SAP SE ("SAP")

SAP Move Plan (“the Plan”)

Tax Review – Key Issues*

India

Country	Key Issues	Page Reference
India	None	N/A

*This table should be read in conjunction with the detailed Tax Review below.

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Tax Review - India

Income Tax		Social tax		Tax withholding requirement	
Does an income tax liability arise?	Tax point	Does an employee social tax liability arise?	Does an employer social tax liability arise?	Income tax	Social tax
Yes[A1]	Payment Date[A1]	No[A2]	No[A2]	Yes[A3]	N/A[A3]

Reporting requirements		Exit taxation?	Any suitable tax efficient arrangements?	Corporate tax deduction available?
Employer	Employee			
Yes[A4]	Yes[A5]	No[A6]	No[A7]	Possibly[A8]

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India

TAX REVIEW

A1. RSUs – INCOME TAX

Income tax is payable at the employee's individual rate when the cash payment is paid to the employee through payroll following vesting (i.e. the "Payment Date").

The taxable amount will be the value of the cash benefit earned by the employee.

The maximum general rate of income tax for the tax year ending 31 March 2017 is 30.9% (inclusive of Education CESS at the rate of 3% on the total tax). Where the total income of the employee exceeds INR 10,000,000/- a surcharge of 15% would also be levied. Hence the maximum tax rate would be 35.535%.

A2. SOCIAL TAX

There is no social tax payable in India in relation to the Plan.

A3. WITHHOLDING REQUIREMENTS

The employer should withhold the income tax payable.

The income tax withheld should be paid to the tax authorities by the 7th day of the month following the month in which the tax point arises (for amounts paid in March, the due date is 30 April).

A4. REPORTING REQUIREMENTS - EMPLOYER

The employer should file quarterly returns of taxes withheld (Form 24Q – in electronic format). These should be filed by 31 July, 31 October, 31 January and 31 May each year.

In addition to this, the employer should issue a certificate of taxes withheld (Form 16) and a summary of perquisites (Form 12BA), by 31 May (i.e. within two months) following the end of the tax year. An original set of these forms should also be provided to the participant by the same deadline.

A5. REPORTING REQUIREMENTS - EMPLOYEE

The employee should include the relevant taxable amounts in their annual tax return for the year in which the tax point arises.

The annual personal income tax return must be filed by 31 July following the end of the relevant tax year.

Electronic filing of tax returns is mandatory if taxable income exceeding INR 500,000, if the individual has foreign assets (including financial interest in any entity) or if the individual is claiming any relief of foreign taxes.

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From 1 April 2017, if foreign tax credit is claimed in the India tax return, Form No.67 will have to be filed along with the tax return. Further, a certificate or statement providing the details of nature of income and foreign tax deducted or paid issued by foreign tax authorities or person responsible for tax deduction or signed by the individual accompanied by proof of tax deduction or payment may also need to be submitted.

A6. EXIT TAXATION

There is no exit taxation when the individual permanently either leaves the employer or the country in India.

A7. TAX EFFICIENT ARRANGEMENTS

There are currently no relevant tax efficient arrangements available in India.

A8. CORPORATE TAX DEDUCTION

Cash benefit

A corporate tax deduction should be available for the value of the cash benefit earned by the employee. This is on the basis that the employing entity bears the full cost of this benefit.

This deduction should be available in the accounting period during which the cash payment was made.

Administration costs

A corporate tax deduction may also be available for administration and set-up costs incurred directly by or recharged to the local employing entity. However, there is a risk that the Indian tax authorities would classify these costs as capital in nature, in which case the deduction would not be allowed.

In order to make the payment to the parent company, the Indian entity would have to furnish relevant information in Form 15CA by filing electronically and also need to obtain a certificate in Form 15CB from a chartered accountant in India if applicable.

This deduction would be available in the accounting period during which the costs are incurred or the recharge is made.

Where applicable, a written recharge agreement should be in place and there should be documentation to support the basis on which the recharged amount is calculated.

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