

European Transfer Taxes report

2019/20



Contents

Section	Page
Introduction	4
Belgium	5
Czech Republic	6
Estonia	7
Finland	8
France	9
Germany	11
Greece	13
Hungary	15
Iceland	17
Ireland	18
Italy	20
Latvia	21
Lithuania	22
Luxembourg	23
Malta	24
Netherlands	26
Norway	27
Portugal	28
Russian Federation	30
Slovak Republic	31
Sweden	32
Switzerland	33
United Kingdom	34

Introduction

Welcome to our Grant Thornton 2020 European Real Property Transfer Taxes Guide. In it we provide a short summary of the key features of transfer taxes which can apply on the transfer of land and shares in companies owning land in the European countries described.

Following the United Kingdom's decision to leave the European Union on 31st January, investors are no longer being deterred by an uncertain market and the outlook for the European real estate sector has become more optimistic. Commercial real estate is fundamental for any business, and acquisitions of retail outlets, warehouses, offices and factories generate billions for the economy each year in the UK alone. We therefore consider it important for our clients to have an awareness of applicable transfer taxes and their implications for proposed acquisitions and disposals of property.

We hope that this guide to transfer taxes will prove valuable to any investors seeking to make their move into the market.

What we mean by transfer taxes – inclusions and exclusions

By transfer taxes we mean taxes which apply on the transfer of property from one legal person to another, normally the legal but sometimes the beneficial title. Such transfers are often completed by document or, increasingly, electronic methods and are often registered in government records. They can occur by way of sale, gift or in other circumstances, such as death. The taxes under consideration here are normally levied at federal or national governmental level but can also be charged by the state or local government. They may take the form of a transfer tax (such as for example SDLT in the UK or LBTT in Scotland) or a transfer or registration fee for documents. The rules surrounding transfer taxes vary widely across Europe, with different tax rates applied in different regions.

This report therefore focuses on transfer taxes on land and shares in companies owning land. As a general matter it does

not cover the other tax consequences which might arise for the transferor or transferee on the movement of property, such as capital gains tax, corporate or income tax or inheritance or capital transfer tax. It also does not cover what is known as value added tax (VAT) in the UK or the equivalents in other countries, although, by exception, VAT is mentioned in passing where and to the extent that the liability to VAT is related to the transfer tax position.

The information contained in this report is a high-level summary of the taxes that apply to the transfer of real estate across a number of different jurisdictions in Europe. It is not intended to be either comprehensive or definitive. It should be noted that the tax legislation is regularly subject to change. This report is therefore for guidance purposes only and is not intended to be a substitute for legal and tax advice. If you require advice, we encourage you to contact one of the relevant local tax advisors who are listed in each section of this report.

Grant Thornton Background

Grant Thornton boasts an extensive global network with offices in 143 countries employing 56,000 people. Our sector and regional specialists have extensive experience in advising investors, developers, funders and occupiers on their real estate tax affairs, including structuring real estate transactions.

We hope you find this European Transfer Taxes report useful. Please do share any feedback with us.

If you require specific advice or have any questions in relation to the transfer tax aspects of a transaction please contact Kersten Muller, Mike Dalton, or Steven McGrady.



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Belgium

Tax Rates

Real property tax

An annual tax is imposed at the regional level on the notional rental income of immovable property (land, buildings and industrial equipment) located in Belgium.

The rate varies depending on the region in which the property is located. The rate is 3.97% in Flanders, whilst in Wallonia and Brussels the rate is 1.25% and is charged on the annual rental value of the real estate. Both provinces and municipalities are entitled to levy surcharges.

Individuals are subject to a capital acquisition tax (registration duties) of 12.5% in Wallonia and Brussels on the acquisition of real estate. In Flanders, an acquisition tax of 10% applies, though, if certain conditions are met, this is reduced to 6%, e.g. the sole family home is acquired (see also under transfer tax).

Machinery and equipment can also be deemed to be immovable property in certain cases.

Stamp duty

Stamp duties are due on any transactions relating to public funds that are concluded or executed in Belgium, irrespective of their (Belgian or foreign) origin, to the extent that a professional intermediary intervenes in these transactions.

Transfer tax

Immovable property

Transfer taxes (registration duties) apply to the transfer and leasing of real estate located in Belgium, at rates ranging from 0.2% to 12.5% depending on the type of transaction and the region in which the property is located.

Registration duties exist in Belgium for the purchase or transfer of real estate located in Belgium. The rate is 12.5% (10% in the Flemish Region) of the transfer price or the deemed fair market value, whichever is higher. If the purchase or transfer of land is subject to VAT, such as for newly constructed property, no registration duties will be charged on the purchase or transfer.

Companies can recover 36% - 60% of the registration duties from the Tax Authority in circumstances where the property is sold within a two-year period of acquisition. 36% can be recovered if the real estate is located in Brussels; 60% if the real estate is located elsewhere in Belgium. If the property is sold for a price lower than the initial purchase price, then the

recoverable amount of registration duties will be calculated on the lower price.

Shares, bonds and other securities

A transfer tax is levied on all transfers of shares, bonds and other securities. The amount that is charged depends on the size of the securities, as follows:

	General rate	Maximum rate
General	€3.50 per €1,000	€1,600 per transaction
Capitalisation stock of an investment company	€13.20 per €1,000	€4,000 per transaction
Transactions involving bonds and debentures on the secondary market	€1.20 per €1,000	€1,300 per transaction

Taxpayer

Real estate property tax is levied on the owner of the property. Stamp duty and transfer tax are usually liable by the party acquiring the property.

Exemptions

Real property tax and surcharges are non-deductible for personal income tax purposes, unless the building is used for business purposes.

Exemptions for non-residents and others are available for stamp duty.

New buildings are exempt from registration duties in Belgium, when they are subject to VAT.

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Czech Republic

Tax Rates

Real property tax

The Czech Republic levies an annual real estate tax which is payable by the owner of the land or building. The tax rate depends on the location of such land or building and its usage.

The taxable period is a calendar year. The tax return is filed only once, by 31 January of the particular calendar year, based on the status of the real property on 1 January of the same calendar year. The tax charge calculated in the tax return is then paid annually. If the use of the land/building changes, or ownership of the real estate changes, an updated tax return must be filed.

The tax is calculated for individual types of land and buildings separately, as the tax rates, coefficients and calculation formula will be different in each case.

Stamp duty

There are no stamp duties in the Czech Republic.

Transfer tax

Immovable property

Real estate transfer tax is charged on the acquisition of immovable property at 4% of the value of the property.

The tax is assessed on the sales price of the property. However, where the sales price does not correspond to the fair market value, the tax is assessed according to parameters/criteria set by the law in order to eliminate speculation on prices.

Shares, bonds and other securities

There is no transfer tax levied on the sale of shares or securities.

Taxpayer

The owner of land or buildings is liable to pay the real property tax.

The purchaser of the real estate is responsible for paying the transfer tax.

Exemptions

The disposal of shares in a real estate company that holds immovable property is exempt from real estate transfer tax.

Transfer taxes do not apply on the sale of apartments that have “cooperative ownership” structures.

Furthermore, no transfer tax is charged where the property is sold within 5 years of construction (or 5 years from the date the property started to be used), and it is the first sale.

Real property is exempt from real property tax, if it is owned by the state, municipalities, schools etc., or based on usage.

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Estonia

Tax Rates

Real property tax

There is no property tax in Estonia.

An annual land tax is imposed and calculated on the assessed value of land at rates between 0.1% and 2.5%, depending on the location of the land.

Stamp duty

In Estonia, stamp duty is a state fee that is levied on certain activities performed by public authorities.

Transfer tax

Immovable property

There are no transfer taxes in Estonia, however, state fees and notary fees are usually payable upon transferring real estate. Registration of immovable property is required).

The state fee depends on the value of the transaction. For transactions with a value of more than €639,120, the fee is fixed at 0.16% and capped at €2,560.

A notary fee is calculated based on the transaction value and full fees prescribed in a Notary Fees Act.

Shares, bonds and other securities

There is no transfer tax on the transfer of shares, bonds and other securities in Estonia.

Taxpayer

State fees and notary fees on transfer of immovable property are generally payable by the purchaser.

However, the land tax is paid by the owner of land but can also be paid by the users of the land in some circumstances. The tax is generally paid in two instalments by 31 March and 1 October (one instalment payment will be required by 31 March if the amount is less than €64).

Exemptions

Land up to two hectares used for home is generally exempt from land tax if certain conditions are fulfilled.

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Finland

Tax Rates

Real property tax

Building tax

Finland imposes an annual real estate tax on buildings at a rate decided by each municipal council.

- For general real estate: the minimum and maximum tax rates are 0.93% to 2.00%.
- For permanent dwellings: the minimum and maximum tax rates are 0.41% to 1.00%.

Land tax

Local governments may levy additional real estate tax if a plot of land is located on a town plan area and if its purpose is not for residential use. The tax rate varies between 2% and 6%.

Stamp duty

There are no stamp duties in Finland.

Transfer tax

Immovable properties

A transfer of leasehold interest in immovable property is treated as a transfer of immovable property.

When movable property is transferred as part of immovable property, unless the purchase price of the movable property is determined, transfer tax is simply levied on the aggregate purchase price.

A tax rate of 4% applies on the purchase price of the real estate.

Shares, bonds and other securities

A transfer tax is applied at 1.6% on the sale of shares in non-real-estate companies. This is also the case if the sale is not made through the stock exchange.

On a sale of shares in a Finnish real estate company or a holding company whose activities consist of directly or indirectly owning or controlling real estate, a transfer tax will be levied at 2%.

Taxpayer

The owner of the taxable property at the beginning of the calendar year is liable to pay Finnish real estate tax.

Subject to certain exceptions, transfer tax is payable by the purchaser of real estate.

If it is a share transfer, the transfer tax is normally payable by the purchaser. If, however, the purchaser is non-resident in Finland, the vendor is responsible for making sure the transfer tax is paid to the tax office.

Exemptions

Some exemptions from Finnish transfer tax are available such as on the transfer of securities that are subject to trading on a regulated market or multilateral trading facility in the European Economic Area (EEA).

Additionally, if both vendor and purchaser are non-resident, no transfer tax is due on the sale of a foreign company. However, the tax is payable on transfers between non-residents if it involves the transfer of shares in a Finnish real estate company.

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France

Tax Rates

In principle, transfer taxes are based on the price stated in the deed, or on the market value, should the French tax authorities (FTA) consider that the price on the deed has been undervalued.

Real property tax

Annual tax on property

Legal entities that own, directly or indirectly, immovable property or rights to such property are subject to an annual tax at 3%, calculated on the market value of the property or the rights [on 1 January of the relevant year].

Lease agreements do not impact the tax liability, nor does the property's use or the nature of the contract.

Where French real estate is held through a chain of legal entities, the legal entity that is closest in the chain to the real estate and not considered as "tax exempt" is liable to this annual tax.

Exemptions may apply.

- Automatic exemptions:
 - international organisations and sovereign states;
 - Entities whose French real estate assets represent less than 50% of their total French assets;
 - Entities listed on regulated markets where their shares, units, or rights are regularly traded.
- Conditional exemptions where an automatic exemption does not apply:
 - Entities with their registered office in France, in an EU member state, or in a country that has concluded a Double Taxation Treaty (DTT) with France, where:
 - Direct or indirect interest in the French real estate is less than either €100,000 or 5% of the fair market value of the French real estate;
 - Pension funds or public charities recognised as fulfilling a national interest whose activities justify the need to own French real estate;
 - Non-listed French real estate funds (SPPICAV), property investment funds (FPI) or foreign funds subject to equivalent regulations;
 - Entities which
 - a Undertake to disclose information at the request of the FTA;
 - b File on a yearly basis on a specific tax form.

Stamp duty

Stamp duty is generally due when certain official documents are applied for or are issued, such as driving licence, passport, visas, working permits, car registration certificate, etc. The rates are varied according to the documents and are revised from time to time.

Transfer tax

In France, registration duty is applied on a deed relating to a given transaction or operation which is filed with the local tax authorities. The duty rate, which is occasionally revised, is either levied at a progressive proportional rate or at a fixed amount.

Deeds compulsorily subject to registration must be declared, in principle, within 30 days from finalisation of the agreement either at the tax office for the district where the property is located or at the one where a party to the agreement resides.

Immovable property

Transfer tax on the sale of a real estate property is subject to a global standard registration duty at a rate of 5.81%.

Nevertheless:

- The purchaser of land who undertakes to build on the land within 4 years of purchase is exempt from registration duty. A fixed stamp duty of €125 is due instead.
- Sale of new real estate and of building land gives rise to standard 20% VAT rate and to reduced duty at 0.715%. A sale is considered as a sale of new real estate if it takes place prior to the completion of the building works or, under certain conditions, within 5 years from completion.
- Sales to a property dealer can attract VAT upon resale of the property. The purchaser pays registration duty.
- A 0.6% additional tax applies on sales of offices located in Île-de-France region.

Shares, bonds and other securities

Shares in stock companies (SA, SAS, SCA)

Disposal of shares in a non-quoted SA, SCA or SAS is subject to registration duty at a rate of 0.1%.

Disposal of shares in a quoted SA or SCA gives rise to registration duty only if a deed is executed. In the absence of any deed, no duty applies.

Shares in SARL, SNC, and SC

A 3% registration duty is applicable on the transfer of shares in a company in which capital is not divided into shares of stock (SARL, SNC, SC). In this case, an allowance equal to the ratio between the sum of €23,000 and the total number of shares of the company is applied to the value of each share.

Shares in real estate companies

A company is classified as a real estate company for transfer tax purposes where the market value of its assets mainly consists of:

- immovable property and/or;
- immovable property rights and/or;
- shares in real estate companies, regardless their affectation.

Registration duty is due on the disposal of French real estate companies shares even if the sale agreement is signed outside France.

The sale of shares in a non-quoted real estate company (both domestic and foreign) is liable to a 5% registration duty.

To remove any double taxation with the state where the foreign company is incorporated, a foreign tax credit, limited to the amount of French tax may be granted to the taxpayer under the application of DTT, if any.

The taxable base for registration duties for the sale of shares in a non-quoted real estate company is calculated by taking into account of all liabilities.

Taxpayer

In France, in accordance with the general principle, and unless otherwise agreed, real estate transfer tax is borne by the party who pays the valuable consideration (i.e. a purchaser of a business or property). In certain circumstances, both parties to a transaction may be jointly and severally liable to the tax authorities.

Exceptions

Registration duty is not due on:

- Transactions subject to the EU Financial Transaction Tax.
- Repurchase of its own shares by a company with the intention of selling said shares to the subscribers of a company Employee Savings Plan (subject to some exceptions).
- Intra-group transactions between related companies:
 - Either between companies held, directly or indirectly, at least up to 95% by a parent or grand-parent company within the meaning of Article 223-A of the French Tax Code (FTC).
 - Or between a company which holds, directly or indirectly, at least 40% in the other company and if no other partner holds, directly or indirectly, a fraction greater than its own within the meaning of Article L233-3 of the French Commercial Code.
- Transfer of ownership as a consequence of a merger, a contribution, or a spin-off made under both favourable merger regime and the ordinary law.

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Germany

Tax rates

Real property tax

Germany does not levy tax on wealth or capital.

Real property tax is levied based on the location of the real estate, at a rate of about 0.35% of the tax value of the property multiplied by a rate determined by the municipality.

It is expected that significantly higher real property tax rates will apply from 2025 when new valuations will become effective for tax assessment purposes.

Stamp duty

There is no stamp duty on the acquisition of property assets in Germany. Charges (notary fees, registry fees) do apply based on the value of the property.

Germany does not levy transfer taxes on the acquisition of shares, except for real estate transfer tax in case of companies or partnerships owning real estate.

Transfer tax

Immovable property

Real Estate Transfer Tax (RETT)

RETT is triggered on the transfer of German real estate (i.e. asset disposals or – under certain requirements – direct/indirect share disposals in an entity that owns German real estate).

Examples where RETT may apply include:

- Transactions where the legal ownership of immovable property is transferred between two parties (asset or share transactions);
- The (direct or indirect) unification of 95% of shares in a company or interest in a partnership which holds immovable property (e.g. where a 94% shareholder acquires additional 1% of shares in a German property-owning company);
- The (direct or indirect) transfer of 95% of the interest in a real estate holding partnership to new partners within a period of five years. This will attract RETT even if each of new partners only acquires a minority interest in the partnership/unifies small participations (e.g. where the 95 different partners transfer 1% interests each to other 95 partners within five years so that in total 95% are transferred).
- The operation of RETT is currently being revised and it is envisaged that there will be major changes to RETT.

RETT base

Where there is an asset purchase, RETT is assessed on the purchase price (as well as other considerations such as the financing being taken over).

Where RETT is triggered by the transfer of shares in a real estate holding company, RETT is determined according to the value of the property under the German Valuation Act (usually equivalent to about 80-85% of the fair market value of the property).

RETT rates

The applicable tax rate depends on the federal state where the property is located. The federal states amend these tax rates on a regular basis. In 2019 the transfer tax rates for German real estate were as follows:

- 3.5% in Bavaria and Saxony;
- 4.5% in Hamburg;
- 5% in Baden-Württemberg, Bremen, Lower Saxony, Rhineland-Palatinate and Saxony-Anhalt;
- 6% in Berlin, Hesse and Mecklenburg-Vorpommern;
- 6.5% in Brandenburg, North Rhine-Westphalia, Saarland, Schleswig-Holstein, and Thuringia.

Shares, Bonds and other securities

Germany does not levy transfer taxes on shares, bonds, or other securities.

For certain larger German stock quoted companies, Germany intends to introduce a financial transactions tax.

Taxpayer

Under an asset deal, both purchaser and vendor in a real estate transfer agreement are normally liable for paying RETT, although in practice the relevant parties usually agree that the purchaser is responsible for paying the RETT. The tax authorities generally follow the purchase agreement, but they may hold the other parties liable if the party assessed does not meet their obligations.

Under a share deal, depending on the individual case, the taxpayer can be the purchaser of the shares, the purchaser and the vendor jointly or even the partnership whose interest is transferred.

Exemptions

Exemptions from RETT may apply in the event of intragroup restructuring, provided certain conditions are met.

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Greece

Tax Rate

Real property tax

Building tax

An annual real estate ownership tax is levied on property located in Greece.

This tax comprises the main tax and an additional tax. The main tax is determined by several factors, e.g. the size, location, zone price, age, use and other characteristics of the property. The additional tax applies to the total taxable value of all the company's properties at a rate of 0.55%. If a property is occupied by a company, it will then be liable to a 0.1% additional tax.

Furthermore, an annual special tax of 15% is levied on the tax value of the property, unless it qualifies for an exemption detailed in the "exemption" section.

A special real estate duty is levied by local authorities at rates from 0.025% to 0.035%.

Stamp duty

Different rates of stamp duty are chargeable dependent on the transaction. For example:

- a stamp duty of 3.6% is charged on rentals of non-residential properties;
- a stamp duty of 2.4% is charged on loans and interest
- a stamp duty of 1.2% is charged on payment of directors' fees.

Stamp duty is also due on the purchase of existing business as a going concern.

Transfer tax

Immovable property

A real estate transfer tax will be payable on the disposal of land and buildings in the following scenarios:

- for all disposals of land;
- for buildings whose transfer is not subject to VAT. For transfers of new buildings (whose building permit has been issued after 1st January 2006 and which have not been otherwise used or sold before) a temporary exemption from VAT at 24% applies between 1st January 2020 and 31st December 2022.

A real estate transfer tax also applies on the component parts that are permanently connected with the land or buildings where the separation from the land would lead to a significant decrease in value.

The tax base of the real estate transfer tax is the higher of the objective value and market value of the real estate, which is subject to a tax rate at 3% plus 0.09% municipal tax.

Shares, bonds, and other securities

A transfer tax of 0.2% is levied on the following:

- sale proceeds of shares listed on the Athens stock exchange or any other recognised stock exchange in the world
- over The Counter (OTC) stock lending

For shares listed in Athens, tax is settled through the clearing mechanism of the stock exchange. For shares listed elsewhere in the world, sellers that are Greek tax resident are obligated to file a return and pay the tax.

Taxpayer

The purchaser is liable for the Real Estate transfer tax.

The transfer tax on listed shares will normally be paid by the seller of the shares.

The responsibility for stamp duty rests with the lessor of the non-residential property, the issuer of the invoice or all parties in contracts. The parties may agree who is liable for paying the stamp duty, otherwise, from a civil law perspective, it will be borne by the party benefiting from the issuance of a clearance receipt.

Exemptions

The annual special tax on real estate property is generally exempt if the company discloses its shareholders up to the level of the individual (with a Tax ID in Greece) or if the company is a credit institution, insurance company or qualifying investment firm/fund. Exemptions also apply for listed entities, entities which have more trade income than property income.

Issuance of bonds by public limited companies (SAs) is exempt from stamp duty.

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Hungary

Tax Rates

Real property tax

The Hungarian Tax Authority grants its municipalities a discretionary right to levy a building tax, property tax (or land tax) and a communal tax.

Building tax

Local municipalities levy a building tax on residential and other buildings; the tax base is determined using one of the following methods:

- the net floor space of the building, i.e. the maximum tax rate is HUF 1,952 per square metre in 2020.
- the adjusted fair market value of the building (maximum tax rate of 3.6%).
- the net surface area in the case of advertising media placements, with an annual maximum tax rate of HUF 12,000 per square metre.

In practice, the net floor space is most commonly used for simplicity.

Land tax

Land tax is levied on land, including undeveloped land. The tax base is usually determined by local government in either of the following ways:

- the actual size of the plot expressed in square metres, e.g. the maximum tax rate is HUF 355/sqm in 2020.
- the adjusted market value of the plot (maximum tax rate of 3%).

Communal tax

Some local municipalities have opted to impose a communal tax instead of the building tax and land tax. Private individuals owning buildings and land, as well as private individuals holding lease rights to a dwelling owned by a person other than a private individual in the area of jurisdiction of a local municipality, are subject to communal tax.

The communal tax is a lump-sum amount per each tax category (building/plot/dwelling), capped at HUF 30,162 per each tax category in 2020.

Stamp duty

Stamp duty is charged on the issuing or amending of documents, including on the registration of ownership or rights over real property in the Land Register.

If changes are related to the registered capital of a company, stamp duty is chargeable at 40% of the amount due on the registration of the company.

Transfer tax

Immovable property

In Hungary, transfer tax is payable on the transfer of ownership of certain property and this is payable on completion of a transaction. Some examples of this include:

- the direct acquisition of real estate assets;
- acquisition of property rights;
- acquisition of shares in real estate companies that own domestic real estate

In the third case above, transfer tax will be payable if the shareholding percentage of the transferee in a real estate company (calculated at a group level – jointly with the transferee's related companies and related persons) is at least 75% post-acquisition.

To qualify as a company holding domestic real estate for transfer tax purposes, the company must meet one of the two criteria below:

- 1 direct holding: the book value of the domestic real estate represents more than 75% of the modified total assets on its balance sheet, or
- 2 indirect holding: the company holds at least 75% of the shares of another company in which the book value of the domestic real estate represents more than 75% of the modified total assets.

Various transfer tax rates apply depending on the types and market value of the transfer. This includes the following:

- 4% for real estate with market value of up to HUF 1 billion.
- 2% for the market value exceeding HUF 1 billion, capped at HUF 200 million per real estate (i.e. per plot number).
- 2% - 3% for real estate trading companies or companies dealing in financial leasing, where the property is sold/leased within two years of acquisition.
- 2% in case of acquisition by REITs, pre-REITs and their project companies.

From 1 February 2020, transfer tax will apply on the acquisition of real property previously outside the developed area of settlements and included into such area within the last 10 years of the ownership of the seller, or a business quota of companies holding such property. A transfer tax of 90% will apply on the difference between the market value of the property at the time it was acquired and when it was resold. In case of business quota, the difference to be taken into consideration is the proportion of the business quota sold to all business quotas in the company.

Shares, bonds, and other securities

There is no transfer tax on the acquisition of shares and securities unless the acquisition is at an auction organised by a public body.

For acquisition of shares in real estate holding company please refer to the above part ("Immovable property").

There are certain exceptions to this including where shares or securities are inherited or where there is a gratuitous transfer as this is generally subject to transfer-by-inheritance tax and transfer-by-gift tax respectively.

Taxpayer

Building tax is payable to the local municipality by the entity or individual who owns the building on 1st January of a calendar year. If the property is encumbered with a registered user's right, the beneficiary of that right is required to pay the tax.

Land tax is payable by the owner of the land on the first day of the calendar year.

For stamp duty, the person requesting the documents is responsible for paying stamp duty.

For transfer tax, generally, the person who acquires the property (the purchaser) is liable to pay the transfer tax. An exception is made for the 90% stamp duty tax charge: in this case the person who sells the real estate or the business quota in a company owning such real estate is liable to pay the transfer tax.

Exemptions

The system of exemptions is very complex and numerous restrictions apply. Specific conditions need to be met in order to qualify for exemption. We recommend that detailed advice is sought to confirm the position as these exemptions are subject to change and may differ according to the fact pattern of the transaction.

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Iceland

Tax Rates

Real property tax

Annual local property tax is levied based on the assessed value of real estate in Iceland. Tax rates differ between municipalities, but normally can amount to 0.38% of residential property and 2.65% of commercial property.

Stamp duty

A stamp duty is chargeable on documents when there is change of ownership of real estate or land registered in Iceland.

- 0.8% for individuals
- 1.6% for legal entities

The tax base of stamp duty is determined by the registered value of the real estate or land.

Stamp duty is not due on all other documents.

Transfer tax

Immovable property

There is no transfer tax on the transfer of immovable property.

Shares, bonds and other securities

There is no transfer tax on the transfer of shares, bonds or other securities.

Taxpayer

The purchaser is responsible for paying the stamp duty on real estate contracts

Exemptions

Stamp duty is exempt on the execution of changes of ownership of a company, e.g. organisation reconstruction.

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Ireland

Tax Rates

Real property tax

Real property tax is levied at different rates based on the value of the property.

Property Value (€)	Rate
General	€3.50 per €1,000
Up to 1,000,000	0.18 %
Over 1,000,000	0.25 %

Stamp duty

Stamp duty is levied on the transfer of real estate or documents showing transfer of property, i.e. shares transactions in a property holding company.

Non-residential property

The transfer of non-residential property is subject to stamp duty at a rate of 7.5% from 9 October 2019.

Residential property

Stamp duty rates are, by comparison, relatively low for transfers of residential property. Broadly, there are two rates: 1% for the property value being less than €1 million; 2% for the property value exceeding €1 million.

Lease of property

Stamp duty is also chargeable on the grant of a lease at a rate between 1% and 12% depending on the length of the lease:

- up to 35 years – 1% of average annual rent;
- 36 to 100 years – 6% of average annual rent;
- over 100 years – 12% of average annual rent.

Stamp duty returns must be filed electronically with the Revenue Commissioners within 44 days of the execution of the document, otherwise penalties will apply.

- returns filed later than 62 days but less than 92 days after execution will be subject to a surcharge equal to 5% of the duty payable, up to a maximum of € 12,695.
- returns filed later than 92 days after execution will be subject to a surcharge equal to 10% of the duty payable, up to a maximum of € 63,495.

Transfer tax

Immovable property

Please see the stamp duty section above.

Shares, bonds and other securities

Stamp duty applies on transfer of shares or marketable securities at a rate of 1% on the consideration paid.

This charge also applies if the transfer is validated electronically via the CREST electronic clearing system.

Taxpayer

In general, stamp duty is payable by the purchaser on the transfer of property.

For leases of land situated in Ireland, the lessee is responsible for paying the stamp duty. Land includes agricultural land and buildings on the land. Buildings include residential as well as non-residential buildings.

Exemptions

A wide range of exemptions is in place, including the transfer of assets pursuant to cross-border mergers and mergers of Irish public limited companies. An exemption from stamp duty also applies to share transfers in relation to companies that are listed on the Enterprise Securities Market (ESM) of the Irish Stock Exchange.

Other examples include:

- distributions of assets to shareholders on the liquidation of a company. The assets must be distributed in proportion to the shareholders' capital entitlements;
- transfers of immovable property to charities established in Ireland or Northern Ireland;
- sales of new houses for residential use;
- transfers of securities issued by any national governments or by the European Union;
- transfer of interests in a collective investment undertaking;
- transfers of interest in exploration and exploitation rights (e.g. in the petroleum or oil and gas industries);
- commercial woodlands where such woodlands are sold or leased with land (stamp duty applies to the land);
- conveyance or transfer of stocks or marketable securities of a company which is not registered in Ireland. However, if the conveyance relates to immovable property in Ireland or stocks or marketable securities of an Irish incorporated company, the exemption will not be applicable;
- foreign immovable property provided that the instrument of transfer does not relate to Irish immovable property or shares;
- certain transfers of unquoted loan stock;
- transfers of interests in a ship, vessel or aircraft;
- prescribed investment and financial services transactions.

Full relief from stamp duty on the transfer of assets between associated companies may be available, provided the following key conditions are met:

- A 90% relationship exists (either directly or indirectly) – the 90% relationship is defined as:
 - o the beneficial owner owns at least 90% of the ordinary share capital of the other, and;
 - o the beneficial owner is entitled to at least 90% of the profits available for distribution, and;
 - o the beneficial owner owns at least 90% of the assets in the case of a winding-up of the other company;
 - o or a third company owns these rights, directly or indirectly, in respect of both companies.
- Holding period requirement – this relationship must be maintained for a period of at least two years after the transfer of the assets in order to avoid the relief being clawed back.

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Italy

Tax Rates

Real property tax

The taxable base of the municipal tax on properties is the cadastral value (i.e. the rateable value of the property determined by the municipal government) and the tax rate ranges from 0.5% to 1.14%. Each municipality can decide whether to increase or decrease the standard rates.

Stamp duty

Stamp duty is levied on the stamping of documents and the rate applied is either a fixed amount or an amount in proportion to the value of the deed/document.

Stamp duty is also levied on legal and banking transactions, at varying rates. A “Tobin tax” applies on the transfers of shares and other financial instruments given by Italian stock companies. These rates are 0.1% if the transaction takes place in a regulated market, or 0.2% in other cases.

A flat tax rate is applied on the stamping of derivative instruments based on the type and value of the contract.

Transfer tax

Immovable property

Registration tax is the main transfer tax in Italy which applies to deeds. The rate depends on a number of factors including the type and value of the property transferred and the status of the Vendor.

Transfers of real estate assets made by a company are generally subject to registration tax at a lump sum amount of €200.

In addition to the registration tax, both a mortgage tax and cadastral tax (each at €200) will also apply to the transfer where residential real estate is transferred. By contrast, a 3% mortgage tax and 1% cadastral tax apply on the transfer of commercial real estate.

If a company transfers residential real estate and the transfer is VAT exempt, the transfer is generally subject to a 9% registration tax (with a minimum of €1,000), plus €50 mortgage tax and €50 cadastral tax.

Transfers of land (other than land with residential or business zoning) by a company are subject to a 9% registration tax (with a minimum of €1,000), plus €50 mortgage tax and €50 cadastral tax.

Transfers of land with building permission put in place by companies are subject to €200 registration tax, €200 mortgage tax and €200 cadastral tax.

Where agricultural land is transferred, the registration tax is charged at 12%.

Shares, bonds and other securities

A fixed registration tax of €200 is applied on transfers of shares, bonds and similar securities based on contracts executed in Italy before a notary. Though deeds of transfer executed abroad are exempt from the registration fee, such deeds will incur the registration fee if presented to the Italian Tax Administration or Italian Tax Court for registration.

In certain circumstances the tax administration may treat the sale of shares in a real estate company as the sale of immovable property.

Taxpayer

It is normally the responsibility of the property owner to pay the real property tax.

With reference to stamp duty and transfer tax, the parties are jointly liable for the payment. If the deed is completed in front of a notary, then the notary will be responsible for the payment.

Exemptions

Certain transfers of residential real estate are VAT-exempt transactions and, therefore, registration tax applies at a proportional rate (instead of the €200 lump sum amount).

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Latvia

Tax Rates

Real property tax

An annual real property tax is due on:

- buildings that form part of a private dwelling house development; or
- buildings owned by a company which are not used for living purposes, i.e. business property.

The tax rates are imposed as follows:

- 1.5% on the cadastral value of land, buildings, and engineering structures.
- a progressive rate on dwelling houses:

Property value (€)	Tax rates
56,915	0.2%
56,915 - 106,715	0.4%
More than 106,715	0.6%

- local governments may apply real estate tax up to 3% on uncultivated land capable of agricultural use. Additionally, local governments may determine an extra real estate tax of 1.5% on uncultivated land, bringing the total rate on such land to 4.5%. An additional real estate tax of 1.5% is applied to untreated agricultural land, except for land which does not exceed one hectare or for which restrictions on agricultural activity are specified in regulatory enactments.

Stamp duty

Stamp duty applies on the registration of real estate at the Land Registry and other legal services. This is generally calculated as a percentage of the transaction value.

Transfer tax

Immovable property

Transfer tax applies on the transfer of titles for immovable property and can range from 1% to 6% of the transaction value, depending on the type of property.

Examples where transfer taxes are levied include:

Property value (€)	Tax rates
Undeveloped land, land with residential buildings or residential buildings alone	2%
Land with non-residential buildings or non-residential buildings alone	2% (up to a limit of €42,686.15)
Land and/or buildings transferred by deed of gift	3%
Transfer of a flat to a legal person carrying on a business	6%
Land as a contribution-in-kind to a company's share capital	1%

Under example 1-4, transfer tax is assessed on the sale price. In example 5, however, tax is assessed on the value of the property as a contribution to share capital.

Where property is transferred between family members, a reduced transfer tax rate of 0.5% is applied on the transaction.

Taxpayer

Purchasers of immovable property are liable to pay the transfer tax upon acquisition.

Exemptions

Stamp duty does not apply on the transfer of title of moveable properties. There is also an exemption from stamp duty where the registration of real estate at the Land Registry is necessary as a result of a reorganisation.

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Lithuania

Tax Rates

Real property tax

Land tax

Non-residents are subject to land tax on land owned in Lithuania. The annual land tax rate ranges from 0.01% to 4% and applies on the taxable value of the land.

Real estate tax

Real estate tax is levied on buildings/premises owned by companies and individuals. The rate ranges from 0.5% to 3%, depending on the purpose of the immovable property, its use, location, legal status, technical features, maintenance condition, whether it is in a state of neglect as well as the taxpayer status. Accordingly, a higher tax rate could be levied on neglected real estate while a reduced tax rate applies for small taxpayers.

Stamp Duty

Notary fees and/or registration fees will need to be paid for certain transactions (e.g. transfer of ownership of immovable property).

Transfer tax

Immovable property

The transfer of immovable property is not subject to transfer tax.

Shares, bonds and other securities

There is no transfer tax applicable on the transfer of securities, bonds or shares.

Taxpayer

The purchaser is liable to pay the real property taxes and registration fee. Liability for payment of notary fees could be indicated in an agreement.

Exemptions

Residential and other personal premises, with a value of less than €150,000 (€ 200,000 for families with 3 or more children) and which are owned by individuals, are exempt from real estate tax.

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Luxembourg

Tax Rates

Real property tax

A property in Luxembourg is subject to municipal ground tax which is levied annually at rates between 0.7% and 1% of its assessed unitary value (usually lower than its actual market value).

Stamp Duty

The issue of shares and bonds by companies is exempt from proportional stamp duty based on their underlying value. However, in certain cases there is a lump-sum duty of €75 which must be paid (e.g. for the incorporation of a Luxembourg company).

Transfer tax

Immovable property

The transfer of ownership in Luxembourg real estate for consideration is generally subject to an aggregate proportional transfer duty of 7% (i.e. 6% registration tax and 1% transcription tax). If the property is located in Luxembourg City, an additional 3% surcharge will apply (i.e. an aggregate tax of 10%).

In certain cases, special rates will apply. For example, if the acquirer formally declares an intention to acquire Luxembourg real estate with the view to resell after a certain period, or if the Luxembourg real estate is transferred to a Luxembourg or foreign company in exchange for shares, a higher rate of 7.2% will apply.

Shares, bonds and other securities

Under the Luxembourg administrative practice, transfer taxes are not applicable on the transfer of securities.

There is, however, one exception to this principle. Transfer taxes apply to the transfer of shares in a Luxembourg tax transparent entity (such as limited partnerships) in the same way as if the real estate asset was directly transferred.

The transfer of shares in a property company (or, as the case may be, in an intermediary holding company) may be subject to real estate transfer taxes in the country where the real estate asset is located.

Taxpayer

In general, the purchaser is responsible for paying the transfer tax.

Exemptions

Companies issuing shares and bonds are exempt from stamp duty on a proportional basis, but companies may be levied a lump-sum duty of €75 in certain cases, e.g. incorporation of a Luxembourg company.

In certain specific cases, the transfer of Luxembourg real estate is not subject to transfer tax. For example, a restructuring operation, such as a merger or a demerger, or in the event of a dissolution as the result of an insolvency procedure or other types of liquidation.

The issuance of bonds and tradable securities is exempt from registration duties.

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Malta

Tax Rates

Real property tax

There are no property taxes levied in Malta.

Transfer tax

Immovable property

Stamp duty generally is levied on documents evidencing transfers of immovable property or any right over an immovable property at a rate of 5% of the higher of the consideration paid for the property asset or the fair value of the immovable property.

Where an individual acquires a residence as their first immovable property, no stamp duty is charged on the first €175,000 of the consideration.

Any subsequent property acquired for their own-use by an individual will attract a reduced stamp duty rate of 3.5% on the first €175,000 and 5% on the excess.

Where an individual replaces his/her residential property (replaced property) with another residential property (replacement property) and this takes place within 12 months from the date of the transfer of the replaced property, the individual could apply for a refund for part of the stamp duty paid on the value of the replacement property. This can vary from €86,000 to €150,000 depending on the circumstances.

A reduced stamp duty rate of 2.5% applies where property is situated in an Urban Conservation Area.

Furthermore, individuals who acquire residential property in Gozo are eligible to a reduced stamp duty rate of 2% on the value of the property.

Shares, bonds and other securities

Stamp duty applies upon a transfer of marketable securities and/or on the acquisition of interest in a partnership. This is charged at 2% on the higher of the consideration paid for the marketable security / partnership interest or the real value.

However, a higher rate of 5% applies to transfers of marketable securities in a company or of an interest in a partnership, where 75% or more of the company's or partnership's assets consist of immovable property.

In the case of transfer by gratuitous title of (i) marketable securities owned by individuals and of (ii) commercial tenements that had been used in a family business for a minimum period of 3 years preceding the transfer, to the transferor's family*, stamp duty is chargeable at a reduced rate of 1.5%. The Maltese government have confirmed that this reduced rate will apply until 1 January 2021, after which revisions could be made to this scheme.

*Family in this scenario is defined as the transferor's spouse, direct descendants and direct ascendants and/or their spouses, or in the absence of direct descendants the transferor's siblings and their descendants.

Taxpayer

In general, the purchaser is responsible for collecting and paying any stamp duty liability arising on the transfer of property to the Commissioner. In certain cases, however, the purchaser and vendor are joint and severally liable. Examples of these cases include:

- transfers that constitute gifts between individuals (e.g. the transfer of property, shares or an interest in a partnership between two individuals) will result in both parties being responsible for any stamp duty arising.
- transfers by a public deed, the purchaser, the vendor and the notary publishing the deed are responsible for paying stamp duty.
- in a declaration causa mortis, both the notary publishing the deed and the heir/legatee are responsible for paying stamp duty.

Exemptions

There are a number of exemptions for scenarios in which stamp duty is chargeable. Examples of these pertaining specifically to property include (but are not limited to) the following:

- deeds partitioning immovable property inherited by co-owners;
- on the death of one spouse, any property previously held in common between spouses that is distributed or partitioned between the surviving spouse and the heirs of the deceased spouse should not attract stamp duty;
- assignment of property between spouses resulting from a consensual or judicial separation or divorce. This includes property owned by a company which is fully owned by any or both spouses;
- transfer of property by a company to its shareholder (or to an individual related to its shareholder) in the course of winding up or in the course of a distribution of assets pursuant to a scheme of distribution where said shareholder is an individual (or their spouse) who owns more than 95% of the share capital and voting rights of the company (directly or indirectly);
- transfer of property between group companies, provided that the beneficial owners of both companies hold (directly or indirectly) substantially the same percentage interest in the nominal share capital and voting rights in each of the said companies (i.e. where the difference between the percentage interest held in each company does not exceed 20%);
- transfers of securities listed on the Malta Stock Exchange;
- transfers of foreign marketable securities, provided that these are not securities of a property company, to persons resident in Malta effected through a local bank or a person holding an investment services licence under the Investment Services Act;
- transfer of marketable securities, immovable property or any real right over an immovable property, that is being transferred by settlors to trustees of certain types of trusts.

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Netherlands

Tax Rates

Real property tax

Real property tax is based on the value of the property and is paid by both the owner and, where applicable, the user of the property.

Real property tax is imposed annually by municipalities, which determine the rates.

Real property tax is treated as a deductible expense for corporate income tax purposes.

Stamp Duty

The Netherlands does not levy stamp duty.

Transfer tax

Immovable property

Real Estate Transfer Tax (RETT) is levied on the acquisition of the legal and economic ownership or certain rights on immovable property. In general, the tax base is the fair market value of the acquired property; it could also be the consideration paid by the purchaser.

The tax rate is 2% for owner-occupied housing and 6% in other cases. In the case of mixed-use property, the 2% rate applies in proportion to the part of the property which is used as owner-occupied housing. If at least 90% of the property is used as owner-occupied housing, the 2% rate applies to the entire property. The 2% tax rate also applies to shares in a real estate company to the extent that the company's assets consist of housing.

RETT also applies to investment funds or funds for collective investment in transferable securities, even though the acquisition of financial interests in the funds is less than one third. This means that, in contrast to legal entities, the nature of these funds' assets does not affect the application of RETT.

Foreign real estate funds without legal personality that own real estate mainly in the Netherlands fall outside the scope of RETT, as the acquisition of minimal participations in these investment funds is not subject to this tax.

Shares, bonds and other securities

Transfer tax is not due on the transfer of securities. However, RETT is payable on the transfer of shares in real estate companies.

RETT becomes due when the acquisition of shares in a real estate company gives the acquirer a substantial interest in that company. A substantial interest is deemed to exist if the acquirer obtains, directly or indirectly, at least one third of the subscribed share capital of the real estate company. The real estate company could be a resident or non-resident company whose main business is investing in real estate or real estate rights, and at least 50% of its assets is real estate (or real estate rights) of which at least 30% is located in the Netherlands.

Taxpayer

Transfer tax is payable by the purchaser. The public notary usually adds the transfer tax to the selling price and collect it from the purchaser in order to pay it to the tax authority.

Exemptions

Some transfers are exempt from transfer tax, e.g.:

- the transfer of newly constructed buildings if the transfer is subject to non-deductible VAT.
- transfers of business property to relatives or their spouses in the context of a business succession.
- transfers of real estate, rights on real estate, or economic ownership of real estate in the context of a legal merger. Generally, the transferee must retain ownership of the real estate for a period of 3 years, otherwise the exemption is clawed back.
- the transfer as a result of the winding-up of a company among the shareholders. Generally, the transferee must retain ownership of the real estate for a period of 3 years, otherwise the exemption is clawed back.
- the transfer as a result of a merger, division or internal reorganisation within a group of companies (i.e. a direct or indirect shareholder relationship of at least 90%). Generally, the transferee must retain ownership of the real estate for a period of 3 years, otherwise the exemption is clawed back.

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Norway

Tax Rates

Real property tax

Norwegian real property tax is imposed at the discretion of each municipality, some municipalities do not impose the tax at all. The rate varies between 0.21% and 0.7%, depending on the location and type of the property. The tax base will normally be the estimated market value (subject to some adjustments).

From 2020, the maximum rate for property tax will be reduced to 0.5% provided they are private residences and leisure properties.

Property tax is levied on hydro power producers at a capital interest rate of 4.5%. The tax base for the calculation of the property tax should fall in the range of NOK 0.95 to NOK 2.74 per kWh of the power plant average production in the last seven years.

Stamp duty

There is no stamp duty payable on immovable property, though the transfer tax (see below) is usually considered to be stamp duty.

Transfer tax

Immovable property

Stamp duty is levied on the acquisition of immovable property and is calculated at 2.5% on the market value of the property.

There is no stamp duty on the sublease of property, or on the transfer of shares in limited liability companies or partnerships holding immovable property.

Shares, bonds, and other securities

Transfer tax is generally not levied on the transfer of shares, bonds, or securities.

Taxpayer

The purchaser is responsible for paying stamp duty at 2.5% upon the transfer of real property.

Exemptions

Production equipment and the fitting of production equipment have been exempt from property tax since 2019. There is a seven-year transitional period for this policy change.

Stamp duty does not apply where the ownership of immovable property is transferred in the case of a merger between two companies which qualifies as an income tax-free merger or an income tax-free demerger.

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Portugal

Tax Rates

Real property tax

Real property tax is levied on the taxable value of buildings. The applicable rates are as follows:

- Rural properties are taxed at 0.8%;
- Urban properties are taxed from 0.30% to 0.45%;
- If the corporate owner of the property resides in a low-tax jurisdiction, then the applicable rate is 7.50%.

Residential properties are also subject to an additional real property tax, charged on corporate and individual landlords, which is up to 1.5%.

Real property tax is treated as a deductible expense for corporation tax purposes.

Stamp Duty

Stamp duties are levied on the stamping of various documents. Transfers of immovable property located in Portugal trigger a stamp duty charge in circumstances where VAT is not applicable. The charge is levied at the following rates:

- Acquisition of property: 0.8% (plus real estate transfer tax – see below)
- The lease or sublease of:
 - Immovable property: 10% on agreed 1st rent
 - A business or agricultural property: 5% on agreed price.
- Financial transactions
 - Issuance of financial instruments (e.g. bonds, debentures, loans) attracts stamp duty at varying rates, depending on the length of the repayment term
 - Interest on bank loans: 4%
 - Brokerage and banking commission fees: 4%
- Insurance premiums: between 3% and 9% depending on the type of insurance.

Transfer tax

Immovable property

In Portugal, a Real Estate Transfer Tax (RETT) is charged by the municipalities, which also set the RETT rates.

Transactions that are liable for RETT include:

- Trading in immovable property;
- Transactions resulting from a merger or division;
- Contributing properties to a newly formed company or partnership;
- Leases and subleases with a lease term of over 30 years.

The taxable amount is the greater of the purchase price and the taxable value of the property.

For leases and subleases, the taxable amount will be the higher of the taxable value of the property and the agreed annual rent multiplied by 20.

Real Estate Transfer Tax is charged at varying rates depending on the location of the property, for example:

- Urban areas: up to 6.5%;
- Rural areas: 5%;
- If the purchaser is tax resident in a low-tax jurisdiction then a rate of 10% is automatically applied.

Shares, bonds and other securities

Transfer tax is not usually chargeable on the transfer of shares, bonds or other securities. However, transfer tax may apply on the transfer of shares in a limited liability company or interests in a general or limited partnership if the entity owns immovable property and is 75% controlled by one person (along with his/her spouse).

Taxpayer

Stamp duty is generally payable by the person who acquires an economic interest in the act, deed, document, land etc.

Transfer tax on immovable property is normally payable by the purchaser.

Exemptions

The following transactions will generally be eligible for exemption from transfer tax:

- real estate developers that buy and sell properties as part of their trade.
- immovable properties in less developed areas of the country acquired for redevelopment;
- properties used for religious or welfare purposes;
- buildings that have a national, public or municipal interest;
- buildings used for urban restoration and are planned for redevelopment within two years of purchase.

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Russian Federation

Tax Rates

Real property tax

There is no separate real property tax in Russia. Real estate (excluding land) owned by companies is liable for corporate property tax, while land may be subject to land tax.

The corporate property tax base is defined as average annual historical cost of assets reflected in the financial statements or in some cases as cadastral (market) value of immovable property.

The corporate property tax rates are established by regions, but the maximum tax rate is 2.2% for annual value and 2% for cadastral value of immovable property.

The tax base of land tax is the cadastral value. Local governments (municipalities) establish land tax rates. These rates should not exceed 0.3% of cadastral value for agricultural land and land used for housing purposes, and 1.5% of cadastral value for other types of land.

The corporate property tax as well as land tax is deductible for corporate income tax purpose.

Stamp duty

There are no stamp duties in Russia for transfer of ownership registration. There are charges for notarial acts (for example, notarial certification of transaction). Notary fees can be set as a percentage of the transaction cost.

Transfer tax

Immovable property

There is no transfer tax on the transfer of immovable property. Transfer of immovable property is, however, subject to a state registration fee. The amount of fees could be varied depending on the type of transaction and whether it is individuals or legal entities that are involved in the transaction, though they are not significant.

Shares, bonds and other securities

There is no transfer tax on the transfer of shares, bonds or securities.

Taxpayer

In general, the property owner pays the corporate property tax and the landowner pays the land tax.

The agreement between the parties establishes the party who is responsible for the payment of notary and registration fees.

Exemptions

Incentives in corporate property tax and land tax are provided to certain categories of taxpayers.

Moveable property is exempt from corporate property tax.

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Slovak Republic

Tax Rates

Real property tax

Three different taxes comprise the tax on real property: the land tax, building tax and apartment tax.

In all cases, the tax liability arises on 1 January of the year following the year in which the property is acquired, while the tax liability ends on 31 December of the year in which the ownership ends.

In general, the tax rate for land tax is 0.25% of the value of the land. The building tax and apartment tax are levied at €0.03 per square metre. However, the local municipality in which the real property is located may change these rates.

Stamp duty

There are no stamp duties, but administrative fees may be levied on certain services provided by the government bodies.

Transfer tax

Immovable property

No transfer tax is chargeable on the transfer of immovable property. The real estate transfer tax was abolished on 1 January 2005.

Shares, bonds and other securities

No transfer tax is levied on the transfer of shares in real estate holding companies.

Taxpayer

Real property tax is payable by the owner. Administrative fees (if applicable) are generally payable by the buyer.

Exemptions

Real property is generally exempt from real property tax if it is owned by state/local public bodies, schools or non-profit organisations or properties owned by pensioners used for their private purposes.

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Sweden

Tax Rates

Real property tax

Real property tax is charged at a rate between 0.2% and 1% on the taxable value for all properties.

Properties used in a business are subject to a real estate tax, levied at 1% of the property's taxable value. The real estate tax is 0.5% for industrial properties.

For residential properties, there is a real property fee instead of a real estate tax. This is levied at the lower of:

- 0.75% of the value, or
- SEK 8,349 for properties which consist of one or two apartments.

Properties with three or more apartments are charged at the lower of:

- 0.3% of the property's taxable value, or
- SEK 1,429 for each apartment.

Properties that are mixed use will be subject to a tax for each kind of premise the property holds.

Real property tax is treated as deductible for corporation tax purposes.

Stamp duty

Stamp duty is charged on the transfer of real estate at a rate of 4.25% on the higher of:

- consideration transferred, and
- the taxable value.

Stamp duty can be deferred where properties are transferred between members of the same group, provided the parent company is resident in Sweden.

Stamp duty is charged at 1.5% for non-legal entities.

Stamp duty is also levied on mortgage loans. This is charged at a rate of 2% for real property and leasehold rights.

Transfer tax

Immovable property

There is no transfer tax on the transfer of immovable property. However, a gain related to a disposal of a property is subject to corporate income tax. If certain requirements are met a property may be sold at a price less than market value and no income tax should be triggered.

The sale of a property is a VAT exempt transaction.

Regarding the letting of property, the main rule is that it is a VAT exempt transaction. However, there are some exemptions from this rule, whereby the letting of property is a VAT-chargeable transaction.

If certain conditions are fulfilled a landlord may be able to voluntarily opt for VAT on the letting of a property. If such conditions are fulfilled, the landlord is in a VAT recovery position regarding costs directly related to the VAT-inclusive letting of the property.

Shares, bonds, and other securities

There is no transfer tax on the transfer of shares, bonds and other securities.

Taxpayer

The owner of the property on the 1st January of each financial year is liable for the real property tax for the whole financial year.

Stamp duty is usually payable by the purchaser of the property, but the parties involved can agree on different arrangement.

Exemptions

For some properties, there is no property tax or property charge, e.g. newly built homes are exempt from property charge.

Transfer tax is not payable on the transaction of shares in a property company.

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Switzerland

Tax Rates

Real property tax

The application of real property tax depends on the location of the property. The tax is set at the communal/cantonal level, though certain jurisdictions have decided not to levy this annual tax.

The real property tax is determined by the fair market value of a property, in some cases without taking account of any related debts or mortgages. Legal entities as well individuals, recorded on the land register as the owners or users of a property, may be subject to this tax at rates between 0.02% and 0.3%.

Stamp duty

Issuance stamp tax

Stamp duty of 1% applies to the fair market value of contributions that are supplied to the equity of a company. There is no stamp duty charged to individuals.

Transfer tax

Immovable property

Real estate capital gains tax

There may be taxes on the capital gain on the sale of property. It is decided on cantonal level how real estate capital gains shall be taxed within the territory.

For corporations at the federal level, capital gains realised on the sale of real estate property is subject to ordinary corporate income tax. At the cantonal and communal levels, depending on the canton concerned, capital gain realised by a corporate entity is either subject to the ordinary corporate income tax (dualistic method) or subject to a special real estate capital gains tax (monistic method).

Real estate transfer tax (RETT)

Transfer taxes are usually levied by the cantons but may be levied by the municipalities instead. The transfer of a majority of shares in real estate companies is also subject to RETT.

This tax is usually charged between 1% and 3% and is calculated based on the purchase price, although a discount is applied for long holding periods. Some cantons do not levy a property transfer tax, but they charge a registration fee and fee on change of ownership.

Shares, bonds and other securities

Swiss securities transfer tax is levied on the transfer of Swiss or foreign securities, where Swiss security dealers participate as contracting parties or as intermediaries.

For Swiss security dealers, the transfer tax on the transfer of securities amounts to 0.15% for securities issued by a tax resident of Switzerland and 0.3% for foreign securities.

Taxpayer

The property owner is liable for the real property tax.

In general, the receiving company is liable for paying stamp tax

The purchaser is usually responsible for paying the RETT. Occasionally, both the purchaser and the vendor are jointly and severally liable for payment. Swiss securities dealers are liable for payment of securities transfer tax.

Exemptions

The first CHF 1 million of equity transferred in exchange for ownership rights is exempt from the issuance stamp tax, taking account of both initial and subsequent contributions.

In addition, a multitude of corporate reorganisations are qualified for exemption of issuance stamp tax.

Corporate reorganisations, e.g. mergers, are typically exempt from RETT.

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United Kingdom

Tax Rates

UK – England and Northern Ireland

Real property tax

Property tax, commonly known in the UK as business rates, is charged by local authorities at a standard rate based on the 'rateable value' of the property. Business rates are a deductible expense for corporation tax purposes.

Council tax is a fixed sum of tax levied on domestic properties, based upon a banding system.

Annual Tax on Enveloped Dwellings (ATED)

ATED is an annual tax payable principally by companies that own UK residential property valued at more than £500,000.

The amount is calculated using a banding system based on the value of the property.

Very broadly, an ATED return must be completed annually if the property:

- is a dwelling
- in the UK
- was valued at more than:
 - £2 million (for returns from 2013 to 2014 onwards)
 - £1 million (for returns from 2015 to 2016 onwards)
 - £500,000 (for returns from 2016 to 2017 onwards)
- is owned completely or partly by a:
 - company
 - partnership where any of the partners is a company
 - collective investment scheme - for example, a unit trust or an open-ended investment vehicle

Stamp duty

The transfer of shares is usually subject to stamp duty at a rate of 0.5% on the consideration transferred.

When shares are transferred to clearance services or depository receipt systems, stamp duty reserve tax (SDRT) may be applied at a higher rate at 1.5%.

Property transfers are subject to SDLT in England and Northern Ireland. The equivalent taxes in Scotland and Wales are Land and Buildings Transaction Tax (LBTT) and the Land Transaction Tax (LTT) respectively.

Stamp Duty Land Tax (SDLT)

Residential and non-residential properties are subject to SDLT at a rate between 0%-12% and 0%-5% respectively, based upon the value of the property.

An additional 3% applies to the above rates if an individual acquires a second home (unless the new home is replacing the individual's main home). SDLT will generally be charged at 15% when a company acquires a residential property worth more than £500,000. There are some reliefs which can apply where certain conditions are met.

The government is proposing to introduce an additional 3% surcharge on the acquisition of residential property by non-residents in 2020. Further details of this proposal are expected in the forthcoming budget (March 11, 2020).

New commercial leases are subject to SDLT on both the lease premium and the net present value (NPV) of the annual rent. The lease premium is charged at the rates applied to non-residential properties outlined above. The NPV of the rent between £150,000 and £5 million is charged at 1% and is charged at 2% if the NPV exceeds £5 million. High value new residential leases can also attract SDLT charge on the lease premium and NPV of the annual rent.

SDLT is generally due within 14 days of the transaction.

UK – Scotland

Land and Buildings Transaction Tax (LBTT)

LBTT is a similar tax which is applied in Scotland to residential and non-residential land and buildings transactions (including commercial leases). It has a number of similarities with UK SDLT, but there are some important differences.

Tax is levied at different rates depending on the value or the type of the property. The tax rate for Residential LBTT varies between 0% and 12%; whereas for non-residential LBTT it is charged between 0% to 5%.

The Scottish budget (2020-2021) introduced a new tax rate of 2%, applicable where the NPV of the rent payable under a lease is above £2 million. This new change has come into force for land transactions taking place on or after 7 February 2020.

An Additional Dwelling Supplement (ADS) will be charged if an additional dwelling costing £40,000 or more is purchased.

An LBTT return alongside with payment of tax due must be made within 30 days of the effective transaction date.

UK – Wales

Land Transaction Tax (LTT)

LTT is payable on property (residential and non-residential) or land over a certain price in Wales. The threshold is £180,000 for residential property and £150,000 for non-residential land and property. The tax rates are in the range of 0% - 12% and 0% - 6% for residential property and non-residential property respectively.

A higher LTT rate will be charged if an additional residential property is purchased unless it is to replace the main residence.

The LTT return must be filed with the Welsh Revenue Authority and the relevant tax liabilities are paid within 30 days of the day after completion.

Taxpayer

Real property taxes are payable by the owner of the properties, including residential and non-residential properties.

Stamp duty, SDLT, LBTT or LTT is generally payable by the purchaser.

Exemptions and reliefs

ATED

There are a number of exemptions from ATED including:

- charitable companies using the dwelling for charitable purposes;
- public bodies;
- bodies established for national purposes.

Relief may also be available if the property is:

- let to a third party on a commercial basis and isn't, at any time, occupied (or available for occupation) by anyone connected with the owner
- open to the public for at least 28 days a year
- being developed for resale by a property developer
- owned by a property trader as the stock of the business for the sole purpose of resale
- repossessed by a financial institution as a result of its business of lending money
- acquired under a regulated Home Reversion Plan
- being used by a trading business to provide living accommodation to certain qualifying employees
- a farmhouse occupied by a farm worker or a former long-serving farm worker
- owned by a registered provider of social housing.

Stamp duty and SDLT

Individuals buying their first home are able to claim full or partial relief from SDLT on property values up to £300,000 and £500,000 respectively.

If more than one residential property is acquired at the same time (or a number of transactions are linked), multiple dwellings relief (MDR) may reduce the SDLT attributed to the transaction(s).

Group relief claims may mitigate stamp duty or SDLT arising on the transfer of property/shares between group companies.

There are a number of other stamp duty and SDLT reliefs available that can be applied in a variety of other cases.

LBTT

Transactions between group companies can qualify for group relief from LBTT provided conditions are met.

First-time buyers can apply for first-time buyer relief, which means that there is no LBTT for residential property worth £175,000 or below.

There are also reliefs available for property investment funds, e.g. the initial transfer of properties into a Property Authorised Investment Fund (PAIF) or Co-owned Authorised Contractual Scheme (CoACS); or when units in CoACS are exchanged.

LTT

Transactions between group companies can qualify for group relief from LTT provided conditions are met.

Reconstruction and acquisition reliefs are also available if certain conditions are met.

Relief from LTT is available for the leaseback element of a sale and leaseback.

Other available reliefs, e.g. charities relief and MDR, are also available if conditions are met.

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