law Number 11 of 2020:** Government Regulation Number 34 of 2021 regarding utilisation of foreign workers; Government Regulation Number 35 of 2021 regarding fixed-term employment, outsourcing, working hours, breaks and employment termination; Government Regulation Number 36 of 2021 regarding wages; and Government Regulation Number 37 of 2021 regarding job loss security.

Mandatory registrations

Employers must register with:

1. **Indonesian Tax ID (NPWP), Electronic Identification Number (E-FIN) & Electronic Bukti Potong (E-Bupot):** For tax deduction and compliance.
2. **BPJS Social Security:** For old-age benefits, life insurance, working accident insurance, job loss contribution and pension contributions.
3. **BPJS Healthcare:** For medical insurance.

Registration	General requirement	State-specific variations
NPWP, E-FIN and E-Bupot	Mandatory for all entities in Indonesia	Uniform across the country.
BPJS Social Security	Mandatory for all employees, except for foreigners making pension contributions	Specific rates and thresholds apply.
BPJS Healthcare	Mandatory for all employees	Specific rates and thresholds apply.

Work visa requirements

Types of work visas

Limited Stay Permit (KITAS) and Working Visa (IMTA):

- For certain work positions sponsored by an employer.
- Requires a minimum salary at market rates.

Ease of obtaining

Documentation and compliance are strict; immigration laws could change frequently.

Employment contracts and policies

Contracts

- Written contracts are highly recommended and often required.
- Must comply with the Labour Law Cluster of Law Number 11 of 2020.

Employee handbook

Useful for outlining company policies, benefits, and compliance with regional laws and required for entities with 10 employees or more.

Employment commencement

Probation period

An employment agreement for an unspecified time may require a probation period for no longer than 3 months.

Payslip requirements

Itemised payslips must include details of earnings, tax deductions, and social security contributions.

Compensation, wages, and allowances

Minimum wage

- Set by the Minister of Manpower; varies by province.
- Example: As of 2025, the national minimum wage in Jakarta is IDR 5,396,760 per month.

Overtime

- Governed by the Government Regulation Number 35/2021.
- Maximum of 4 hours per day and 18 hours per week.

Common allowances and taxability

- **Taxable:** Car allowance, meal allowance, Festive Allowance (According to Minister of Manpower No. 6/2016).
- **Non-taxable:** Travel claims (up to certain limits).

Payment frequency

Monthly, on or before the end of the month.

Employee benefits and leave

Statutory benefits

BPJS Social Security and Healthcare: Employer contributes 10.24% to 11.27% of wages.

Statutory leave entitlements

- **Annual leave:** 12 days/year.
- **Maternity leave:** 3 months.
- **Parental leave:** 2 days.
- **Sick leave:** When supported by medical certificate, up to 4 months, depending on the seriousness of the illness for a prolonged illness.
 - For the next 4 months' sick leave, the employee is entitled to receive 75% of wages. For the third 4 months of sick leave, the employee is entitled to receive 50% of wages. For the subsequent months, the employee is entitled to receive 25% of wages prior to termination.

Public holidays

- Employees are entitled to 15 paid national public holidays per year
- State-specific holidays: Vary by region (e.g., Election day).

Social security and retirement

BPJS Social Security

- **Employer contribution:** 6.24% to 7.27% on wages with certain cap
- **Employee contribution:** 3% on wages with certain cap

Retirement scheme

- **Superannuation:** Main retirement savings scheme.
- **Age pension:** Government-provided pension.

Work injury compensation

- Employers must have workers' compensation insurance for eligible employees.
- Governed by state-specific Workers' Compensation Acts.
- Employer is liable to compensate employees for workplace injuries, accidents, or occupational diseases.
- Compensation depends on the nature of injury and salary.

Tax

Personal Income Tax (PIT)

Effective tax rate for withholding income tax Article 21 based on PP 58/2023 to be applied in January - November.

Progressive rates to be applied in December on last period of the current tax year:

Taxable income (Annual)	Tax rate
Up to IDR 60,000,000	5%
IDR 60,000,001 up to IDR 250,000,000	15%
IDR 250,000,001 up to IDR 500,000,000	25%
IDR 500,000,001 up to IDR 5 billion	30%
Above IDR 5 billion	35%

Withholding tax (WHT)

Withholding tax varies for non-residents, with rates ranging from 5%-35%.

Employer obligations

- Employee income tax withholding must be reported to the Tax Portal by the 20th of the following month.
- Employer registers and pays the monthly billing contributions of employees to BPJS Social Security and BPJS Healthcare.

Termination

Notice period

Commonly 7-14 days, based on Government Regulation Number 35/2021.

Severance pay

Required under Government Regulation Number 35/2021 with calculations based on employee's length of service.

Offboarding requirements

Includes final settlement of dues, issuance of separation certificates, tax and BPJS deregistration.

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Country and territory backgrounds and workplace norms

General information

- **Currency:** Japanese Yen (JPY)
- **Tax year:** 1 January – 31 December
- **Working hours:**
 - Standard: 40 hours/week
 - Daily: Up to 8 hours, with flexible arrangements possible
- **Payroll cycle:** Monthly

Governing laws

Japan has several labour laws that govern employment matters and provide protections for workers. Some of the key labour laws in Japan include:

- **Labour Standards Act (LSA):** This is the main piece of labour legislation in Japan. It sets out basic working conditions, such as working hours, wages, overtime, and paid leave. It also governs employment contracts, termination, and other labour conditions to protect workers' rights.
- **Employment Security Act:** This act aims to ensure job security for workers by promoting employment stability. It includes measures related to employment services and the prevention of unjust dismissal.
- **Industrial Safety and Health Act:** This law requires employers to maintain a safe and healthy working environment. It covers safety measures, worker health, and preventing workplace accidents and diseases.

- **Workers' Accident Compensation Insurance Act (WACI):** This law provides workers with compensation for work-related accidents, injuries, or illnesses. Employers are required to enrol employees in the insurance scheme, and workers can receive medical care and financial support if injured on the job.
- **Equal Employment Opportunity Act:** This act aims to eliminate discrimination in employment based on gender. It mandates equal treatment for men and women in hiring, job assignments, promotions, and other aspects of employment.
- **Minimum Wage Act:** This law sets the minimum wage that employers must pay employees. The rate is set regionally and is reviewed annually to ensure that wages meet the basic needs of workers.
- **The Labour Union Act:** This law grants workers the right to form or join labour unions and collectively bargain for better working conditions. It also protects workers against unfair practices related to union activities.
- **Maternity and Childcare Leave Laws:** These laws grant employees rights to maternity, paternity, and childcare leave. They also provide for financial support during leave periods and job protection. These laws help maintain a fair and balanced labour market in Japan. In addition to national laws, there are local regulations that can also govern specific sectors or issues related to employment.
- Data privacy is governed by the **Act on the Protection of Personal Information (APPI)**. Employers must ensure secure handling of employee information, adhering to local data protection rules.

Mandatory registrations

Employers must register with:

- 1. Social Insurance Office:** For health and pension insurance.
- 2. Tax Office:** For tax deduction and compliance.
- 3. Labour Standards Inspection Office:** For employment registration and compliance with labour laws.

Registration	General requirement	State-specific variations
Social Insurance	Mandatory for all employees.	Contribution rates vary by region.
Employment Insurance	Mandatory for all employees.	
Withholding tax	Central government imposes;	Uniform across all regions.

Work visa requirements

Types of work visas

The main types of work visas for foreign nationals working in Japan are as follows:

- Engineer/Specialist in Humanities/International Services
- Intra-Company Transferee
- Highly Skilled Professional
- Business Manager

They generally require a valid employment contract and relevant qualifications.

Ease of obtaining

- Documentation and compliance are strict.
- Processing time has been increasing

Employment contracts and policies

Contracts

- Written contracts are highly recommended and often required.
- Must comply with the Labour Standards Act and local regulations.

Employee handbook

- Useful for outlining company policies, benefits, and compliance with regional laws.
- Required to be submitted to the Labor Standards Office if the company employs 10 or more regular employees at a single place of business, including an opinion from the Employee Representative.

Employment commencement

Probation period

Typically 1 to 6 months; widely practiced but not mandated.

Payslip requirements

Itemised payslips must include details of earnings, tax deductions, and social insurance contributions.

Compensation, wages, and allowances

Minimum wage

- Set by local governments; varies by region.
- Example: As of 2025, the minimum wage in Tokyo is higher than in many other regions.

Overtime

- Governed by the Labour Standards Act.
- Generally, 1.25x hourly wage for overtime, 1.5x for late-night work, and 1.35x for holidays.

Common allowances and taxability

- **Taxable:** Housing allowance, meal allowance.
- **Non-taxable:** Commuting allowance (up to certain limits).

Payment frequency

Monthly

Employee benefits and leave

Statutory benefits

- **Social insurance:** Covers health and pension.
- **Employment insurance:** Provides benefits for unemployment and job training.

Statutory leave entitlements

- **Annual leave:** 10–20 days per year, based on years of service.
- **Sick leave:** Not mandated but often provided by employers.
- **Maternity leave:** 14 weeks of paid leave.
- **Paternity leave:** The length of paternity or childcare leave varies depending on the company and the individual's employment contract. Under the papa kyūka system, male employees can take up to 8 weeks of leave following the child's birth. After the postnatal period ends, they are entitled to childcare leave until the child reaches the age of one, and this can be taken in one continuous block or multiple periods of leave.

The requirements to take paternity leave:

- Employees have to work for a company for at least one year.
- Employees must provide their employers with a copy of the birth certificate.
- **Childcare allowance:** Both female and male employees are eligible for a childcare leave allowance during childcare leave. Each employee will receive 67% of their normal base salary for the first 6 months and 50% for the rest of the leave. The compensation is covered by labour insurance, and the employee won't be charged income tax because it is not income.

Public holidays

- Employees are entitled to public holidays as designated under the Act on National Holidays, which currently includes 16 days per year.
- Paid leave and compensation for working on public holidays depend on company-specific regulations or individual employment contracts.

- In addition to national holidays, many Japanese companies voluntarily close during traditional holiday periods—such as the Year-End and New Year Holidays (typically December 29 to January 3) and Obon holidays (typically around mid-August, with dates varying each year). Although these are not officially recognised as national holidays, they are granted at the company's discretion and communicated annually via the work calendar.

Social security and retirement

Social insurance

Social insurance comprises the following schemes:

- **Health insurance:**
 - Contribution approximately 4.95% of gross salary for both employee and employer.
 - Capped at a monthly salary of JPY 1,390,000.
- **Welfare pension:**
 - Contribution approximately 9.15% of gross salary for both employee and employer.
 - Capped at a monthly salary of JPY 650,000 (rising to JPY 750,000 by 2029).
- **Long-term care insurance:**
 - Applicable only to employees aged 40 or above.
 - Contribution approximately 0.9% of gross salary for both employee and employer.
 - Capped at a monthly salary of JPY 1,390,000.
- **Unemployment insurance:**
 - Contribution 0.6% of gross salary for both employee and employer.
 - No cap.
- **Workers' Accident Compensation Insurance:**
 - Contribution 0.25% to 8.8% of gross salary depending on industry.
 - Employer pays 100%.
 - Generally mandatory for all employees, with some exceptions for employment status, hours worked, and company size.

Retirement scheme

- **Pension insurance:** Main retirement savings scheme.
- Voluntary additional contributions possible.

Work injury compensation

- Employers must have work injury compensation insurance for eligible employees.
- Employer is liable to compensate employees for workplace injuries, accidents, or occupational diseases.
- Compensation depends on the nature of injury and salary.

Tax

Personal Income Tax (PIT)

Japan applies a progressive national income tax rate on annual taxable income, plus local inhabitant tax and a special reconstruction surtax.

1. National income tax

Taxable income (Annual)	Tax rate	Deduction
Up to JPY 1,950,000	5%	–
JPY 1,950,001 – JPY 3,300,000	10%	¥97,500
JPY 3,300,001 – JPY 6,950,000	20%	¥427,500
JPY 6,950,001 – JPY 9,000,000	23%	¥636,000
JPY 9,000,001 – JPY 18,000,000	33%	¥1,536,000
JPY 18,000,001 – JPY 40,000,000	40%	¥2,796,000
Over JPY 40,000,000	45%	¥4,796,000

2. Special reconstruction income tax

- 2.1% surcharge on the national income tax amount.
- In effect to at least 2037.

3. Local inhabitant tax

- Flat 10% of prior year's taxable income (regardless of bracket).
- Typically withheld from monthly salary from June to May of the following year.

Withholding tax (WHT)

- Government issues monthly withholding tax tables based on the salary amount, marital status and social insurance deductions, resulting in a monthly income tax deduction for employees that approximates the annual liability.
- In December, as part of the Year-End Adjustment process, employers reconcile total income, actual tax withheld, deduction eligibility, and refund the excess to, or collect the shortage from employees.
- Varies for non-residents, with rates ranging from 20%-40%.

Employer obligations

- Withholding tax deductions must be remitted to the government by the 10th of the following month.
- Semi-annual settlement option for companies with less than 10 employees.

Termination

Notice period

Commonly 1 month, subject to contract terms. Governed by the Labour Standards Act and local regulations.

Severance pay

Required as per the Labour Standards Act for employees with continuous service.

Example: 1 month's salary for each year of service.

Offboarding requirements

Offboarding requirement include final settlement of dues, issuance of separation certificates, and social insurance withdrawal.

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Country and territory backgrounds and workplace norms

General information

- **Currency:** South Korean Won (KRW)
- **Tax year:** 1 January – 31 December
- **Working hours:**
 - Standard: 40 hours/week
 - Daily: Up to 8 hours, with flexible arrangements possible
- **Payroll cycle:** Monthly

Governing laws

- Labour Standard Act
- Act on the Guarantee of Employee’s Retirement Benefits
- Wage Claim Guarantee Act
- Minimum Wage Act
- Equal Employment Opportunity and Work-Family Balance Assistance Act
- Act on the Protection of Fixed-Term and Part-Time Employees
- Act on the Protection of Temporary Agency workers
- Data privacy is governed by the Personal Information Protection Act (PIPA). Employers must ensure secure handling of employee information, adhering to local data protection rules.

Mandatory registrations

Employers must register with:

1. **National Tax Service (NTS):** For tax deduction and compliance.
2. **National Pension Service (NPS):** For pension contributions.
3. **National Health Insurance Service (NHIS):** For health insurance.
4. **Employment Insurance:** For unemployment insurance.
5. **Workers’ Compensation**
6. **Insurance:** For work injury insurance.

Registration	Requirement
National Pension	Mandatory for all employees.
National Health Insurance	Mandatory for all employees.
Employment Insurance	Mandatory for Koreans Optional for foreigners depending on visa
Workers' Compensation Insurance	Mandatory for all employees.

Work visa requirements

Types of work visas

E-7 Visa (Specially Designated Activities):

- For foreign nationals working in South Korea.
- Requires a valid employment contract and relevant qualifications.

Ease of obtaining

Documentation and compliance are strict; varies by region depending on local authorities

Employment contracts and policies

Contracts

- Written contracts are highly recommended and often required.
- Must comply with the Labour Standards Act and local regulations.

Rules of employment

Useful for outlining company policies, benefits, and compliance with laws.

Employment commencement

Probation period

Typically 1 to 3 months; widely practiced but not mandated.

Payslip requirements

Itemised payslips must include details of earnings, tax deductions, and social insurance contributions.

Compensation, wages, and allowances

Minimum wage

- Governed by the Minimum Wage Act and set by the Ministry of Employment and Labour; varies by industry and role.
- Example: As of 2025, the minimum wage is KRW 10,030 per hour

Overtime

- Governed by the Labour Standards Act.
- Generally, 1.5x hourly wage for overtime, 2x for weekends 3x for and public holidays.

Common allowances and taxability

- **Taxable:** Housing allowance.
- **Non-taxable:** Meal allowance, Commuting allowance (up to certain limits).

Payment frequency

Monthly

Employee benefits and leave

Statutory benefits

- **National Pension:** Employer and employee each contribute 4.5% of the employee's monthly salary
- **National Health Insurance:** Employer and employee each contribute 3.545% of the employee's monthly salary
- **Employment Insurance:** Employer contributes 1.15-1.75%, employee contributes 0.9%
- **Workers' Compensation Insurance:** Employer contributes 0.5-18.5% depending on the industry

Statutory leave entitlements

- **Annual leave:** 15 days/year, increasing with years of service.
- **Sick leave:** not required
- **Maternity leave:** 90 days paid leave.
- **Paternity leave:** 20 days paid leave

Public holidays

- Employees are entitled to 15 public holidays per year (e.g., Lunar New Year, Chuseok, National Foundation Day).
- Public holidays are mandated across both private and public sectors.
- Holiday pay and compensation for working on such days are typically outlined in labour standards law and company policies.

Social security and retirement

National Pension (up to certain limits)

- **Employee:** Contributes 4.5% of salary.
- **Employer:** Contributes 4.5% of salary.
- Mandatory for all employees.

Retirement scheme

- **National Pension:** Main retirement savings scheme.
- Voluntary additional contributions possible.

Work injury compensation

- Employers must have work injury compensation insurance for eligible employees.
- Governed by the Industrial Accident Compensation Insurance Act.
- Employer is liable to compensate employees for workplace injuries, accidents, or occupational diseases.
- Compensation depends on the nature of injury and salary.

Tax

Personal Income Tax (PIT)

Progressive rates (excluding local income tax):

Taxable income (Annual)	Tax rate
Up to KRW 14 million	6%
KRW 14 million – 50 million	15%
KRW 50 million – 88 million	24%
KRW 88 million – 150 million	35%
KRW 150 million – 300 million	38%
KRW 300 million – 500 million	40%
KRW 500 million – 1 billion	42%
Above KRW 1 billion	45%

Withholding tax (WHT)

Varies for non-residents, with rates ranging from 20%-40% (excluding any impact of tax treaties).

Employer obligations

PIT deductions must be remitted to the government by the 10th of the following month, with annual year-end settlement.

Termination

Notice period

Commonly 1 month for resignation, subject to contract terms. Dismissals are strictly regulated.

Severance pay

Required as per the Labour Standards Act for employees with continuous service and corresponding to at least 30 days' average wages per year of continuous service (subject to the established retirement benefit system. This is due also in case of resignation.

Offboarding requirements

Includes final settlement of dues, issuance of separation certificates, and social insurance transfer/withdrawal.

Forvis Mazars contact



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Country and territory backgrounds and workplace norms

General information

- **Currency:** Malaysian Ringgit (MYR)
- **Tax year:** 1 January – 31 December
- **Working hours:**
 - Standard: 45 hours/week
 - Daily: Up to 8 hours, with flexible arrangements possible
- **Payroll cycle:** Monthly

Governing laws

- Employment Act 1955
- Data privacy is governed by the Personal Data Protection Act 2010 (PDPA). Employers must ensure secure handling of employee information, adhering to local data protection rules.

Mandatory registrations

Employers must register with:

1. **Inland Revenue Board (IRB):** For tax deduction and compliance.
2. **Employees Provident Fund (EPF):** For retirement contributions.
3. **Social Security Organisation (SOCSO):** For social security contributions. and Employment Insurance System (EIS) contributions.
4. **Human Resources Development Corporation (HRD Corp):** For training levies (if applicable).

Registration	General requirement	State-specific variations
Employees Provident Fund (EPF)	Mandatory for all employees.	Uniform across all regions.
Social Security Organisation (SOCSO)	Mandatory for all employees.	Uniform across all regions.
Employment Insurance System (EIS)	Mandatory for local employees except government employees, domestic workers and the self-employed.	Uniform across all regions.
Human Resources Development Fund (HRDF)	Mandatory for employers with ten (10) or more employees having activities covered under PSMB Act 2001.	Varies by sector and employer size.

Work visa requirements

Types of work visas

Employment Pass:

- For foreign nationals working in Malaysia.
- Requires a valid employment contract and relevant qualifications.

Ease of obtaining

Documentation and compliance are strict; immigration laws could change frequently.

Employment contracts and policies

Contracts

- Written contracts are highly recommended and often required.
- Must comply with the Employment Act 1955 and local regulations.

Employee handbook

Useful for outlining company policies, benefits, and compliance with regional laws.

Employment commencement

Probation period

Typically, 1 to 6 months; widely practiced but not mandated.

Payslip requirements

Itemised payslips must include details of earnings, tax, EPF/SOCSO/EIS contributions and other deductions.

Compensation, wages, and allowances

Minimum wage

- Effective from 1 February 2025, employers with five (5) or more employees must implement a minimum wage of MYR 1,700.00 per month.
- Effective from 1 August 2025, employers with fewer than five (5) employees must implement a minimum wage of MYR 1,700.00 per month.

Overtime

- Governed under Employment Act 1955.
- Overtime work carried out in excess of normal working hours must be paid at not less than one and a half (1.5) times the hourly rate of pay.
- Overtime work carried out in excess of normal working hours must be paid at not less than one and a half (1.5) times the hourly rate of pay.
- Overtime work carried out in excess of normal working hours must be paid at not less than one and a half (1.5) times the hourly rate of pay.

Common allowances and taxability

- **Taxable:** Living accommodation benefit, Fixed telephone allowance
- **Tax exempt allowances/perquisites/gifts or benefits:** Travelling for official duties, childcare, one unit of phone, PDA, or pager, one phone/ internet bills, purchase of smartphone/tablet/PC, awards, parking, meal and subsidised loan interest (up to certain limit)

Payment frequency

- Regular wages (after lawful deductions): Must be paid no later than the 7th day after the end of the wage period.
- Wages for rest days, public holidays, and overtime: Must be paid by the last day of the next wage period.

Employee benefits and leave

Statutory benefits

- **EPF:** Employer contributes 12-13%, employee contributes 11% of monthly salary
- **SOCSO:** Employer contributes 1.75%, employee contributes 0.5% of monthly salary
- **EIS:** Employer contributes 0.2%, employee contributes 0.2% of monthly salary
- **HRD Corp:** Employer contributes 1% of monthly salary for eligible sectors

Statutory leave entitlements

- **Annual leave:** 8-16 days/year, based on years of service.
- **Sick leave:** 14-22 days/calendar year, based on years of service.
- **Hospitalisation leave:** 60 days/calendar year
- **Maternity leave:** Not less than 98 consecutive days.
- **Paternity leave:** 7 consecutive days.

Public holidays

- Employees are entitled to 11 paid gazetted public holidays.
- Employers may choose to observe public holidays declared by the State or Federal Territory where the employee mainly works.

Social security and retirement

EPF

- **Employees below 60 years old**
 - Employee: Contributes 11% of monthly salary
 - Employer:
 - 13% if salary is MYR 5,000 or below
 - 12% if salary is above MYR 5,000
 - MYR 5 for non-Malaysians registered from 1 August 1998
- **Employees aged 60 and above**
 - Employee:
 - 0% for Malaysians
 - 5.5% for Permanent Residents (PRs) and non-Malaysians
 - Employer:
 - 4% for Malaysians (no salary limit)
 - 6.5% for PRs/non-Malaysians (registered before 1 August 1998) with salary below MYR 5,000
 - 6% for PRs/non-Malaysians (registered before 1 August 1998) with salary above MYR 5,000
 - MYR 5 for non-Malaysians registered from 1 August 1998
- Employers must contribute EPF for all employees under a Contract of Service or Apprenticeship, unless exempted under the First Schedule of the EPF Act 1991.

Retirement scheme

- **EPF:** Main retirement savings scheme.
- Voluntary additional contributions possible.

Work injury compensation

- Employers must have work injury compensation insurance for eligible employees.
- Only foreign workers are governed under the Workmen's Compensation Act 1952 whereas Malaysian workers are covered under Employees Social Security Act 1969.
- SOCSO provides coverage to eligible employees through Employment Injury Scheme, Invalidity Scheme, Employment Insurance System, Employment Injury Scheme for Foreign Workers.
- Employer is liable to compensate employees for workplace injuries, accidents on duties, or occupational diseases.
- Compensation depends on the nature of injury and salary.

Tax

Personal Income Tax (PIT)

Progressive rates:

Taxable income (Annual)	Tax rate
Up to MYR 5,000	0%
MYR 5,001 – 20,000	1%
MYR 20,001 – 35,000	3%
MYR 35,001 – 50,000	6%
MYR 50,001 – 70,000	11%
MYR 70,001 – 100,000	19%
MYR 100,001 – 400,000	25%
MYR 400,001 – 600,000	26%
MYR 600,001 – 2,000,000	28%
Above MYR 2,000,000	30%

Withholding tax (WHT)

Withholding tax varies for non-residents, with rates ranging from 0% to 25%.

Employer obligations

Monthly Tax Deductions (MTD), EPF, SOCSO, EIS, HRD Corp and Zakat contributions, whichever applicable, must be remitted to the respective statutory authorities by the 15th of the following month.

Termination

Notice period

- **Less than 2 years of service:** 4 weeks' notice
- **Between 2 to 5 years of service:** 6 weeks' notice
- **More than 5 years of service:** 8 weeks' notice

Severance pay

Under the Employment (Termination and Lay-Off Benefits) Regulations 1980

- **Less than 2 years of service:** Not less than 10 days' wages for each year of service
- **2 to 5 years of service:** Not less than 15 days' wages for each year of service
- **More than 5 years of service:** Not less than 20 days' wages for each year of service

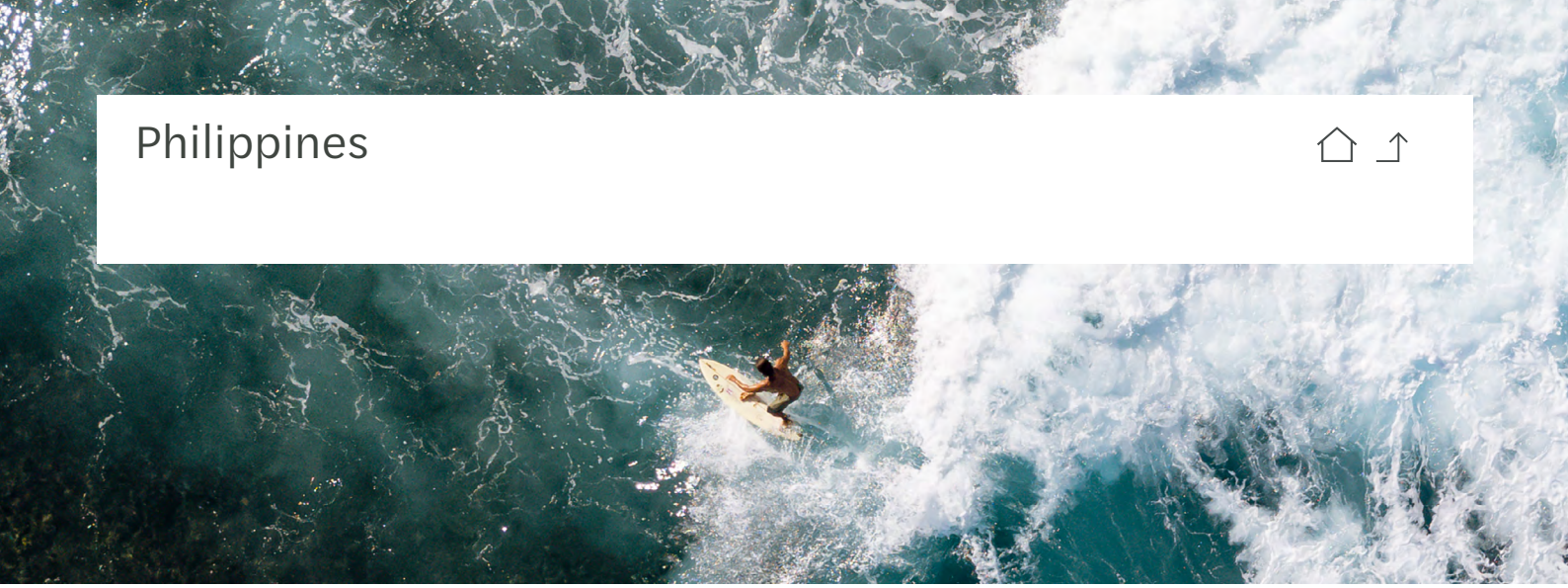
Offboarding requirements

Offboarding requirements include final settlement of dues, issuance of separation certificates, and IRB/EPF/SOCSO and other statutory authorities transfer/withdrawal as employer representatives, whichever applicable.

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Country and territory backgrounds and workplace norms

General information

- **Currency:** Philippine Peso (PHP)
- **Tax year:** 1 January – 31 December
- **Working hours:**
 - Standard: 40-44 hours/week
 - Daily: Up to 8 hours, with flexible arrangements possible
- **Payroll cycle:** Semi-monthly

Governing laws

- Labour Code
- National Internal Revenue Code
- Data privacy is governed by the Data Privacy Act of 2012. Employers must ensure secure handling of employee information, adhering to local data protection rules.

Mandatory registrations

Employers must register with:

1. **Bureau of Internal Revenue (BIR):** For tax deduction and compliance (TIN).
2. **Social Security System (SSS):** For social security contributions.
3. **Philippine Health Insurance Corporation (PhilHealth):** For health insurance.
4. **Home Development Mutual Fund (Pag-IBIG Fund):** For housing fund contributions.

Registration	General requirement	State-specific variations
Social Security System (SSS)	Mandatory for all employees.	Uniform across all regions.
Philippine Health Insurance Corporation (PhilHealth)	Mandatory for all employees.	Uniform across all regions.
Home Development Mutual Fund (Pag-IBIG Fund)	Mandatory for all employees.	Uniform across all regions.

Work visa requirements

Types of work visas

9(g) Pre-arranged Employment Visa:

- For foreign nationals working in the Philippines.
- Requires a valid employment contract and relevant qualifications.

Ease of obtaining

Documentation and compliance are strict; varies by region depending on local authorities.

Employment contracts and policies

Contracts

- Written contracts are highly recommended and often required.
- Must comply with the Labour Code of the Philippines and local regulations.

Employee handbook

Useful for outlining company policies, benefits, and compliance with regional laws.

Employment commencement

Probation period

Typically 6 months; widely practiced and regulated.

Payslip requirements

Itemised payslips must include details of earnings, tax deductions, and statutory contributions.

Compensation, wages, and allowances

Minimum wage

- Set by the Regional Tripartite Wages and Productivity Board; varies by region.
- Example: As of 2025, the minimum wage in the Manila metropolitan area is higher than in many other regions

Overtime

- Governed by the Labour Code.
- Generally, 1.25x hourly wage for regular overtime, 1.3x for rest days and special non-working holidays, and 2x for regular or legal holidays.

Common allowances and taxability

- **Taxable:** Allowances for housing, travel or transportation, and communication.
- **Non-taxable/De Minimis:** Allowances for rice, uniform, medical, and laundry (up to certain limits).

Payment frequency

At least once every two weeks or twice a month, with paydays not more than 16 days apart.

Employee benefits and leave

Statutory benefits

- **SSS:** Employer contributes 10%, and employee contributes 5% of monthly salary.
- **PhilHealth:** Employer contributes 2.5 %, and employee contributes 2.5% of monthly salary.
- **Pag-IBIG:** Employer and employee each contribute 2% of PHP 10,000 or PHP 200.

Statutory leave entitlements

- **Statutory leave:** Minimum of 5 days/year (Service Incentive Leave), but most companies provide above this requirement.
- **Sick leave:** Not mandated, but often provided by employers.
- **Maternity leave:** 105 days paid leave.
- **Paternity leave:** 7 days, plus up to another 7 days allocated from the mother's maternity leave.

Public holidays

Employees are entitled to 11 regular holidays (e.g., New Year, Independence Day, Christmas) and several special non-working days determined annually by proclamation. [Learn more](#)

Social security and retirement

SSS

- **Employee:** Contributes 5% of salary.
- **Employer:** Contributes 10% of salary.
- Mandatory for all employees.

Retirement scheme

- **SSS Pension:** Main retirement savings scheme.
- Voluntary additional contributions possible.

Work injury compensation

- Employers must have work injury compensation insurance for eligible employees.
- Governed by the Employees' Compensation Commission (ECC).
- Employer is liable to compensate employees for workplace injuries, accidents, or occupational diseases.
- Compensation depends on the nature of injury and salary.

Tax

Personal Income Tax (PIT)

Progressive rates:

Taxable income (Annual)	Tax rate
Up to PHP 250,000	0%
PHP 250,001 – 400,000	20%
PHP 400,001 – 800,000	25%
PHP 800,001 – 2,000,000	30%
PHP 2,000,001 – 8,000,000	32%
Above PHP 8,000,000	35%

Withholding tax (WHT)

Withholding tax varies for non-residents, with rates ranging from 15%-25%.

Employer obligations

PIT deductions must be remitted to the BIR by the 10th of the following month.

Termination

Notice period

Generally, 30 days' advance notice, subject to employment contract's terms and conditions.

Severance pay

This is for authorised causes like redundancy, retrenchment, installation of labour-saving devices, closing or cessation of business, and disease. Severance pay is computed at one half-month or one month's salary for every year of service, whichever is higher. Employment for six months or more but less than one year is considered equivalent to one year of service for the purpose of computing severance pay.

Offboarding requirements

Includes final settlement of salaries and benefits, and issuance of Certificate of Tax Withheld (BIR form 2316).

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Country and territory backgrounds and workplace norms

General information

- **Currency:** Singapore Dollar (SGD)
- **Tax year:** 1 January – 31 December
- **Working hours:** 40-44 hours/week
- **Payroll cycle:** Monthly

Governing laws

- Singapore Employment Act
- CPF Act
- Singapore Income Tax Act
- Personal Data Protection Act (PDPA): ensuring secure handling of employee data

Mandatory registrations

Employers must register with:

1. **Central Provident Fund (CPF) Board:**
For employee and employer contributions.
2. **Inland Revenue Authority of Singapore (IRAS):**
For income tax-related matters.
3. **Ministry of Manpower (MOM):** For work pass applications and employment compliance.

Registration	Requirement
Central Provident Fund (CPF) Board	Mandatory for all Singaporeans and Singapore Permanent Residents
Inland Revenue Authority of Singapore (IRAS) for Personal Income Tax	Mandatory for all employees

Work visa requirements

Types of work visas

- **Employment Pass (EP):** For skilled professionals who meet the requirements under the COMPASS system.
- **S Pass:** For mid-skilled workers
- **Work permit:** For lower-skilled workers in specific industries.

Criteria includes salary thresholds, quota limits, and qualifications.

Employment contracts and policies

Contracts

- Must detail salary, hours, benefits, and termination terms.
- Legally binding and must align with the Employment Act.

Employee handbook

Not mandatory but recommended for outlining policies on leave, benefits, and conduct.

Employment commencement

Probation period

Typically ranges from 3 to 6 months. Regardless of probation period, employment benefits to be available after 3 months of service.

Payslip requirements

Itemised payslips are mandatory and must include details such as salary, deductions, and allowances.

Compensation, wages, and allowances

Minimum wage

No nationwide statutory minimum wage, but a Local Qualifying Salary (LQS) is used to access local workforce size.

Overtime

- Applicable for non-exempt employees earning less than or equal to SGD 4,500/month for manual workers or up to SGD 2,600/month for non-manual workers
- Overtime rate is generally 1.5x hourly basic rate, capped at 72 OT hours/month.

Common allowances and taxability

- **Taxable:** Housing, transport, and meal allowances.
- **Non-taxable:** CPF contributions and group medical premiums.

Payment frequency

Salaries must be paid at least once a month, no later than 7 days after the end of the pay period.

Employee benefits and leave

Statutory benefits

- **Annual leave:** Minimum of 7 days, although market practice starts at 14 days for full-time entry-level employees.
- **Medical leave:** 14 days outpatient, 60 days hospitalisation (requires certification).
- **Maternity leave:** Up to 16 weeks for eligible mothers.
- **Paternity leave:** Up to 4 weeks for eligible fathers.
- **Childcare leave:** Up to 6 days/year for parents with young children.

Public holidays

- 11 paid public holidays annually.
- Time off-in-lieu should be granted if exempt employees are required to work on a public holiday.
- Non-exempt employees should be paid for work on a public holiday.

Social security and retirement

Central Provident Fund (CPF)

- The CPF is mandatory for Singapore Citizens and Permanent Residents (PRs).
- CPF contribution limits apply.
- Contribution rates by age (as of 2025):

Age	Employee	Employer
≤ 55 years	20.0% of monthly salary	17.0% of monthly salary
55 - 60 years	17.0%	15.5%
60 - 65 years	11.5%	12.0%
65 - 70 years	7.5%	9.0%
> 70 years	5.0%	7.5%

- Covers retirement, housing, and healthcare (Medisave).

Contribution deadlines

- CPF contributions must be submitted by the 14th of each month for the preceding month.
- Late payments may incur penalties and interest.

Retirement scheme

CPF is the core savings plan for retirement, providing financial security for citizens and PRs.

Work injury compensation

Employers must have work injury compensation insurance for eligible employees.

Tax

Personal Income Tax (PIT)

- Progressive rates: 0% to 24% (highest for income more than SGD 1 million).
- Types of tax relief include Parent Relief, Spouse Relief, and Course Fee Relief.
- Income tax filing deadlines: April 15 (paper) or April 18 (e-filing).

Withholding tax (WHT)

- Applies to non-residents for specific income (e.g., fees, royalties).
- Rates: 10%-15%, subject to treaties.

Employer obligations

- Submit employee income data (Form IR8A) to IRAS by 1 March each year.
- Withhold tax from the salary of non-local employees and file Tax Clearance (IR21) at least one month before the last day of employment.

Termination

Notice period

Ranges from 1 day to 4 weeks, depending on length of service.

Severance pay

Not mandatory unless specified in employment contracts or if employment exceeds 2 years

Offboarding requirements

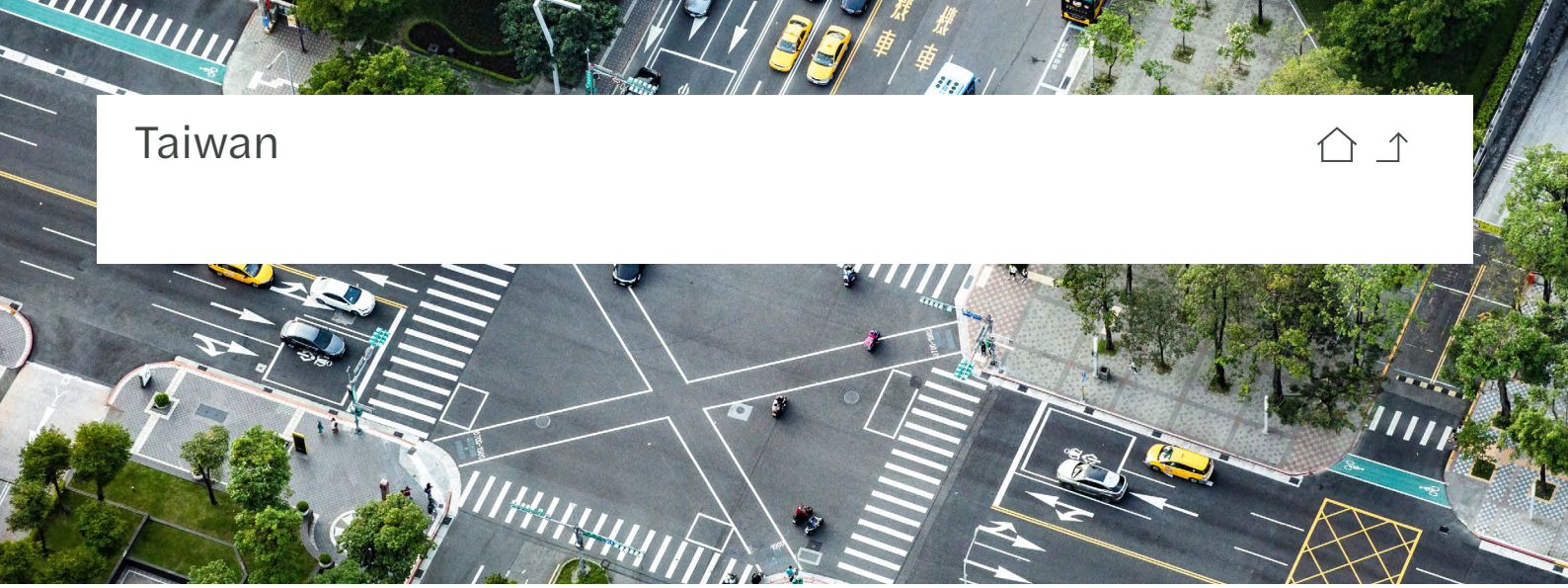
Termination must adhere to the Employment Act.

Forvis Mazars contact



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Country and territory backgrounds and workplace norms

General information

- **Currency:** New Taiwan Dollar (TWD)
- **Tax year:** 1 January – 31 December
- **Working hours:**
 - Standard: 40 hours/week
 - Daily: Up to 8 hours, with flexible arrangements possible
- **Payroll cycle:** Monthly

Governing laws

- Labor Standards Act
- Data privacy is governed by the Personal Data Protection Act (PDPA). Employers must ensure secure handling of employee information, adhering to local data protection rules.

Mandatory registrations

Employers must register with:

1. **National Taxation Bureau:** For tax deduction and compliance.
2. **Bureau of Labour Insurance (BLI):** For labour insurance and employment insurance.
3. **National Health Insurance Administration (NHIA):** For health insurance.
4. **Bureau of Labour Funds (BLF):** For pension contributions.

Registration	Requirement
Labour Insurance	Mandatory for all employees.
Health Insurance	Mandatory for all employees.
Pension Fund	Mandatory for all employees.

Work visa requirements

Types of work visas

Employment Gold Card:

- For foreign professionals working in Taiwan.
- Combines work permit, resident visa, and re-entry permit.

Ease of obtaining

Documentation and compliance are strict; varies by region depending on local authorities.

Employment contracts and policies

Contracts

- Written contracts are highly recommended and often required.
- Must comply with the Labour Standards Act and local regulations.

Employee handbook

Useful for outlining company policies, benefits, and compliance with regional laws.

Employment commencement

Probation period

Typically, 1 to 3 months; widely practiced but not mandated.

Payslip requirements

Itemised payslips must include details of earnings, tax deductions, and social insurance contributions.

Compensation, wages, and allowances

Minimum wage

Set by government; as of 2025, the minimum wage is TWD 28,590 per month.

Overtime

- Governed by the Labour Standards Act.
- Generally, 1.34x for overtime within 2 hours and 1.67x for overtime over 2 hours during regular days.

Common allowances and taxability

- **Taxable:** Housing allowance, Travel allowance
- **Non-taxable:** Meal allowance

Payment frequency

At least once a month and should be paid regularly

Employee benefits and leave

Statutory benefits

- **Labour Insurance:** Employer contributes 70%, employee contributes 20%, government contributes 10%
- **Health Insurance:** Employer contributes 60%, employee contributes 30%, government contributes 10%
- **Pension Fund:** Employer contributes 6% of monthly salary

Statutory leave entitlements

- **Annual leave:** 3-30 days/year, based on years of service
- **Sick leave:** 30 days/year with half pay
- **Wedding leave:** 8 days paid leave
- **Funeral leave:** 3-8 days paid leave
- **Maternity Leave:** 8 weeks paid leave
- **Paternity Leave:** 7 days paid leave
- **Parental leave:** 2 years unpaid leave (the company must retain the position during this period)

Public holidays

- Employees are entitled to 16 official public holidays annually, as outlined in local regulations.
- Additional observances may vary by region or organisation but are not legally mandated.

Social security and retirement

Labour Insurance

- **Employee:** Contributes 20% of the premium.
- **Employer:** Contributes 70% of the premium.
- **Government:** Contributes 10% of the premium.
- Mandatory for all employees.

Retirement scheme

- **Pension Fund:** Main retirement savings scheme.
- Voluntary additional contributions possible.

Work injury compensation

- Employers must have work injury compensation insurance for eligible employees.
- Governed by the Labour Insurance Act.
- Employer is liable to compensate employees for workplace injuries, accidents, or occupational diseases.
- Compensation depends on the nature of injury and salary.

Tax

Personal Income Tax (PIT)

Progressive rates:

Taxable income (Annual)	Tax rate
Up to TWD 590,000	5%
TWD 590,001–1,330,000	12%
TWD 1,330,001–2,660,000	20%
TWD 2,660,001–4,980,000	30%
Above TWD 4,980,001	40%

Withholding tax (WHT)

Withholding tax varies for non-residents, with rates ranging from 18%-20%.

Employer obligations

- **Resident:** PIT deductions must be pay to tax office by the 10th of the following month.
- **Non-residents:** PIT deductions must be pay to tax office within 10 days.

Termination

Notice period

1 month, governed by the Labour Standards Act

Severance pay

Required as per the Labour Pension Act for employees with continuous service. Example: half a month's salary for each year of service.

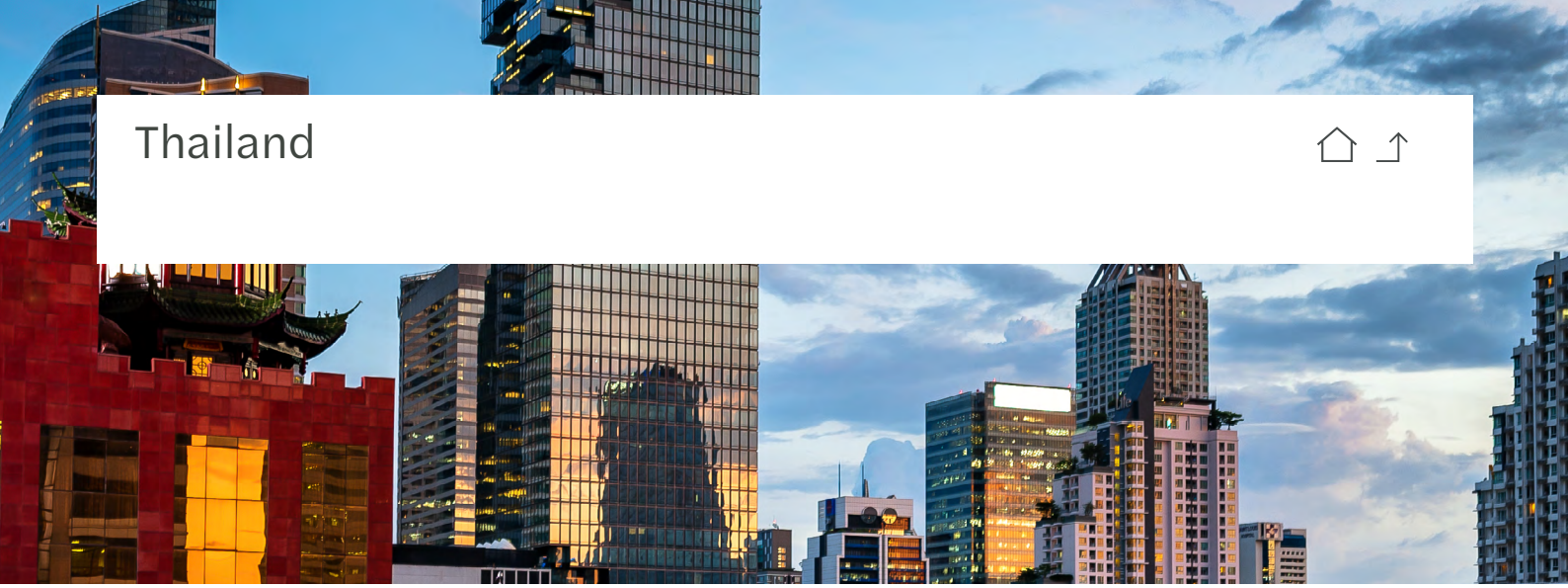
Offboarding requirements

Offboarding requirements include final settlement of dues, issuance of separation certificates, and social insurance transfer/withdrawal.

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Country and territory backgrounds and workplace norms

General information

- **Currency:** Thai Baht (THB)
- **Tax year:** 1 January – 31 December
- **Working hours:**
 - Standard: 40-48 hours/week
 - Daily: Up to 8 hours, with flexible arrangements possible
- **Payroll cycle:** Monthly

Governing laws

- The primary legislation governing employment in Thailand is the Labour Protection Act B.E. 2541 (1998), which delineates the rights and obligations of employers and employees, including the establishment of minimum standards for wages, working hours, and working conditions. Additional pertinent laws include the Labour Relations Act B.E. 2518 (1975) and the Social Security Act B.E. 2533 (1990).
- Data privacy is governed by the Personal Data Protection Act (PDPA). Employers must ensure secure handling of employee information, adhering to local data protection rules.

Mandatory registrations

Employers must register with:

- 1. Revenue Department:** Employers are liable to withhold tax, report and remit it to the Revenue Department.
- 2. Social Security Office (SSO):** Employers must register with the Social Security Office within 30 days of hiring their first employee.

- 3. Employee Welfare Fund:** Effective from 1 October 2025, both employees and employers are required to contribute to the fund.
- 4. Work rules and regulations:** Employers must establish and publish work rules and regulations accessible to employees.
- 5. Employment and Working Conditions (Form Kor Ror. 11):** Employers with 10 or more employees must submit this report.
- 6. Welfare committee:** Employers must establish a Welfare Committee with at least five elected employee representatives within 30 days of reaching 50 employees.
- 7. Workplace safety:** Employers in certain industries (e.g., manufacturing, petrochemicals, construction, and transport) must establish a workplace safety management system upon reaching 50 employees and improve it at least once a year.
- 8. Employment of Persons with Disabilities:** Employers with 100 or more employees must register and report to the Department of Empowerment of Persons with Disabilities
- 9. Department of Skill Development:** Employers with 100 or more employees must register and report to the Department of Skill Development.

Registration	Requirement
Social Security Fund	Mandatory for all employees.
Employee Welfare Fund	Mandatory for all employees.
Provident Fund	Optional but common for retirement savings.

Work visa requirements

Foreign nationals seeking employment in Thailand typically obtain a Non-Immigrant B Visa from a Thai Embassy or Consulate in their home country prior to arrival.

Ease of obtaining

Documentation and compliance are strict and vary by region depending on local authorities.

Employment contracts and policies

Contracts

- Written contracts are highly recommended and often required. Contracts drafted in either Thai or English are acceptable.
- Must comply with the Labour Protection Act and local regulations.

Employee handbook

Employers with ten or more employees are required to prepare a written employee handbook outlining the company's work rules and regulations.

Employment commencement

Probation period

Typically, 1 to 4 months; widely practiced but not mandated.

Payslip requirements

Itemised payslips must include details of earnings, tax deductions, and social insurance contributions.

Compensation, wages, and allowances

Minimum wage

Set by the Ministry of Labour, Thailand's minimum daily wage varies by province and business sector. As of 1 January 2025, it ranges from THB 337 to THB 400 per day, depending on location. A higher minimum wage applies to skilled labour roles.

Overtime

- Governed by the Labour Protection Act.
- **Salaried employee (paid monthly):** 1.5x hourly wage for overtime on working days, 1x hourly wage for working on weekends and holidays, and 3x hourly wage for overtime on weekends and holidays.
- **Daily employee:** 1.5x hourly wage for overtime on working days, 2x hourly wage for working on weekends and holidays, and 3x hourly wage for overtime on weekends and holidays.

Common allowances and taxability

- **Taxable:** Benefits provided by an employer, both in cash and in kind, are treated as assessable income of the employee (e.g., rent-free housing or the amount of tax paid by the employer on behalf of the employee).
- **Non-taxable:** Exemptions are listed per the Revenue Code, Ministerial Regulation and Departmental Instructions (e.g., travel allowances up to certain limits, medical expenses and relocation expenses).

Payment frequency

At least once a month.

Employee benefits and leave

Statutory benefits

- **Social Security Fund:** Both employer and employee contribute 5% of the monthly salary. The seven benefits covered under social security contributions are medical expenses, maternity, invalidity, death, child allowance, pension and unemployment.
- **Employee Welfare Fund:** Employees and employers contribute 0.25% of wages to the fund, increasing to 0.5% from 1 October 2030.
- **Provident Fund:** Optional, with employer and employee contributions.

Statutory leave entitlements

- **Annual leave:** A minimum of 6 working days for employees who have worked for 1 full year, with pay.
- **Sick leave:** Employees may take leave as needed, but employers are only obliged to compensate up to 30 days per year.
- **Sterilisation leave:** For the length of time set out in a medical certificate, with pay throughout the leave period.
- **Business leave:** A minimum of 3 days per year, with full pay for up to 3 working days.
- **Maternity leave:** Up to 98 days per pregnancy, with full pay for up to 45 working days (female employees only).
- **Paternity leave:** None (only 15 days for government sector).
- **Military leave:** Upon call-up from the government, with pay for no more than 60 days per year.
- **Leave for training or development of knowledge and skills:** Up to 30 days or 3 times per annum, at the company's discretion (except for employers of youths).

Public holidays

- **Traditional public holidays:** Minimum of 13 days per year.
- **Regional holidays:** Vary by local customs.

Social security and retirement

Social Security

- **Employee:** Contributes 5% of salary.
- **Employer:** Contributes 5% of salary.
- Mandatory for all employees.

Retirement scheme

- **Provident Fund:** Common retirement savings scheme.
- **Social Security Fund:** Employees covered by the Social Security Fund are eligible for a pension upon retirement. The monthly pension starts at 20% of the average salary earned over the last 60 months before retirement. However, for calculation purposes, the average salary is capped at THB 15,000 per month, even if the employee earned more.
- Voluntary additional contributions possible.

Work injury compensation

- Employers must submit the report and pay the annual contribution to the Workmen's Compensation Fund.
- Governed by the Workmen's Compensation Act.
- The Workmen's Compensation Fund compensates employees for work-related injuries, illnesses, disabilities, deaths, disappearances, loss of organs, or loss of bodily function.
- Compensation depends on the cause of the injury or illness regardless of the time and place.

Tax

Personal Income Tax (PIT)

Progressive rates:

Taxable income (Annual)	Tax rate
Up to THB 150,000	0%
THB 150,001 – 300,000	5%
THB 300,001 – 500,000	10%
THB 500,001 – 750,000	15%
THB 750,001 – 1,000,000	20%
THB 1,000,001 – 2,000,000	25%
THB 2,000,001 – 5,000,000	30%
Above THB 5,000,000	35%

Employer obligations

PIT deductions must be remitted to the Revenue Department by the 7th of the following month, extended to 15th of the following month for e-filing.

Termination

Notice period

Advance notice in writing at or before the pay date to take effect on the following pay date.

Severance pay

Required as per the Labour Protection Act for employees with continuous service:

Years of service	Amount of severance pay
120 days – 1 year	30 days of salary
1 year – 3 years	90 days of salary
3 years – 6 years	180 days of salary
6 years – 10 years	240 days of salary
10 years – 20 years	300 days of salary
20 years and above	400 days of salary

Offboarding requirements

The offboarding process includes the following steps:

- Final settlement of all dues.
- Issuance of separation certificates.
- Notification to and deregistration from the social security fund.
- Notification and processing of provident fund transfers or withdrawals.

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Country and territory backgrounds and workplace norms

General information

- **Currency:** Vietnamese Dong (VND)
- **Tax year:** This is usually the calendar year, from 1 January – 31 December. In some cases, individuals need to use a tax year other than the calendar year.
- **Working hours:**
 - Standard: 40-48 hours/week
 - Daily: 8 hours
- **Payroll cycle:** Usually monthly

Governing laws

- The Labour Code stipulates labour standards, rights, and obligations of employees and employers, as well as state management of labour. This code applies to Vietnamese employees, foreign employees working in Vietnam, and related agencies, organisations, and individuals.
- Data privacy is governed by the Law on Cyber Information Security and the Decree on Personal Data Protection, the Law on Data Protection is currently in the process of being drafted and is expected to be released soon. Employers must ensure secure handling of employee information, adhering to local data protection rules.

Mandatory registrations

Employers must register with:

1. **Tax Department Office:** For tax deduction and compliance.
2. **Vietnam Social Security (VSS) Office:** For social security contributions.

Registration	Requirement
Social Insurance	Mandatory for all employees (except expats with specific requirements).
Health Insurance	
Unemployment Insurance	Mandatory for all local employees only.

Work visa requirements

Requirements from labour perspective

- Under the Labour Code of Vietnam, in order for a foreign employee to legitimately work in Vietnam under an employment contract, the employer shall have the responsibility to apply for a work permit (“WP”) prior to their proposed employment, except in cases where there is an exemption from the requirement to obtain a WP.
- Nevertheless, even in the latter cases, the employer is still obliged to:
 - Apply for issuance of a Certificate of Work Permit Exemption; or
 - Obtain written approval of the need to use foreign employees from, and/or give notification to, the labour management state authority for such employment.

Requirements from immigration perspective

- In order for a foreign employee to legally reside in Vietnam during his/her working period, depending on the validity term of the passport as well as of the granted WP or the eligible case of exemption of the foreign employee, such foreign employee shall be entitled to either of the below immigration-related documents:
 - A visa, which is valid for up to 1 year; or
 - A temporary residence card, which is valid from 1 to 10 years.

Employment contracts and policies

Contracts

- Can be signed directly or digitally.
- Must comply with the Labour Code and local regulations.

Employee handbook

Useful for outlining company policies, benefits, and compliance with regional laws.

Employment commencement

Probation period

Typically, 1 to 2 months; widely practiced but not mandated.

Payslip requirements

Itemised payslips must include details of salary, overtime pay, nightshift pay and deductions (if any).

Compensation, wages, and allowances

Minimum wage by region

- Set by the government, varies by region;
- Example: As of 2025, the minimum wage in Region I (the highest level of minimum wage) is VND 4,496,000.

Overtime

- Governed by the Labour Code.
- Generally, 1.5x hourly wage for overtime on weekdays, 2x for weekends, and 3x for public holidays.

Common allowances and taxability

- **Taxable:** Responsibility allowance, travelling allowance, housing allowance, diligence allowance.
- **Non-taxable:** meal allowance, phone allowance.

Payment frequency

Monthly

Employee benefits and leave

Statutory benefits

- **Mandatory Social Insurance:** Employer contributes 17.5%, employee contributes 8% of the monthly salary*.
- **Health Insurance:** Employer contributes 3%, employee contributes 1.5% of the monthly salary*.
- **Unemployment Insurance:** Both employer and employee contribute 1% of the monthly salary**.

*Some allowances are excluded and the salary is capped currently at VND 46.8 million.

**Some allowances are excluded and the salary cap varies by region, with the highest capped amount being VND 99.2 million.

Retirement scheme

- **Social Insurance:** Main retirement savings scheme.
- Voluntary additional contributions possible.

Statutory leave entitlements

- **Annual leave:** A minimum of 12 days/year, subject to contract terms, increasing by 1 day for every 5 years of service.
- **Sick leave:** 75% of salary with a medical certificate and cover by Social Security.
- **Maternity leave:** Standard duration is 6 months, with potential paid leave covered by the Social Insurance fund with conditions.
- **Paternity leave:** Standard duration is 6 months, with potential paid leave covered by the Social Insurance fund with conditions.

Public holidays

- As of 2021, employees are entitled to 11 statutory public holidays per year (New Year's Day, Lunar New Year, Hung Kings' Commemoration Day, Reunification Day, International Workers' Day, National Day)
- Some official holidays, such as Tet and the Hung Kings Commemoration Day (as they follow the lunar calendar) and National Day, may vary slightly each year. The exact dates are officially confirmed annually by the Prime Minister's proclamation.
- In which the total 11 statutory public holidays started from 2021, the effective date of new Labour Code. The regulation also fixes the number of days off, only the schedule of some public holidays is varied year by year.

Social security and retirement

Social Insurance

- **Employee:** Contributes 8% of salary.
- **Employer:** Contributes 17.5% of salary.
- Mandatory for all employees.

Retirement scheme

- **Social Insurance:** Main retirement savings scheme.
- Voluntary additional contributions possible.

Work injury compensation

- Employers must contribute to the work injury compensation insurance fund as part of the Social Insurance scheme for eligible employees.
- Governed by the Law on Occupational Safety and Health.
- Employer might fully or partially be liable to compensate employees for workplace injuries, accidents, or occupational diseases in certain cases, depending on the circumstances and the employer and employee's level of fault (if any).
- Granted benefit from Social Insurance Office and compensation from employer depends on the nature of injury and salary.

Tax

Personal Income Tax (PIT)

Progressive rates:

Taxable income (Annual)	Tax rate
Up to VND 5 million	5%
VND 5 million – 10 million	10%
VND 10 million – 18 million	15%
VND 18 million – 32 million	20%
VND 32 million – 52 million	25%
VND 52 million – 80 million	30%
Above VND 80 million	35%

Withholding tax (WHT)

- For non-residents, the tax rate is 20%.
- For residents, the tax rate varies as above.

Employer obligations

- PIT deductions must be remitted to the tax authority on a monthly or quarterly basis.
- Prepare and submit the PIT finalisation at the year-end for employees who meet the conditions.

Termination

Notice period

- Commonly, 30 days or 45 days, subject to contract terms. Governed by the Labour Code. It is noteworthy to note that current regulations permit employers to unilaterally terminate a labour contract only under specific conditions.
- Severance pay: Required under the Labour Code for employees with continuous service of 1 year or more with a rate of half month's salary for each year of service. Notably, only periods of employment not covered by unemployment insurance are included in the severance calculation.

Offboarding requirements

Offboarding requirements include final settlement of dues, issuance of separation certificates, and social insurance transfer/withdrawal.

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