



Vietnam Foreign Contractor Tax to be withheld by LEGO MANUFACTURING VIETNAM (LMV) - notice to suppliers -

Dear suppliers,

We are writing to inform you of the Foreign Contractor Tax (“FCT”) implications associated with providing goods and services to LMV in Vietnam.

According to Vietnam's domestic tax laws, non-Vietnam suppliers, **of either goods or services**, are potentially subject to **withholding tax at various rates, ranging from 1% to 10%**, depending on the nature of services and goods. While there may be double tax treaty generally alleviates such withholding tax between Vietnam and suppliers’ country. In most of Double Taxation Agreements that Vietnam is having with, FCT is typically not exempted and **Vietnam's domestic rules for withholding tax apply**, instead, **you may be able to benefit from claiming a tax credit in your home country.**

LMV is obliged to withhold FCT amounts, determined by the applicable rates, ranging from 1% to 10% of invoiced amounts payable to you, and to **remit this withholding tax to the Vietnam tax authorities on your behalf.**

We will subsequently **provide you with a confirmation of tax withheld issued by Vietnam tax authorities**, upon your request, as soon as it is made available to us, and your tax advisor may be able to assist you with obtaining a (partial) tax credit for this withholding tax.

Please be advised that and you will receive the net amount after deducting FCT amounts. By any changes that previous invoices have been paid to you gross, where withholding should have taken place, we will need to take steps to regularise this position. This will involve us making filings and payments to the Vietnam tax authorities and seeking reimbursement from you of those amounts. Should this be applicable, we will be in touch further in due course.

Please let me know should you have any questions or comments.

Best regards,