Analyse

Taxation Trends
within the **European Union**

Seed

Startegy | Regulatary | Tax | Advisroy

First published by Seed in 2021.

Seedconsultancy.com

info@seedconsultancy.com

Designed by Andrea Camilleri

All rights reserved. No part of this publication may be reproduced without the previous written permission.

Copyright Publication © Seed.

ISBN: 978-99957-1-968-5

About Seed

We set up Seed wanting to do things differently. Powered by tech, our business attracts the best people, whilst creating meaningful work. Our principles and vision define us. We care about making a difference; for our employees, for our clients and the wider community. Our clients enjoy objective advice, clearly expressed. With our help, they make better decisions and get better results. No matter what sector, size of business or scope of work, we bring together rigour, knowledge and experience.

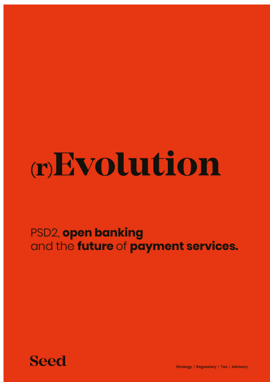
Seed is big enough to deliver yet small enough to care.

seedconsultancy.com

Other publications by Seed

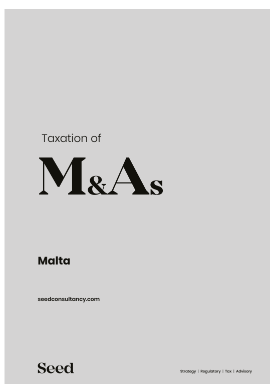
Agile. *Perspectives on the future of Malta's economy post COVID-19. (April, 2020)*

This publication aims to contribute to the national debate and to stimulate business and policy leaders to embrace the future and to start working towards a much-needed recovery plan that is anchored around a long-run vision for Malta. The research report complemented by consultations with 18 social partners, 20 business leaders, 15 expert contributions and an economic survey with 385 participants.



(r)Evolution. *PSD2, Open Banking and the future of payment services.*

This report sheds light on the adoption by local credit and financial institutions of Europe's Second Payment Services Directive (PSD2) which introduces the concept of Open Banking within its regulatory framework. To gauge the Directive's impact and measure the level of preparedness in the financial world, we undertook a qualitative and quantitative research study of representatives from close to 20 leading credit and financial institutions. We have used the results to inform this report.



This is the first publication in the series **'Taxation of..'.**

This series aims to shed light on tax matters in various transactions and industries. This particular publication provides a detailed explanation of the tax matters in M&A transactions – it looks at the tax treatment from both the buy-side and the sell-side, on both asset and share deals. The last section of the report also delves into the issues of Change Management within a M&A, which are often overlooked and are so critical to the success of the M&A itself.

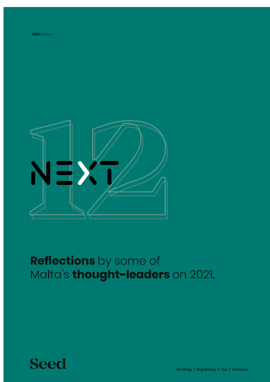
seedconsultancy.com

Propose. Budget 2021. (September, 2020)

Seed launches its pre-budget recommendations with a two-pronged approach. The first set of recommendations focuses on a short-term stimulus package to continue supporting real economic activity with the main measure being the gradual reduction in corporate tax for local businesses. Second set of proposals are anchored around a long-term vision for the island.

Malta Budget 2021. (October, 2020)

This document presents a detailed review of the Malta Budget for 2021. Apart from a high-level description of the measures announced by the Government, the report also gives a detailed economic context and analysis which should serve as a backdrop to this unique budget.



Next12. Reflections by some of Malta's thought-leaders on 2021. (January, 2021)

Next12 brings together some of Malta's leading thought-leaders in their respective field to share their insights on a number of areas and topics and their developments throughout 2021. With still a prevailing sense of uncertainty, the world will surely continue to transform itself in a number of domains. There is no doubt that the world will change. Business and trade will change. Social dynamics and our way of life will change too. We need to start thinking of a new normal and Malta is no exception.

seedconsultancy.com

Foreword

As the world becomes smaller, more transactions and structures are impacted by tax legislation in various countries. Today, it is more important than ever to have access to information on the tax systems of difference jurisdictions, in order to begin to understand how taxpayers could be affected by the tax legislation in a number of countries.

The aim of this report is to provide a high-level comparison of the tax systems in the 27 EU Member States looking at both direct and indirect taxes, and the impact these have on the GDP. The report provides information on Corporate and Personal taxes, double tax relief, VAT and employment taxes in the various member states. The aim of the report is to provide brief information on the above taxes in each member state, with the possibility of providing a comparison between EU Countries. Should the reader wish to obtain more information on any of the member states, they may get in touch directly with Seed, or with the contributors to the specific countries, as outlined below.

The report also provides information about Taxation trends in the EU. The data which is available at the time of writing the report, is data up to the year 2018 during which the Member States were 28, as the UK was still part of the EU.

Therefore, the data provided in the first section of the report covers data for the 28 Member states ('EU 28'), together with country-specific data.

A substantial part of the data within the 'EU' contents section has been obtained from the 2019 edition of 'Taxation Trends in the European Union'. The full document may be found here:

https://ec.europa.eu/taxation_customs/sites/taxation/files/taxation_trends_report_2019.pdf

JP & Nicky

Table of contents

Introduction 08

1

Definitions 08
Share of direct taxes 10
Share of indirect taxes 12
Share of taxes on labour 14
Taxation of labour 17
Share of VAT 19
Corporate Income Tax 22

EU Tax Brief 25

2

Austria 26
Belgium 31
Bulgaria 35
Croatia 40
Cyprus 45
Czech Republic 53
Denmark 64
Estonia 69
Finland 75
France 80
Germany 86
Greece 90
Hungary 95
Ireland 100
Italy 106
Latvia 112
Lithuania 116
Luxembourg 122
Malta 128
Netherland 134
Poland 140
Portugal 146
Romania 152
Slovakia 157
Slovenia 162
Spain 168
Sweden 174

Contributors 180

Definitions

Definitions

Prior to providing the below data, it is important to provide a definition of a number of terms being used below. As mentioned in the 'About this Report' section, certain data has been obtained from the 2019 edition of 'Taxation Trends in the European Union' and the relevant definitions are also taken from the same document:

'Total taxes (including compulsory actual social contributions)' are defined in this report as taxes on production and imports, current taxes on income and wealth, capital taxes and compulsory actual social contributions. Indirect taxes, direct taxes and social contributions add up to the total of taxes and compulsory actual social contributions received by the general government and the institutions of the European Union.

'Taxes (excluding social contributions)' are defined as 'total taxes (including compulsory actual social contributions)' minus actual compulsory social contributions.

'Indirect taxes' are defined in this report as taxes linked to production and imports i.e. as compulsory levies on producer units in respect of the production or importation of goods and services or the use of factors of production. They include VAT, import duties, excise duties and other specific taxes on services (transport, insurance etc.) and on financial and capital transactions. They also include taxes on production defined as 'taxes that enterprises incur as a result of engaging in production', such as professional licences, taxes on land and building and payroll taxes.

Indirect taxes are defined as the sum of the following ESA 2010 tax categories.

- VAT: value added-type taxes
- Taxes and duties on imports excluding VAT
- Taxes on products, except VAT and import duties
- Other taxes on production

'Direct taxes' are defined as current taxes on income and wealth plus capital taxes including taxes such as inheritance or gift taxes. Income tax is a subcategory that includes personal income tax (PIT) and corporate income tax (CIT), along with capital gains taxes.

Direct taxes are defined as the sum of the following ESA categories.

'Actual compulsory social contributions' are paid by employers and employees on the basis of a work contract, or by self- and non-employed persons. They can be split into three subcategories.

- Compulsory employers' actual social contributions.
- Compulsory employees' social contributions.
- Compulsory social contributions by self-and non-employed persons.

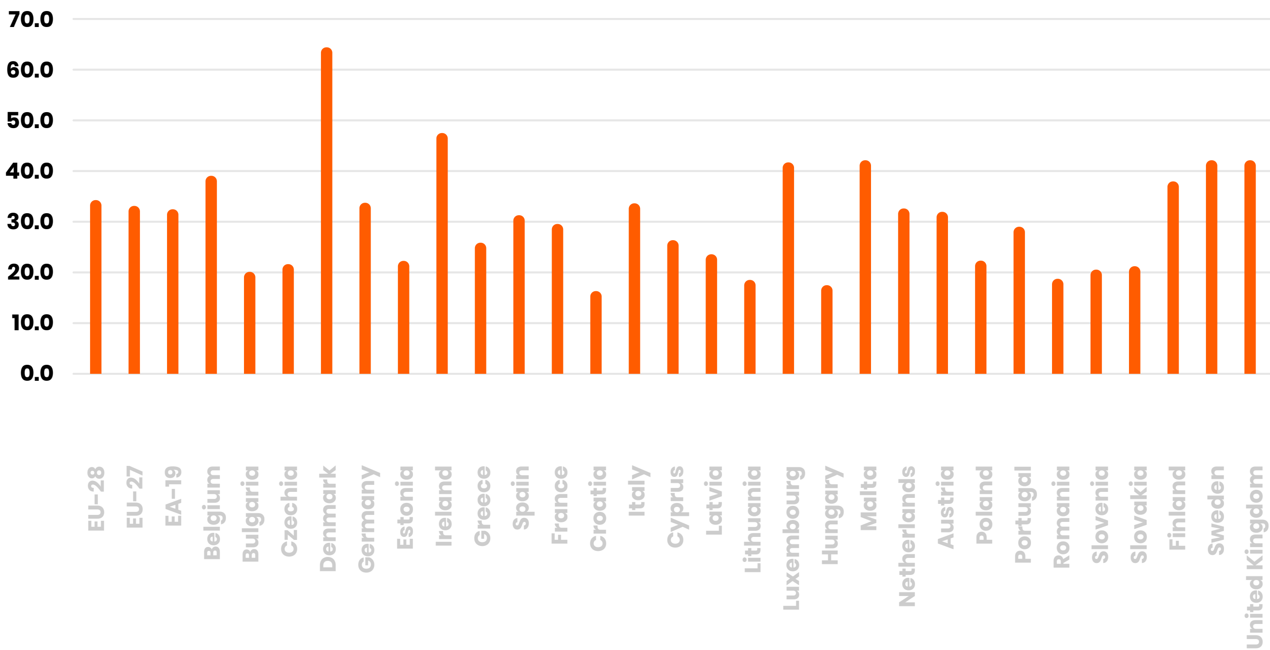
Share of direct taxes

Share of **direct taxes** in total **tax revenues**

The percentage of direct tax revenues as a result of total tax revenues differs considerably amongst member states. Denmark had the highest contribution in 2018, of 64.6%, well above the EU 28 average of 34.3%. Countries which follow including Ireland (47.9%), Malta (42.6%) and Sweden (42.6%).

Countries with the lowest share on direct taxes to total tax revenues include Romania (18.8%), Croatia (16.8%) and Hungary (17.9%), typically these Member States have flat-rate systems as opposed to progressive systems.

Share of direct taxes - 2018

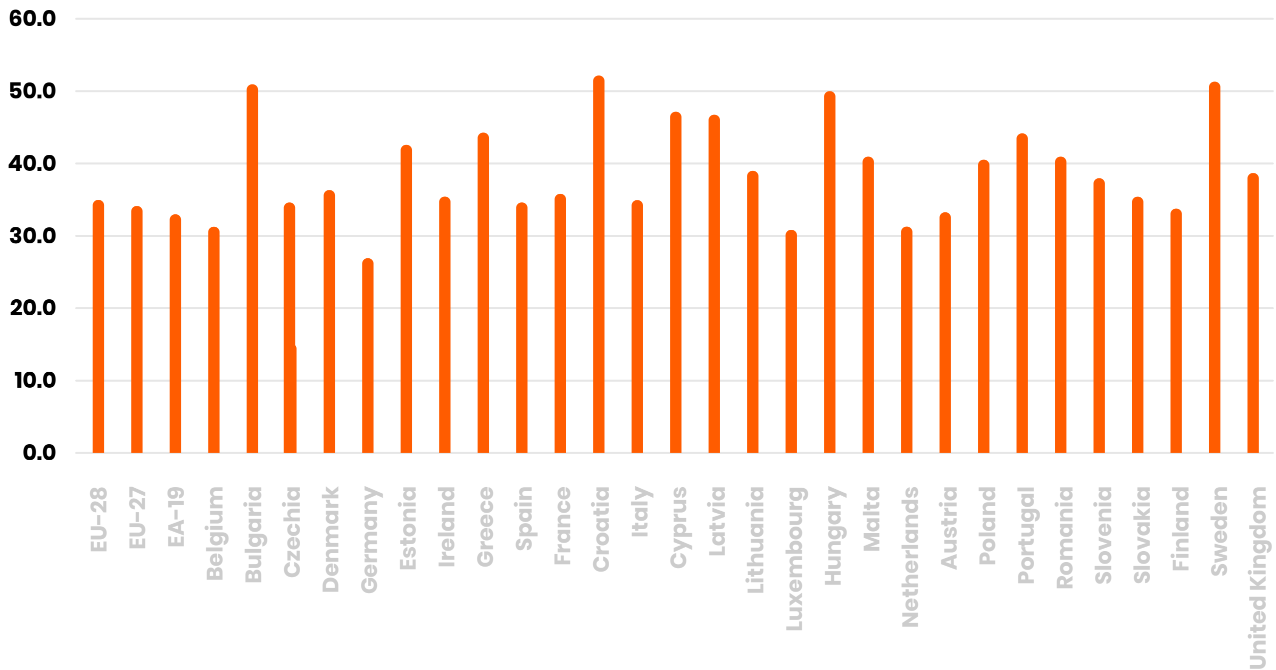


Share of indirect taxes

Share of **indirect taxes** in total **tax revenues**

In terms of the share of indirect taxes in total tax revenues, for 2018 there is also a wide range of percentages amongst the Member States, typically, one would expect that countries with a low share of direct taxes in total tax revenues, would have a high share of indirect taxes and vice-versa. This may be seen in countries like Romania, Croatia and Hungary which are on the higher end in this case.
The countries with the highest share of indirect taxes to total tax revenues include Croatia (52.1%), Sweden (51.2%) and Bulgaria (50.8%). The EU 28 average stood at 34.7%.

Share of indirect taxes - 2018



Share of taxes on labour

Share of **taxes** on **labour** as a share of total **tax revenue**

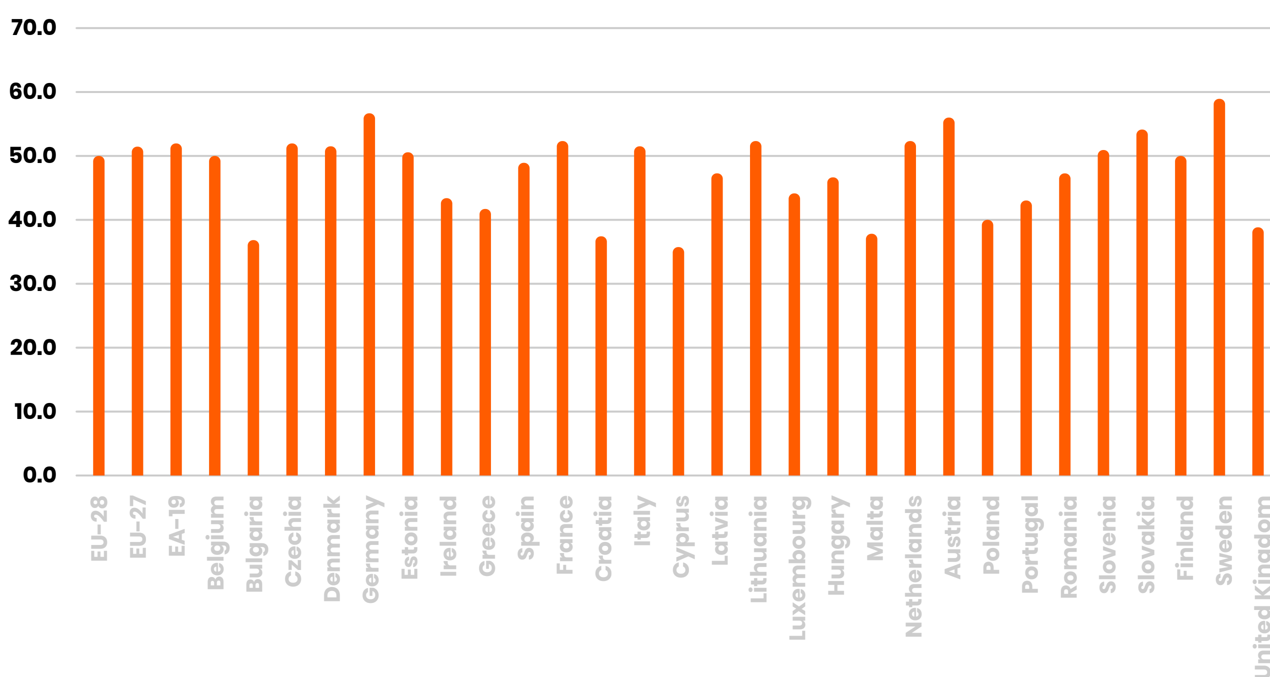
What does it include?

Taxes on labour include taxes on employed labour income and taxes on non-employed labour income, as follows:

Taxes on employed labour income comprise all taxes, directly linked to wages and mostly withheld at source, paid by employers and employees, including actual compulsory social contributions (see Box C.2). They include compulsory actual employers' social contributions (D.611C) and payroll taxes (D.29C), compulsory social contributions paid by employees (D.613CE) and the part of personal income tax (D.51A) that is related to earned income.

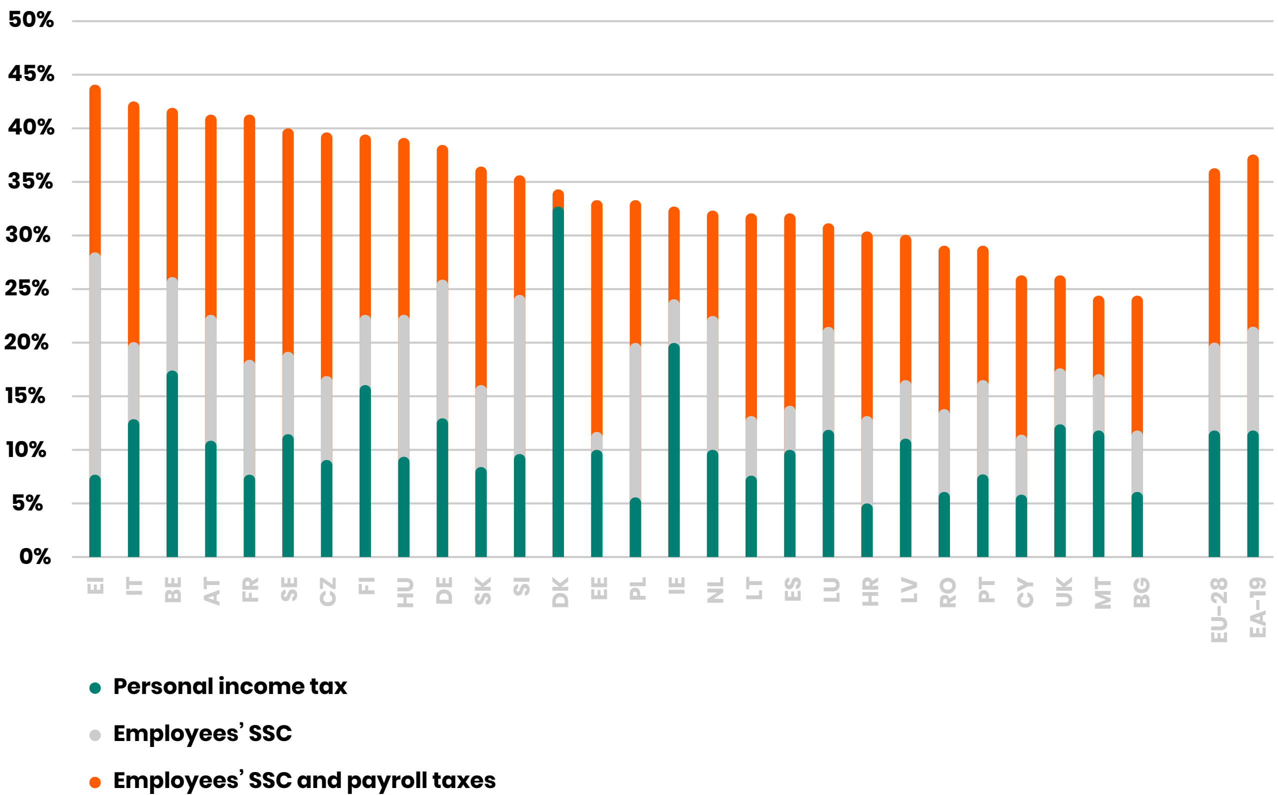
Taxes on non-employed labour income comprises all taxes and compulsory social contributions raised on the transfer income of non-employed persons, where these could be identified. This transfer income includes social transfers that are paid by the state (e.g. unemployment, invalidity and healthcare benefits) and benefits from old-age pension schemes (both state and occupational pension schemes).

Most countries' share of taxes on labour as a percentage of total tax revenue is more or less within the EU28 average of 49.9%, with the exception of Cyprus, Malta and Croatia which have significantly low percentages of 35.1%, 36.7% and 37% respectively.



It is also interesting to see how the labour tax cost is split between personal income tax, Employees' SSC and Employers' SSC and payroll taxes. In most Member States, social security contributions (employees' and employers' share) account for a much larger portion of labour taxes than PIT.

Graph 13: Composition of the implicity tax rate on labour, 2017 (%)



Source: DG Taxation and Customs Union, based on Eurostat data.

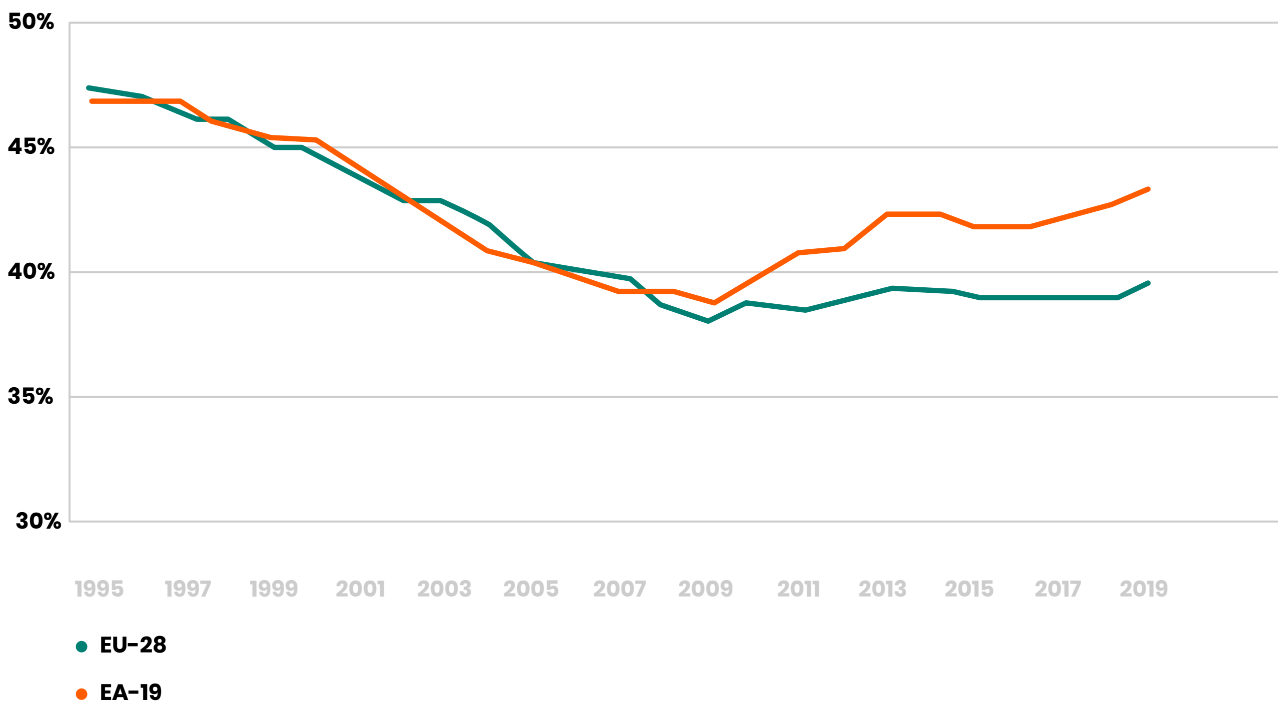
Taxation of labour

Taxation of labour - Top **personal income** tax rates

The top PIT rate in the EU28 (simple average) has fluctuated significantly during the last 25 years, from 47.2% in 1995 to just below 40% in 2019. There has been a steady decrease from 1995 to 2009, with the rate remaining fairly stable since then.

The top PIT Rate within the EU ranges from a minimum of 10 % in Bulgaria to more than 55% in Sweden and Denmark.

Graph 11: Development of top personal income tax rate, 1995-2019 (% simple averages)

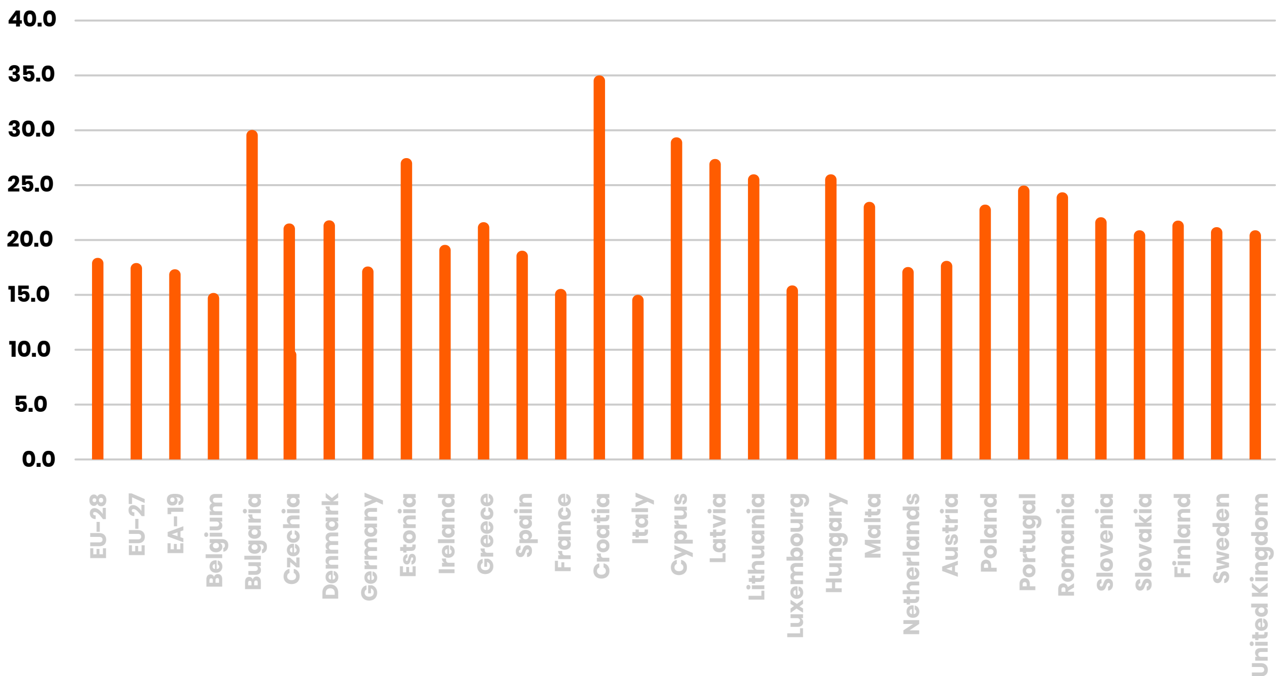


Source: DG Taxation and Customs Union

Share of VAT

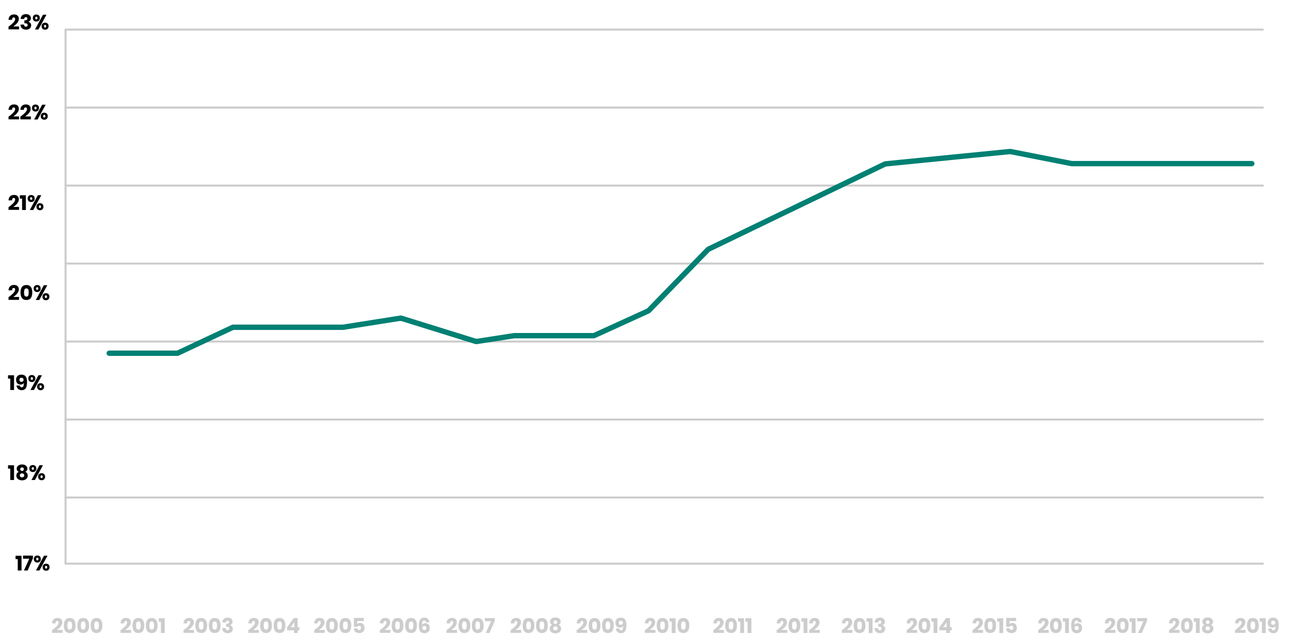
Share of VAT
as a percentage of total tax revenue

One of the more important indirect taxes, in terms of its contribution to GDP and also to total tax revenues, is VAT. Whilst VAT legislation is harmonised throughout the EU as a result of the EU VAT Directive, however VAT Rates and other indirect taxes are not and this results in a range of percentages for the Member States in terms of their VAT as a percentage of total indirect tax revenue.



It is also interesting to see the trend of the average standard VAT rate amongst the EU 28, for the years 2000 – 2019. As countries continue to focus more on indirect tax and on increasing their indirect tax rates, whilst decreasing their direct tax rates, the below graph shows an exponential increase in the average VAT rate amongst the EU 28, which has remained fairly stable since 2014, and was at a rate of 21.5% in 2019. The highest VAT rate is found in Hungary, at a 27%, whilst the lowest rates are in Luxembourg and Malta, 17% and 18% respectively.

Graph 10: Developments of average standard VAT rate, EU-28, 2009-2019 (%)



Source: DG Taxation and Customs Union

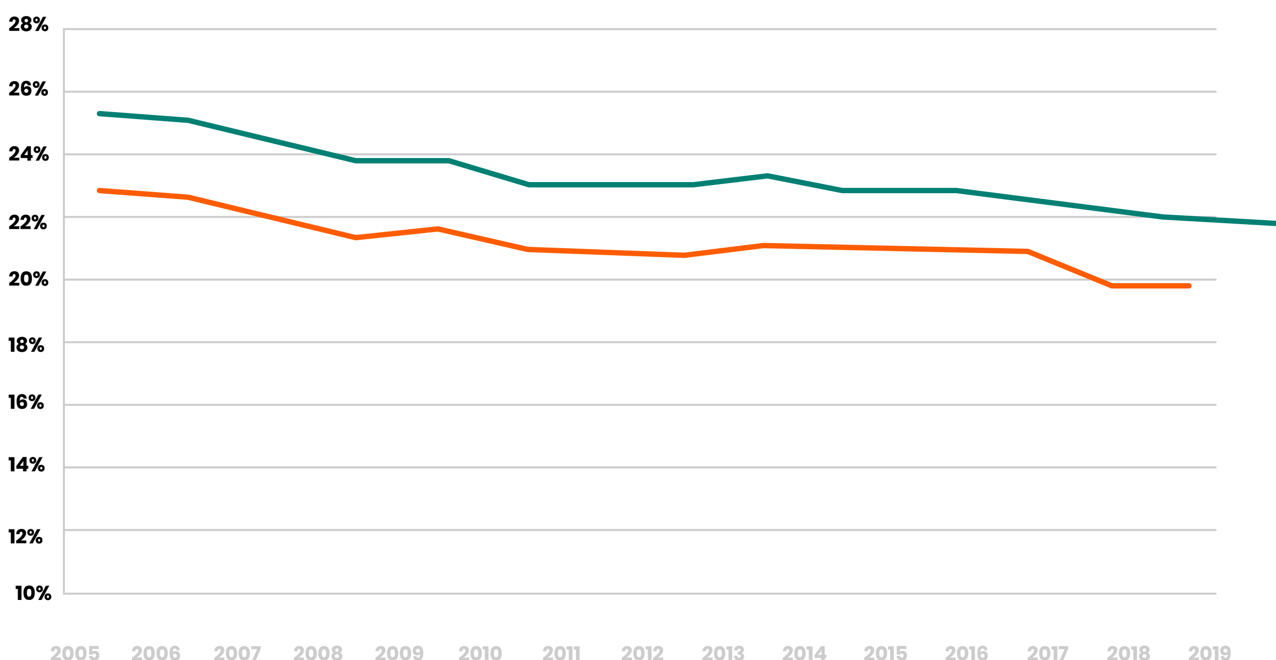
Corporate Income Tax Rates

Top Corporate Income Tax Rates

The average Top Corporate Income Tax (CIT) Rate in the EU28 has seen a gradual decrease in the last years, from 25.2% in 2005 to just below 22% in 2019. This is also in line with the increase in the average indirect tax rate, as Member States focussed their efforts on taxing consumption rather than income.

The corporate income tax rates vary from a minimum of 10% in Bulgaria, to top rates of 30% or more in Belgium, Malta, France and Portugal, although these countries include provisions to reduce the effective tax rate which is applied.

Graph 18: Top corporate income tax rate and effective average tax rate indicators, 2005 - 2019 (%)



- **EU-28 average top corporate Income Tax (CIT) rates**
- **EU-28 Effective Average Tax Rate (EATR)**

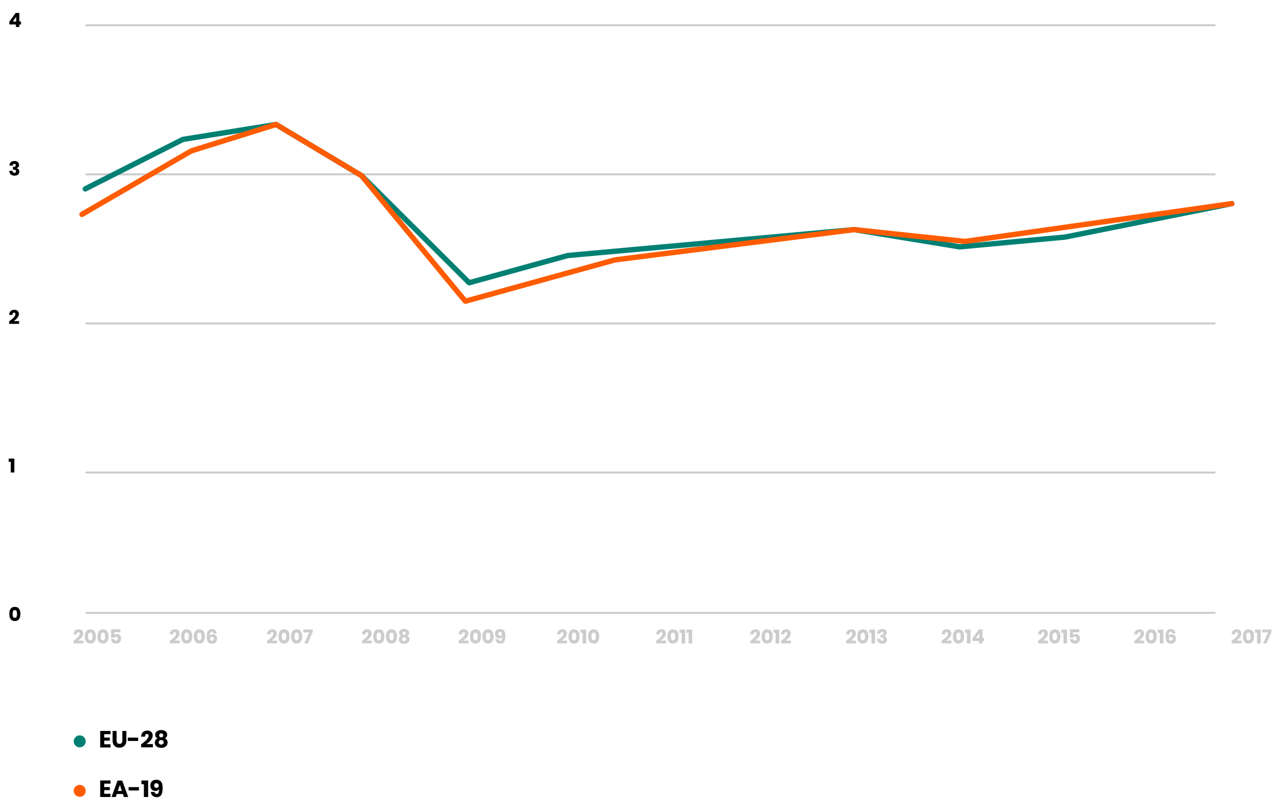
Source: DG Taxation and Customs Union

NB: Effective average tax rates, computed at corporate level using the Devereux/griffith methodology

Corporate Income Tax Revenues

By the end of 2017, Corporate Tax Revenues hadn't yet recovered to pre-2008 crisis figures, although there has been a steady growth since then to reach a figure of 2.8% of GDP in 2017.

Graph 19: Corporate income tax revenues, 2005 - 2017 (% of GDP)



Source: DG Taxation and Customs Union based on Eurostat data

EU Tax Brief

Country

Austria

Section A Overview

Corporate
Tax

Corporations having their legal seat and/or their place of effective management in Austria are deemed to be tax residents of Austria.

As a consequence, they are subject to unlimited corporate income tax liability in Austria on their worldwide income (including capital gains) at a rate of 25%. The tax year is generally the calendar year.

Corporations may, however, apply for permission to use a different tax year. A corporation's tax base is the profit as shown in its financial statements. In addition, where mandatory tax provisions deviate from financial accounting rules, adjustments have to be made. As a general rule, expenses incurred in acquiring, securing and maintaining taxable income are tax-deductible. A few types of expenses are partly or fully non-deductible and a few exemptions of income exist. Under the national participation exemption, dividends received from an Austrian subsidiary are tax exempt, while under the international qualified participation exemption, dividends received from foreign subsidiaries and capital gains from the sale of shares in foreign subsidiaries are tax exempt, if a 10% shareholding has been held for at least one year.

Austria has a group taxation regime for affiliated companies whereby the taxable income of a member of the group is attributed to the top-tier company in the tax group. The corporate income tax return must generally be filed electronically by June 30 of the calendar year following the tax year.

Taxpayers being represented by tax accountants benefit from longer deadlines. Quarterly prepayments of corporate income tax are due on February 15, May 15, August 15, and November 15 of the tax year. Their amount depends on the last corporate income tax assessment. Such prepayments are creditable against the final amount of corporate income tax assessed for that tax year.

Personal Tax

Individuals are deemed to be residents of Austria for income tax purposes (and thus subject to unlimited income tax liability in Austria) if they have a domicile and/or their habitual abode in Austria. Taxable income includes: income from agriculture and forestry; income from professional and other independent services; income from an active trade or business; employment income; investment income; rent, lease payments, and royalties; and other specified income (including certain annuities and capital gains on private property).

The tax base is computed as the total amount of all categories of income (save for tax-exempt items), decreased by tax-deductible expenses. In addition, losses carried forward may be deducted from the tax base within certain limits. Certain personal allowances (i.e., deductions from tax) exist for the taxpayer and family members in the form of tax credits. The taxable income is subject to a progressive income tax rate, with the top rates being 50% (for income above EUR 90,000) percent and 55% (for income above EUR 1 million).

Investment income is in general subject to a flat rate of 27.5% (25% in the case of interest from bank accounts). Capital gains on the sale of Austrian real estate are in general subject to a flat rate of 30%. In Austria, it is common for employees to receive 14 monthly salary payments per year, since the two additional payments are subject to a linear tax rate of only 6%. While income tax is levied by way of assessment, income tax on employment income is in general levied by way of withholding by the employer. The Austrian tax system does not provide for joint return filing by married couples. Each spouse is subject to tax independently. The income tax return must generally be filed electronically by June 30 of the calendar year following the tax year. Taxpayers making use of tax advisors benefit from longer deadlines.

Double Taxation Relief

Austria has concluded approx. 90 income tax treaties and generally follows the OECD Model Convention and the commentary thereto in respect to its treaty policy and interpretation. Typically, Austria applies the exemption method as the main method for avoiding double taxation, with the credit method only applying in respect of dividends, interest and royalties.

Since under Austrian rules of interpretation the more specific provision takes precedence over the more general provision, double tax treaties generally take priority over domestic laws: If a domestic withholding tax rate is lower than the maximum tax rate provided for in an applicable tax treaty, a foreign taxpayer benefits from the lower domestic tax rate. If a domestic withholding tax rate is higher than the maximum tax rate provided for in an applicable tax treaty, a foreign taxpayer benefits from the lower treaty tax rate. The lower rate may under specific circumstances either be applied directly at source by the payor, or the foreign taxpayer as recipient of the payment may be required to apply for a refund of the balance.

Austria is also a signatory to the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting.

VAT

Austria levies value added tax in line with the pertinent EU directives:

The supply of goods and the rendering of services are subject to Austrian value added tax if they are effected by an entrepreneur within the sphere of its enterprise, in Austria and against consideration.

An entrepreneur is a person or entity that independently performs a commercial or professional activity, such activity being every sustainable activity that is performed for the purpose of generating revenues, even if there is no intention to make a profit.

Under the general rule, a supply of goods is carried out in Austria (and thus taxable) if the goods are located within Austria at the time the sale is effected. Under the general rule, services are rendered in Austria (and thus taxable) if the recipient, being an entrepreneur, carries out its business in Austria.

The standard rate of value added tax is 20%. Reduced rates of 10% and 13% apply to certain supplies. There are also a number of exemptions applicable (e.g., for financial services and health services).

Employment Tax

The following other duties will typically fall due in connection with an employment in Austria:

- 21.23% social security contributions – to be paid by the employer;
- 18.12% social security contributions – to be withheld by the employer from wage payments made to the employee;
- 1.53% pension fund contributions – to be paid by the employer;
- 3.9% employer's contributions to the family burdens equalization fund – to be paid by the employer;
- 0.38% (in the case of the province of Vienna) surcharge to the employers' contributions to the family burdens equalization fund – to be paid by the employer;
- 3% municipal tax – to be paid by the employer; and
- EUR 2.00 employer's duty per week and per employee employed in the province of Vienna pursuant to the Vienna Employer's Duty Act – to be paid by the employer.

Section B Rates

	Rate		Notes
Corporate Tax Rate (%)	25		Apart from the 25% corporate income tax, there are no surcharges or other taxes on a company's income.
VAT Rate (%)	20		The standard rate is 20%. Reduced rates of 10% and 13% apply to certain supplies.
WHT on:			
Dividends (%)	R 25	NR 27.5	Dividends are subject to a domestic withholding tax rate of 27.5%. A reduced rate of 25% applies for dividends paid to corporations. These rates can be reduced under double tax treaties. In addition, under the Austrian implementation of the EU Parent Subsidiary Directive, an exemption from withholding may apply.
Interest (%)	R 0	NR 0	Interest on loans is not subject to withholding tax.
Royalties (%)	R 20	NR 20	Royalties are subject to a domestic withholding tax rate of 20%. This rate can be reduced under double tax treaties. In addition, under the Austrian implementation of the EU Interest and Royalties Directive, an exemption from withholding may apply.

Personal
Tax Rates (%)

55

The top personal income tax rates are 50% (for income above EUR 90,000) percent and 55% (for income above EUR 1 million).

Inheritance
Tax Rates (%)

0

No general inheritance tax is levied in Austria.

The transfer of Austrian real estate by way of death is subject to real estate transfer tax.

The transfer of assets by way of death to foundations and trusts can be subject to foundation transfer tax.

Corporate Capital Gains
Tax Rate (%)

25

There is no special corporate income rate on capital gains. Capital gains on qualified foreign participations may be tax exempt.

Personal Capital Gains
Tax Rate (%)

27.5

The rate of 27.5% applies to capital gains on financial instruments. Capital gains on other assets are not taxable, provided that they are not realised within the context of an active trade or business and provided that a one year holding period is observed.

Gift
Tax Rate (%)

0

No general gift tax is levied in Austria.

Note that a notification obligation exists regarding gifts.

Gifts of Austrian real estate are subject to real estate transfer tax. Gifts of assets to foundations and trusts can be subject to foundation transfer tax.

Wealth
Tax Rate (%)

0

No general wealth tax is levied in Austria. A nominal tax is levied by municipalities on Austrian real estate.

Country

Belgium

Section A Overview

Corporate
Tax

In general, the tax base for Corporate Income Tax (CIT) purposes is determined on an accrual basis and consists of worldwide income less allowed deductions.

As of tax year 2021 (financial years ending 31 December 2020 and later), the standard CIT rate is levied at the rate of 25%. Capital gains on qualifying shares realised when meeting all conditions are fully exempt. Non-qualifying shares will be subject to the 25% rate.

A company is considered to be a resident of Belgium for tax purposes if it has its principal place of business or its seat of management in Belgium. The seat of management has been defined by Belgian case law as the place from where directing impulsions emanate or the place where the company's effective management and central administration abide, meaning the place where the corporate decision-making process actually takes place.

Personal
Tax

Belgium taxes its residents on their worldwide income, irrespective of their nationality.

Residents of Belgium are taxable on their worldwide income, while non-residents are only taxable on Belgian-source income.

Personal income tax is calculated by determining the tax base and assessing the tax due on that base. Taxation is charged on a sliding scale to successive portions of net taxable income. For income year 2020, the federal tax rates range between nil and 50%.

Double Taxation Relief

Belgium has an extensive tax treaty network (over 90 treaties). In Belgium, the OECD multilateral instrument (MLI) entered into force on 1 October 2019.

VAT

VAT is imposed on the provision of most goods and services, but not on exports.

Input VAT is deductible provided it relates to the provision of taxable supplies.

The standard VAT rate is 21%, but reduced rates can apply in certain case. A zero rate applies to daily and weekly publications and certain recycled goods, a 6% rate applies to most basic goods such as food, water and pharmaceuticals and a 12% rate applies to items including social housing and restaurant services.

Employment Tax

A payroll tax is withheld by employers on remuneration and pensions paid to resident or nonresident employees and directors for whom such payment constitute taxable professional income.

Both employers and employees are liable for social security contributions. The general employee contribution rare is 13.07% for white collar employees and 1.08 times the gross salary for blue collar employees.

Section B Rates

	Rate	Notes
Corporate Tax Rate (%)	25	The standard corporate tax rate is 25%.
VAT Rate (%)	21	Reduced rates of 0%, 6% and 12% may apply.

WHT on:

	R	NR	Notes
Dividends (%)	30	0–30	With respect to payments made to non-resident corporations or individuals, WHT exemptions and/or reductions can also be found in the DTTs concluded by Belgium.
Interest (%)	0–30	0–30	With respect to payments made to non-resident corporations or individuals, WHT exemptions and/or reductions can also be found in the DTTs concluded by Belgium.

Item	Rate	Notes
Royalties (%)	R 15–30 / NR 0–30	With respect to payments made to non-resident corporations or individuals, WHT exemptions and/or reductions can also be found in the DTTs concluded by Belgium.
Personal Tax Rates (%)	25–50	Progressive rates of tax apply to individuals.
Inheritance Tax Rates (%)	3–30	Different rates may apply depending on the asset inherited.
Corporate Capital Gains Tax Rate (%)	16.5–33	Capital gains derived from fixed tangible assets that have been used for business activities for more than 5 years are taxed at 16.5% and capital gains on private movable assets may be taxed at a separate tax rate of 33%.
Personal Capital Gains Tax Rate (%)	0	In general, capital gains derived by an individual are exempted.
Gift Tax Rate (%)	3–7	Gift tax rates vary based on the region where the gift is registered.
Wealth Tax Rate (%)	0	Belgium does not impose a wealth tax.

Country

Bulgaria

Section A Overview

Corporate Tax

Legal entities incorporated under Bulgarian law are considered to be tax residents of Bulgaria. The taxable profits of the Bulgarian tax resident legal entities are subject to 10% corporate income tax. The taxable income is determined based on the accounting profits and losses which are adjusted for tax purposes.

The accounting profits and losses are determined by applying the International Financial Reporting Standards or the Bulgarian National Accounting Standards. The tax year coincides with the calendar year.

The income derived by a Bulgarian tax resident legal entity from interest, capital gains, liquidation proceeds from shareholding participation, etc. is included in its taxable profits. Certain items of income, although recognized as income for accounting purposes, are not included in the taxable profits, e.g. dividends distributed to the entity by Bulgarian tax resident legal entity or by legal entities which are tax resident in an EU Member State or an EEA country (subject to certain exceptions).

As a general rule, documentary proven and business related expenses are tax deductible. A few types of expenses are partly or fully non-deductible. The corporate income tax returns must be filed by March 31 of the calendar year following the tax year.

Advance monthly or quarterly corporate income tax instalments based on estimated profits for the current tax year are due by taxpayers exceeding certain net sales income thresholds.

The advance instalments made are creditable against the final amount of corporate income tax due for that tax year.

Personal Tax

An individual is considered to be a tax resident in Bulgaria if the permanent address of the individual is in Bulgaria, or the individual spends on the territory of Bulgaria more than 183 days in each period of 12 consecutive months, or the centre of the vital interests of the individual is located in Bulgaria.

Individuals who are tax residents in Bulgaria are subject to Bulgarian income tax on their worldwide income, regardless of its source. Taxable income includes employment income, income from business activity as sole trader, income from other business activities and professional services, rental income, income from capital gains from disposition of assets, and other specified income.

The tax base is computed as the total amount of all categories of taxable income (except for tax-exempt income), decreased by statutory tax deductions and benefits. The taxable income is subject to a flat tax rate of 10% (income from business activity as a sole trader is taxed at a rate of 15%).

Dividends and liquidation proceeds distributed to tax residents are subject to withholding tax at the rate of 5% regardless of whether such payments are distributed to the individual by Bulgarian legal entities or foreign legal entities. Payments of interest on bank accounts to tax residents are subject to withholding tax at the rate of 8%.

The personal income tax returns must be filed by April 30 of the calendar year following the tax year. Advance monthly and quarterly personal income tax instalments are due for certain categories of income (e.g. employment income, income from business activities and professional services, rental income). The advance instalments made are creditable against the final amount of personal income tax due for the tax year.

Double Taxation Relief

Bulgaria has concluded approx. 70 income tax treaties and generally follows the OECD Model Convention and the commentary thereto in respect to its treaty policy and interpretation.

The most common anti-avoidance measure contained in the double tax treaties is the beneficial ownership concept. Under Bulgarian law, the beneficial owner of the income is the person who has the right to dispose of the income, to decide on its use and to take the entire or a substantial part of the risk from the activity through which the income is derived. Under the double tax treaties concluded by Bulgaria, tax relief for certain types of income (for example, from dividends, interest and royalties) is subject to the condition that the applicant is the beneficial owner of the income.

Double tax treaties are applied with priority over domestic tax laws. For income exceeding BGN 500,000 (appr. EUR 250,000), in order to be entitled to treaty benefit the taxpayer has to obtain treaty clearance from the Bulgarian National Revenue Agency within a double tax treaty clearance procedure.

VAT

Bulgaria levies value added tax in line with the EU VAT directive. The supplies of goods and services are subject to Bulgarian value added tax if they are effected in the course of the supplier's independent economic activity against consideration and the place of supply is in Bulgaria.

Under the general rule, the place of supply of a supply of goods is in Bulgaria (and thus Bulgarian value added tax is due) if the goods are located in Bulgaria by the time the transfer of ownership is effected or the transportation commences. Under the general rule, the place of supply of a supply of services to another business is in Bulgaria if the customer is also established in Bulgaria.

Where services are supplied to non-business customers, as a general rule Bulgarian value added tax is due where the supplier is established in Bulgaria. The standard rate of value added tax is 20%. A reduced rate of 9% is applied to certain supplies. There are also a number of exemptions applicable (e.g., for financial services, health services, immovable properties). Value added tax returns are filed and the tax is payable on a monthly basis, by the 14th of the following calendar month.

Employment Tax

In Bulgaria, the rates for social security and health insurance contributions payable by employers and employees with respect to employees in the third labour category (normal work conditions) who were born after 1 January 1960 and work under employment contracts governed by the Bulgarian Labor Code are the following:

- Pension contributions – 14.8% total, where the employer's share is 8.22% and the employee's share is 6.58%
- Illness and maternity fund contributions – 3.5% total, where the employer's share is 2.1% and the employee's share is 1.4%
- Accident and occupational disease fund – 0.4 – 1.1%, due by the employer
- Additional mandatory social security contributions for individuals born after 1 January 1960 - 5% total, where the employer's share is 2.8% and the employee's share is 2.2%
- Contributions to the unemployment fund - 1% total, where the employer's share is 0.6% and the employee's share is 0.4%
- Health insurance contribution – 8% total, where the employer's share is 4.8% and the employee's share is 3.2%

10% Bulgarian personal income tax is applied to the salary of the employee, net of the above health insurance and social security contributions. The tax is withheld and remitted to the budget by the employer.

Section B Rates

	Rate		Notes
Corporate Tax Rate (%)	10		The standard rate of tax is 10%.
VAT Rate (%)	20		The standard rate is 20%. Reduced rates of 9% apply to certain supplies.

WHT on:

	R	NR	Notes
Dividends (%)	5	0	Dividends are subject to a domestic withholding tax rate of 5%. This rate can be reduced or eliminated under double tax treaties. In addition, under the Bulgarian implementation of the EU Parent Subsidiary Directive, an exemption from withholding may apply.
Interest (%)	10	0	Interest income is subject to a domestic withholding tax rate of 10 %. This rate can be reduced or eliminated under double tax treaties. In addition, under the Bulgarian implementation of the EU Interest & Royalty Directive, an exemption from withholding may apply.
Royalties (%)	10	0	Royalty income is subject to a domestic withholding tax rate of 10%. This rate can be reduced or eliminated under double tax treaties. In addition, under the Bulgarian implementation of the EU Interest & Royalty Directive, an exemption from withholding may apply.

Personal
Tax Rates (%)

10

The general income tax rate is 10%. Sole traders are taxed at a rate of 15%.

Inheritance
Tax Rates (%)

0.4-6.6

Inheritance tax is levied on municipal level on all property inherited by will or statutory succession. The applicable tax rates may vary between 0.4%-6.6% depending on the type of relationship between the beneficiary and the deceased. Tax free allowance is applicable to shares in an estate with a value not exceeding BGN 250,000 (appr. EUR 125,000).

Corporate Capital Gains
Tax Rate (%)

10

Capital gains derived by Bulgarian tax resident entities are subject to 10% corporate income tax. Capital gains sourced in Bulgaria derived by non-Bulgarian tax resident entities are subject to 10% withholding tax.

Personal Capital Gains
Tax Rate (%)

10

Capital gains earned by an individual are typically taxed at 10%.

Gift
Tax Rate (%)

0.4-6.6

Gift tax is levied on a municipal level on any acquisition of property for no consideration, including on waiver of debt.

The applicable tax rates may vary between 0.4%-6.6% depending on the type of relationship between the beneficiary and the donor.

Wealth
Tax Rate (%)

0

Bulgaria does not levy wealth taxes.

Country

Croatia

Section A Overview

Corporate
Tax

Corporations having their legal seat and/or their place of effective management in Croatia are deemed to be tax residents of Croatia.

As a consequence, they are subject to unlimited corporate income tax liability in Croatia on their worldwide income (including capital gains) at a rate of: (i) 12 % in the case of annual revenues below HRK 7,500,000 (circa Euro 1,000,000) and (ii) 18% in case of annual revenues equal or above HRK 7,500,001.

Corporations having only their branch office in Croatia are subject corporate income tax liability which is limited to the profits achieved from its activities in Croatia.

The tax year is generally the calendar year. Corporations may, however, apply for permission to use a different tax year.

The profit tax base is the difference between revenues and expenditures assessed pursuant to accounting rules, which is then increased and reduced for tax-specific items under the profit tax provisions.

In general, expenses are deductible only if they are related to the company's business activity. Payments into voluntarily pension funds for the company's employees are deductible under certain conditions.

Prepayments of corporate income tax are paid monthly. Their amount depends on the last corporate income tax assessment. Such prepayments are creditable against the final amount of corporate income tax assessed for that tax year.

Personal Tax

Individuals are deemed to be residents of Croatia for income tax purposes (and thus subject to unlimited income tax liability in Croatia) if they are domiciled and/or have their habitual abode in Croatia.

Taxable income includes: (i) income from employment, (ii) income from self-employment, (iii) income from property and property rights, (iv) capital income and (v) other income. In case of income from employment, all benefits in-kind are also considered taxable income.

Depending on the tax base, annual income tax rates are: (i) 24% in case of a tax base up to HRK 360,000 (circa Euro 48,000), and (ii) 36% in case of a tax base above HRK 360,000. Certain categories of capital income are taxed at a rate of 12%. The aforementioned tax rates can be further increased in accordance with applicable surtax ranging from 0 – 18 % depending on the exact location of residence in Croatia.

Certain categories of income are partially or fully exempt from tax payment (e.g. allowances, reimbursement of travel expenses or payment of awards to employees).

The majority of taxpayers is subject to a special proceeding, under which they do not need to submit annual tax applications for the income achieved in Croatia and the income tax return is calculated automatically by the tax authorities (the decision is delivered in writing by 30 June). In the case of income received directly from abroad, taxpayers should be make a report and pay taxes due within 30 days from the receipt of such income.

Double Taxation Relief

Croatia is a party to approx. 65 bilateral income tax treaties and generally follows the OECD Model Convention and the commentary thereto in respect to its treaty policy and interpretation. Certain bilateral income treaties comprise only income taxes (personal and corporate), while the majority regulates both income and property taxes.

Croatian government is continuously striving for the conclusion of new bilateral income tax treaties with strategic jurisdictions in the context of development of Croatian economy and improvement of Croatian export.

In general, bilateral income tax treaties in force in Croatia apply the credit method as the main method for avoiding double taxation, whereas the exemption method is typically used in older treaties. Under the ordinary credit method, which is most widely used, the taxpayer pays the tax abroad (in the country where the work has been performed). When the income is subsequently taxed in Croatia, the amount of tax paid abroad is recognised up to the amount of highest tax rate in place in Croatia.

Under Croatian law, income tax treaties have higher legal power than domestic laws. Although they cannot exclude the application of Croatian laws, they can impose certain limits, e.g. in case income tax treaties prescribe lower tax rates than the domestic laws that would otherwise apply.

Croatia has also signed but not yet ratified the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting.

VAT

Croatia levies value added tax in line with the pertinent EU directives: the supply of goods and the rendering of services are subject to Croatian value added tax if they are effected by an entrepreneur within the sphere of its enterprise, in Croatia and against consideration.

An entrepreneur is a person or entity that independently performs a commercial activity, irrespective of the purpose and the result of performance of such activity. Commercial activities comprise manufacturing, trade, provision of services and carrying out professional activities, but also the exploitation of material and immaterial assets for a permanent generation of revenue.

Under the general rule, a supply of goods is carried out in Croatia (and thus taxable) if the goods are located within Croatia at the time the supply is effected. Under the general rule, services are rendered in Croatia (and thus taxable) if the recipient, being an entrepreneur, has its seat in Croatia.

The obligatory VAT registration threshold in Croatia for resident companies is HRK 300,000 (circa Euro 40,000).

VAT will be levied in Croatia in case the volume of sale of non-resident EU based companies selling directly to Croatian consumers exceeds HRK 270,000 (circa Euro 36,000).

The standard rate of value added tax is 25%. Reduced VAT is prescribed at a rate of 13% for accommodation, food and newspapers and 5% for selected food, books and medical equipment. Croatian law also envisages a number of exemptions for which the VAT is not levied (e.g. health or financial services).

Employment Tax

The following other duties will typically fall due in connection with an employment in Croatia:

- 15% of the gross salary for the first pillar of the mandatory pension insurance;
- 5% of the gross salary for the second pillar of the mandatory pension insurance;
- on top of the gross salary, 16,5% of the gross salary for the mandatory health insurance;
- 0 – 18% municipal tax.

Section B Rates

	Rate	Notes
Corporate Tax Rate (%)	12/18	Corporate tax rate of 12 % applies in case of annual revenues below HRK 7,500,000 (circa Euro 1,000,000) and corporate tax rate of 18% in case of annual revenues equal or above HRK 7,500,001.
VAT Rate (%)	25	The standard rate is 25%. Reduced rates of 13% and 5% apply to certain supplies.

WHT on:

	R	NR	Notes
Dividends (%)	12	12	Dividends are subject to a domestic withholding tax rate of 12%. This rate can be reduced under double tax treaties.
Interest (%)	15	15	Interests are subject to a domestic withholding tax rate of 15%. This rate can be reduced under double tax treaties.
Royalties (%)	15	15	Royalties are subject to a domestic withholding tax rate of 15%. This rate can be reduced under double tax treaties.

Personal
Tax Rates (%)

12/36

Depending on the tax base, annual income tax rates are: (i) 24% in case of a tax base up to HRK 360,000 (circa Euro 48,000) and (ii) 36% in case of a tax base above HRK 360,000. Certain categories of capital income are taxed at a rate of 12%.

Inheritance
Tax Rates (%)

3/4

Inheritance tax is levied at a tax rate of 4% in case the inheritance consists in cash, monetary claims or securities, or it is a movable worth more than HRK 50,000 (circa Euro 7,000), or at a tax rate of 3 % in case the inheritance is a real property, and is only due provided that no other tax is levied.

Corporate Capital Gains
Tax Rate (%)

12/18

There is no special corporate income tax rate on capital gains - regular corporate income tax applies. Tax exemptions are prescribed for certain cases of corporate mergers, divisions and asset transfers.

Personal Capital Gains
Tax Rate (%)

12/36

The tax rate depends on the category of capital income and amounts to: 12% (e.g. for interests), 24% (e.g. for optional buy of own shares by management board members of a company), or 36% (e.g. for shareholders using company services for private purposes).

Gift
Tax Rate (%)

3/4

Gift tax is levied at a tax rate of 4% in case the gift consists in cash, monetary claims or securities, or it is a movable worth more than HRK 50,000 (circa Euro 7,000), or at a tax rate of 3% in case the gift is real property, and is only due provided that no other tax is levied.

Wealth
Tax Rate (%)

0

No general wealth tax is levied in Croatia.

Country

Cyprus

Section A Overview

Corporate Tax

Tax residency

A company is considered as tax resident in Cyprus if its management and control are exercised from Cyprus. There is no definition in the Cypriot tax legislation of the management and control requirement and no detailed guidelines have been issued by the Cypriot tax authorities. It is generally accepted - and in line with international tax principles - that the following conditions should be considered to determine if a company qualifies as a resident for tax purposes of Cyprus:

i. All strategic (and preferably also day-to-day) management decisions are taken in Cyprus;

ii. The majority of the directors (at least 50%) of the company are tax residents in Cyprus and exercise their office from Cyprus;

iii. An actual (administrative) office is maintained in Cyprus where the actual management and control of the business of the company shall be exercised;

iv. Hard copies of commercial documentation (agreements, invoices, etc.) are stored in the office facilities of the company;

v. Accounting records of the company are prepared and kept in Cyprus;

vi. Bank accounts of the company are operated from Cyprus, even if the accounts are maintained with banks established outside Cyprus.

vii. No broad powers of attorneys are granted to individuals based outside Cyprus effectively empowering them to manage the business affairs of the company outside Cyprus.

Tax charge

Tax resident company in the Republic should be subject to Corporation Tax on worldwide income in Cyprus.

Personal Tax

An individual will be considered as a tax resident of Cyprus if the individual satisfies either the "183 day rule" or the "60 day rule" for the tax year:

1. 183 days rule

An individual can be tax resident in Cyprus if stays in the Republic for a period or periods exceeding in aggregate 183 days in the year of assessment (i.e. calendar year).

2. 60 days rule

The "60 day rule" for Cyprus tax residency applies to individuals who in the relevant tax year:

i. do not reside in any other single state for a period exceeding 183 days in aggregate, and

ii. are not tax resident in any other state, and

iii. reside in Cyprus for at least 60 days, and

iv. have other defined Cyprus ties. To satisfy this condition the individual must carry out any business in Cyprus and/or be employed in Cyprus and/or hold an office (director) of a company tax resident in Cyprus at any time in the tax year, provided that such is not terminated during the tax year. Further the individual must maintain in the tax year a permanent residential property in Cyprus which is either owned or rented by the individual.

Tax charge

Tax resident company in the Republic should be subject to Corporation Tax on worldwide income in Cyprus.

Double Taxation Relief

Any foreign tax paid or withheld on profits and gains of a Cypriot tax resident can be credited against Cyprus tax payable on the same income provided that sufficient and appropriate evidence exists. However, such tax relief cannot exceed the Cyprus tax payable on the same income or gain in the same income tax year. Particularly, the amount that should be credited is the lower of:

- The amount of foreign tax paid and;
- The amount of tax liability arise in the Republic which relates to the same income and same year, as is computed in accordance with the provisions of the ITL.

Foreign tax credits cannot be carried forward.

The tax credit is given irrespective of the existence of a double tax treaty or not (i.e. tax credit is given either under a double tax convention or unilateral).

VAT

Scope of VAT

Cyprus VAT is chargeable on any supply of goods or services made within Cyprus, where it is a taxable supply made by a taxable person in the course of or in furtherance of his business. In addition, VAT is imposed on the intra-Community acquisition of goods coming to Cyprus from another EU Member State by a legal person, on services received by a Cypriot taxable person from outside Cyprus and on the importation of goods from outside the European Union, irrespective of the status of the importer (thresholds apply).

0% - Exports and certain related services, international air and sea transportation of goods and related services (except intra-community transport of goods), ship management services and services for the direct need of "qualifying" vessels, goods that are to be placed in customs warehouses/ bonded warehouses or free-zones and be subjected to the relevant customs regime or temporary importation/transit or transshipment regime, goods that are intended to be incorporated into drilling or production platforms.

5% - Supplies of animal feeding stuff, including food for birds and fish, supplies of fertilizers, supplies of coffins, supplies of liquefied petroleum gas in cylinders, newspapers, books, magazines and similar items, supplies of various goods for incapacitated persons, supplies of food including drinks for human consumption but excluding alcoholic beverages (beer, wine) and refreshment drinks, supplies of medicines which are used for medical treatment, illness prevention and medical and veterinary purposes, supplies of vaccines for medicine and veterinary medicine and services supplied by undertakers, services of road cleaning, refuse collection and waste treatment (other than services provided by the local administration), services of writers, composers and artists, services of hairdressers, renovation and repair services to private residences (subject to certain conditions), fares for urban and rural areas by bus, catering services from school canteens, purchase or construction of a flat or house to be used as private main residence (under certain conditions), renovation and repair of private residences, purchase of residential property subject to criteria.

9%-Restaurant services and other similar catering services which consist of the supply of manufactured or non- manufactured food or drinks or both for human consumption, including refreshment drinks, alcoholic beverages (beer and wine), accommodation provided by hotels and other similar establishments, including the provision of holiday accommodation, transportation of passengers and their luggage by taxi.

19% - All supply of goods or rendering of services, except those taxed at 0%, 5%, 9% or exempt.

Employment
Tax

Every individual who is employed in Cyprus should be insured under the Social insurance system of the Cyprus Government. The social insurance contributions are as follows:

FUND Percentage on employee's earnings

Employer:
Social Insurance 8.3%
Redundancy 1.2%
Training and Development 0.5%
Social Cohesion 2%
National Health Care 2.90% **

Employee:
Social Insurance 8.3%
National Health Care 2.65% **

**The GHS contributions are as follows:
a) Every employee on his emoluments 2,65%
b) Every employer on his employee's emoluments 2,90%
c) Every self-employed on his emoluments 4,0%
d) On the pension income of every pensioner 2,65%
e) On the emoluments of any person who holds or exercises an office 2,65%
f) Any legal or physical person or the Government who is responsible for paying the emoluments of a person who holds or exercises an office, on his emoluments 2,90%
g) A person earning income (e.g. rent, dividends, interest, etc) 2,65%
h) The Republic of Cyprus on the emoluments, pensions and income of persons covered in (a), (c), (d) and (e) above 4,70%

Where the sum of the contributor's emoluments, pensions and other income exceeds €180.000 per annum, the contribution is payable only up to the amount of €180.000.

The amount of €180.000 is calculated cumulatively in the following order:
The emoluments of employees (a), self-employed (c), officers (e), pensions (d) and finally the dividends/interest / rental / other income (g).

Section B Rates

	Rate	Notes
Corporate Tax Rate (%)	12.5	• Dividends and interest are exempt from Cyprus income tax and subject only to SDC in the case of domiciled tax residents. • Profit from sale of shares and other qualifying titles is specifically exempt from Cyprus income tax.
VAT Rate (%)	19	Registration for VAT is obligatory: • At the end of any month, if the value of the taxable supplies (supplies taxed at the rates of 0% and/or 5% and/or 9% and/or 19%) in the last 12 months has exceeded €15.600, or • At any time, if there are reasonable grounds for believing that in the next 30 days the value of the taxable supplies will exceed €15.600, or • At any time, if the taxable person provides taxable supplies to other taxable persons in other EU Member States, or • At the end of any month, if the total value of that person's acquisitions from all other EU Member States in the year beginning from 1 January has exceeded the registration threshold of €10.251,61; or if at any time there are reasonable grounds to believe that the value of the acquisitions that person would be making in the following 30 days will exceed the registration threshold of €10.251,61, or • At any time, if in the twelve-month period starting from 1 January of the year, the value of distance sales of a person to non-VAT registered persons established in other EU Member States exceeds €35.000. Voluntary registration A person who has a business establishment in Cyprus, or whose usual place of residence is in Cyprus, and delivers supplies outside Cyprus which would be taxable supplies if delivered within Cyprus, is entitled to voluntary registration.

WHT on:

Dividends (%) R **17*** NR **0**

Special Defence Contribution:

Cyprus does not levy a WHT on dividends paid to non tax residents of Cyprus or to non domicile tax residents (i.e. foreigners).

Only Cypriots (individuals) are suffered 17% of WHT tax on dividends.

Interest (%) R **30** NR **0**

Special Defence Contribution:

Cyprus does not levy a WHT on dividends paid to non tax residents of Cyprus or to non domicile tax residents (i.e. foreigners).

Only Cypriots (individuals) are suffered 17% of WHT tax on dividends.

Royalties (%) R **0** NR **0**

Cyprus does not levy a WHT on royalties paid to non-residents of Cyprus except in the case of royalties earned on rights used within Cyprus, which are subject to a WHT of 10% (5% in the case of cinematographic films). Such Cyprus WHT on royalties for rights used within Cyprus may be reduced or eliminated by double tax treaties entered into by Cyprus or by the EU Interest and Royalty Directive as enacted in the Cyprus tax legislation.

Personal Tax Rates (%) **0**

0 – 19,500	>>	0%
19,501 – 28,000	>>	20%
28,001 – 36,300	>>	25%
36,301 – 60,000	>>	30%
Over 60,000	>>	35%

Inheritance
Tax Rates (%)

0

There is no inheritance tax in Cyprus.

Corporate Capital Gains
Tax Rate (%)

20

Capital Gains Tax (CGT) is imposed on profits from the disposal of:

- Immovable property situated in Cyprus
- Shares of companies whose property consists of, inter alia, immovable property situated in Cyprus
- Shares of companies which either directly or indirectly participate in a company or companies which own immovable property situated in Cyprus and at least 50% of the market value of such shares is derived from the relevant property
- A sale agreement of immovable property situated in Cyprus

The disposal of shares listed on any recognized stock exchange is exempt from CGT.

Personal Capital Gains
Tax Rate (%)

0

Above described provisions of the law is applicable for individuals. However there are lifetime exemptions for individuals

For sale of own residence: 85.430

For sale of agricultural land by a farmer: 25.629

For other sales: 17.086

The combination of the above exemptions cannot exceed €85.430 per individual.

Gift
Tax Rate (%)

0

There is no gift tax in Cyprus

Wealth
Tax Rate (%)

There is no wealth tax in Cyprus

Additonal Notes/Comments

Notional Interest Deduction (NID) regime (companies)

The NID is effectively a notional interest tax deductible expense that arises upon the introduction of new equity employed in the production of taxable income by a Cyprus company. The fact that it is a notional expense, it means it does not trigger any accounting entries and therefore it does not affect the accounting profit/loss.

The 50% exemption rule (idividual):

Individuals who take up employment in Cyprus with an annual income in excess of €100.000 will be eligible for an exemption from taxation of 50% of their income for a period of 10 years, commencing from the year of employment. The exemption is not given to an employee who was a tax resident in any three out of the five years preceding the year of employment and to an employee who was resident in the year preceding the year of commencement of employment.

Country

Czech Republic

Section A Overview

Corporate Tax

Corporate income tax ("CIT") – rates

Corporate income tax is levied at a general rate of 19%. Corporate income tax rate of 5% applies to basic investment funds. Pension funds are subject to tax rate of 0%.

Corporate income tax – general information

Residence
A company is treated as resident if it has its legal seat or place of effective management in the Czech Republic.

Taxable income
Resident companies are taxable on their worldwide income. The taxable income is calculated on the basis of the accounting profits according to Czech accounting regulations and is adjusted for tax purposes. Non-resident companies are taxed only from Czech source income.

Tax period
The calendar year or the fiscal year.

Tax returns and assessment
The taxpayer has the obligation to calculate the tax due in the corporate income tax return (self-assessment). The time-limit for filing the tax return is generally three months. If the CIT return is filed by a tax advisor or the taxpayer is subject to a statutory audit, the time-limit for the submission of the CIT return is six months.

Tax advancement
Advance payments have to be paid semi-annually, if the last known tax liability is between CZK 30,000 – 150,000 (approx. EUR 1,170 – 5,840). Then the advance payment is 40% of the tax liability. If the last known tax liability is higher than CZK 150,000 (approx. EUR 5,840), the advance payment is ¼ of the previous tax liability and is paid quarterly.

Corporate Tax

Deductions
As a general rule, expenses incurred in obtaining, ensuring and maintaining taxable income are fully tax deductible, unless they are listed as non-deductible items or items which are deductible only up to a limit set by the law.

Deductions on research and development
Expenses on research and development projects can be deducted from tax base up to 100%, resp. 110% of the expense. In fact, research and development costs are claimed twice, because the cost of research and development project remains in the calculation of the tax base. Deduction can be made for up to 3 years.

Carry forward of losses
Tax losses derived after 1993 may be carried forward for 5 tax years.

Thin capitalisation
It is prohibited to deduct interest expenses from loans provided by related parties when the sum of loans during a tax period exceeds six times the equity if the recipient of a loan is a bank or insurance company or exceeds four times the equity for other recipients of loans.

Excessive borrowing costs
Excessive borrowing costs are tax deductible only up to a predefined limit. The limit is set at 30% of tax profit before taxes, interest, depreciation, respectively CZK 80 million. At the same time, the Income Tax Act allows the tax base or the difference between income and expenses to be reduced in the following tax periods by amounts that have under the proposed rule increased the tax base or the difference between income and expenses in previous periods. The mentioned reduction of the tax base or the difference between income and expenses is allowed in a tax period in which the taxpayer does not reach the limit of excessive borrowing costs.

Controlled foreign company
In determining its tax base, the controlling company takes into account the so-called included revenues achieved by the controlled foreign company. Included revenues cover e.g. license fees, dividend income, income from sale of ownership share, income from sale of goods and provision of services from/ to affiliates without added value/ with little added value, insurance, banking and other financial services, etc. The so-called included revenues form part of the tax base of the controlling company in proportion to the share capital of the controlled foreign company. The adjustment of the tax base of the controlling company by the included revenues shall not be done provided that such an adjustment would lead to decrease of the tax base of the controlling company.

Transfer pricing
The transfer pricing rules apply between related parties (both resident and foreign). Parties are related if one has direct or indirect participation of 25% in capital or voting rights of the other party. Parties can also be related when the same person participates in management or control of both parties. When prices in transaction between related parties differ from market prices and the difference is not justified, tax base is adjusted by the difference.

Corporate Tax

The income of an individual is from the tax perspective divided into active and passive income. The category of active income includes for example entrepreneurial activities, income of general partner of partnerships, income from artistic performance and sportsmen´s activities. As passive income are considered inter alia the lease of real estate, income derived from capital such as interest income or sale of shares or properties, winnings, income from sale of virtual currencies.

Entrepreneurs not registered for VAT purposes may deduct a flat - rate expenditure of 60% of the revenues without submitting any documentation. This lump sum may not exceed the amount of EUR 20.000. Otherwise there is the possbility of deduction of all the provable costs. Except of the insurance contributions and other entrepreneurial costs, the tax base of the active income category may be reduced also by a non – taxable amount up to EUR 4.400 and also by tax losses of previous periods. It is possible to deduct another non – taxable amount relating to the taxpayer´s spouse, if he or she has no or only a small income in the given tax year.

Income obtained by donations or inheritance is not subject to tax.

Taxpayers are not obliged to file a tax return if their total taxable income achieved in calender year did not exceed the amount of EUR 2.200, with the exception of the taxpayers who reported a tax loss. In Slovakia, small businesses are not obliged to become taxpayers for VAT purposes before they exceed a turnover of EUR 49.790. A company not having a local business and a sufficient infrastructure in Slovakia could receive a rejection in case of a voluntary registration for VAT purposes from the local tax authorities. Taxpayers having a full registration for VAT in Slovakia are obliged to submit a detailed list of transactions as an attachment of each VAT return. Information contained in this attachment about each invoice included in the given tax return are invoice number, delivery date, VAT number of the business partner and amount.

From the local tax exemptions it is worth to mention the renting of real estate. In case the subject of rent is a flat or house, the landlord can´t opt for not exempting the rental fee from VAT. In relation to other real estate items if the customer is a taxable person there is an option to charge the rent including VAT.

The domestic reverse charge procedure is also applied in Slovakia. It only affects transactions between two domestic VAT payers when performing the following activities: real estate deliveries, construction works, metal waste and scrap metal trading, emissions quotas trading, delivery of mobile devices and microprocessors, if the invoice value is less than EUR 5.000, trade in selected iron and steel products and agricultural products.

Small business can take advantage from a taxation based on money receipt. This VAT regime is possible for taxpayers who generate sales of less than EUR 100,000.

Slovakia excludes the deduction of tax only on the purchase of goods and services for entertainment. From all other transactions the input tax is deductible to the extent of the provable use for taxable turnovers.

Personal Tax

A standard tax rate of 15% is applied on tax base/super-gross salary (employment income), a 7% solidarity tax increase is imposed on annual gross income exceeding CZK 1,672,080/approx. EUR 65,140 (employment, self-employment income). Certain types of income are not aggregated but are subject to a special final withholding tax of 15% or 35%.

Residence
The scope of personal taxation in the CR is determined by the tax residency status, on a calendar year basis. Individuals who have their permanent residence or habitual abode in the Czech Republic are treated as Czech tax residents. An individual has his/her habitual abode in the Czech Republic if he/she is present in the Czech Republic for at least 183 days (in aggregate) in a calendar year (except individuals who stay there for the purposes of studying or receiving medical treatment). All other individuals are treated as Czech tax non-residents. Should an individual be also regarded as a tax resident in another country based on the other country's domestic law, the double tax treaty determines his/her final tax residency status based on tie breakers stipulated in the respective double tax treaty.

Taxable income
Individuals who are residents for tax purposes in the Czech Republic are taxed on their worldwide income. Czech tax non-residents are taxed only on Czech source income only. Taxable income of an individual is usually calculated by aggregating the separate net results of the following income categories:

- Employment income - salaries, wages, bonuses, remuneration of executives and board members;
- Income from the independent activity – income from business activities and professional services;
- Capital income – interests and dividends (also from foreign sources for Czech tax residents);
- Rental income – income from lease of immovable property;
- Other income – income from the sale of securities, sale of property (if not tax exempt).

Related expenses can be applied only for the income from the independent activity, rental and other income. Specific exemptions and deductions differ for each income category, for the income from the independent activity and rental income, expenses can be applied as a percentage of income or as actual expenses.

Tax period
Calendar year.

Tax assessment
Tax return must be filed by April 1st of the following year. The deadline can be extended until 1st July if the tax return is prepared and filed by a tax advisor or by an attorney based on a power of attorney. An employee, who does not have to file the tax return, may take part in the process of annual tax reconciliation arranged by the employer, the request has to be signed by 17th February.

Personal Tax

Personal deductions, allowances and tax reliefs
The following tax base deductions can be applied:

- Donations – minimum of 2% of personal income tax base or CZK 1,000 (approx. EUR 40), maximum of 15% of personal income tax base.
- Interests from a loan from building society, paid during tax period – maximum of CZK 300,000 (approx. EUR 11,690).
- Private pension insurance – except for first CZK 12,000 (approx. EUR 470), maximum of CZK 24,000 (approx. EUR 940).
- Private life insurance – maximum of CZK 24,000 (approx. EUR 940).

Basic personal tax relief
In 2020, the annual basic personal tax relief can be claimed in the amount of CZK 24,840 (approx. EUR 970).

Dependent–spouse relief
Allowance of up to 24,840 CZK (approx. EUR 970) can be claimed by a resident taxpayer whose spouse does not have annual taxable income higher than CZK 68,000 (approx. EUR 2,650). The basic dependent-spouse relief doubles in case of disability of the spouse.

Other tax reliefs
Taxpayers with a disability may apply a relief from CZK 2,520 (approx. EUR 100) to CZK 16,140 (approx. EUR 630), depending on the extent of the disability.

A relief for students is CZK 4,020 (approx. EUR 160) and can be applied up to 26 years of age.

Children tax allowances
Resident taxpayers are entitled to a tax allowance for each child living in the same household with him. The amount depends on the number of children. Annual tax allowance is CZK 15,204 (approx. EUR 590) for the first child, CZK 19,404 (approx. EUR 760) for the second child and CZK 24,204 (approx. EUR 940) for any other child.

All the reliefs and allowances mentioned above are annual and can be applied for any resident of EU/EEC, if the income from the Czech Republic is at least 90% of overall taxpayer´s income.

Double Taxation Relief

Double tax treaties
Elimination of double taxation (credit or exemption) is available under the relevant double tax treaty. The unused part of foreign tax may be deducted as a tax expense in the following period.

Dividends
Dividends paid to residents and non-residents are subject to 15% withholding tax. However, under the EU parent-subsidiary directive, dividends paid from subsidiary to parent company are exempted from taxation under the following conditions: dividends paid from a subsidiary (CZ, EU) to its parent company (CZ, EU) are exempted from taxation, if the parent holds at least a 10% share in the subsidiary for at least 12 uninterrupted months.
Withholding tax of 35% applies when dividends are paid to other jurisdictions than EU/ EEA states or states with which the Czech Republic did not conclude a double tax treaty.

Interest
Interest paid to non-residents is subject to a 15% withholding tax. Exemption can be applied when interest is paid by a Czech resident to a company with permanent residency in the EU, Switzerland, Norway, Iceland or Liechtenstein. Taxpayers from EU/EEA are permitted to file a tax return to deduct costs related to interest payment.
A 35% rate applies when interest is paid to other jurisdiction than EU/ EEA states or states with which the Czech Republic did not conclude double tax treaty.

Royalties
Royalties paid to non-resident are subject to 15% withholding tax. Royalties can be exempted from taxation when paid from Czech tax resident to company from EU member state, Switzerland, Norway, Iceland or Liechtenstein. Taxpayers from EU/EEA are permitted to file a tax return to deduct costs related to royalties.
A 35% rate applies when royalties are paid to other jurisdiction than EU/ EEA states or state with which the Czech Republic did not conclude double tax treaty.

VAT

Value added tax – rates
Standard rate: 21%.
Reduced rate 15% applies on food, beverage, medical treatments etc.
Reduced rate 10% applies on books, infant nutrition, accomodation etc.

Taxable person
Legal entities and individuals that carry on an economic activity.

Subject of VAT
- the supply of goods and services in relation to an economic activity within the territory of the Czech Republic;
- the intra-Community acquisition of goods for consideration within the territory of the Czech Republic from another EU Member State; and
- the importation of goods into the Czech Republic

Taxable amount
Total consideration charged for the supply, excluding VAT but including any excise duties or other taxes and fees.

Tax period
Month or quarter, based on turnover for 12 previous consecutive calendar months. Compulsory tax period for newly registered VAT payers is calendar month.

Tax assessment
Periodical VAT returns (monthly or quarterly, by the 25th day of the following month). The amount of VAT liability consists of the VAT due on supply of goods and services carried out by the entrepreneur less input VAT of the same period. In addition, taxable person carrying out intra-Community supplies or supplying services according to the basic rule for "business to business" services has to file an EC Sales List (that shows the VAT identification numbers of his business partners and the total value of all the supplies of goods and services performed by the entrepreneur) on a monthly or quarterly basis depending on the situation.

VAT control statement
From 2016, VAT registered persons are also obliged to file a recapitulative statement that contains details of transactions subject to VAT in the Czech Republic as well as of transactions where input VAT deduction is claimed.

VAT registration
The threshold for mandatory VAT registration for taxable person with registered office, place of business or fixed establishment in the Czech Republic is the turnover of CZK 1,000,000 (approx. EUR 38,960) for a period of 12 previous consecutive calendar months. Voluntary VAT registration is possible as well.
A foreign taxable person that makes long-distance sales (mail order business) in the Czech Republic to any person that is not registered for VAT in the Czech Republic has to register for VAT in the Czech Republic if the total value of the goods / supplies reaches CZK 1,140,000 (approx. EUR 44,410) in a calendar year.

VAT

Person identified to tax
Taxable person has to register as an identified person in the following situations:
- purchase of services from persons established outside the Czech Republic with place of supply in the Czech Republic,
- supply of services with place of supply in another EU Member State,
- intra-community acquisition of goods from another EU-Member state when the value of those transactions cumulative exceeds approx. CZK 326,000 (approx. EUR 12,700) per calendar year.

VAT group registration
Several taxable persons who have their seat, place of business or fixed establishment within the territory of the Czech Republic and are connected financially, economically and organizationally, may be deemed as a single taxable person.

Employment Tax

The tax rate applicable for income derived in 2020 is 15%. Moreover, an additional tax of 7% is to be paid, if the total income exceeds CZK 1,672,080 (approx. EUR 65,140, applicable for 2020). The additional tax is paid only from the surplus.

Tax base for the employment income is calculated as super-gross income, i.e. gross income increased by social security contributions and health insurance paid by an employer. It is usually 33.8% of the income (the percentage rate can vary due to maximum base on social security).

The social security and health insurance contributions are 11% for the employee and 33.8% for the employer. The maximum base for social security contributions amounts to CZK 1,672,080 (approx. EUR 65,140) per year/per employer. If the assessment base exceeds the limit, the amount of income that is above the limit is not subject to social security. When an employee has more than one employer during the year, the limit for social security contributions is applicable for each employer separately.

Section B Rates

	Rate	Notes
Corporate Tax Rate (%)	19	The taxable income is calculated on the basis of the accounting profits according to Czech accounting regulations and is adjusted for tax purposes.
VAT Rate (%)	21	21% represents a standard rate. Apart from the standard rate there are 2 reduced rates. The first reduced rate of 15% applies on food, beverage, medical treatments etc. The second reduced rate of 10% applies on books, infant nutrition, accomodation etc.

WHT on:

	R	NR	Notes
Dividends (%)	15	15	Dividends paid to residents and non-residents are subject to 15% withholding tax. However, under the EU parent-subsidiary directive, dividends paid from subsidiary to parent company are exempted from taxation under the following conditions: dividends paid from a subsidiary (CZ, EU) to its parent company (CZ, EU) are exempted from taxation, if the parent holds at least a 10% share in the subsidiary for at least 12 uninterrupted months. Withholding tax of 35% applies when dividends are paid to other jurisdictions than EU/ EEA states or states with which the Czech Republic did not conclude a double tax treaty.

Interest (%) R **19** NR **15**

Interests paid to residents are taxed within their corporate income tax base at the rate of 19%. Interest paid to non-residents is subject to a 15% withholding tax. Exemption can be applied when interest is paid by a Czech resident to a company with permanent residency in the EU, Switzerland, Norway, Iceland or Liechtenstein. Taxpayers from EU/EEA are permitted to file a tax return to deduct costs related to interest payment.

A 35% rate applies when interest is paid to other jurisdiction than EU/ EEA states or states with which the Czech Republic did not conclude double tax treaty.

Royalties (%) R **19** NR **15**

Royalties

Royalties paid to residents are taxed within their corporate income tax base at the rate of 19%. Royalties paid to non-resident are subject to 15% withholding tax. Royalties can be exempted from taxation when paid from Czech tax resident to company from EU member state, Switzerland, Norway, Iceland or Liechtenstein. Taxpayers from EU/EEA are permitted to file a tax return to deduct costs related to royalties.

A 35% rate applies when royalties are paid to other jurisdiction than EU/ EEA states or state with which the Czech Republic did not conclude double tax treaty.

Personal Tax Rates (%) **15/+7**

The tax rate applicable for income derived in 2020 is 15%. Moreover, an additional tax of 7% is to be paid, if the total income exceeds CZK 1,672,080 (approx. EUR 65,140, applicable for 2020). The additional tax is paid only from the surplus.

Inheritance Tax Rates (%) **N/A**

Gratuitous income acquired by a legal entity from inheritance is exempt from income tax.

Corporate Capital Gains
Tax Rate (%)

19

In general, capital gains represent taxable income of the current period (taxed at 19% corporate income tax rate).

Income from sale of participation by the parent company in a subsidiary (CZ or another EU Member State resident) is exempt from corporate income tax provided that the parent company holds at least a 10% share in the subsidiary for at least 12 uninterrupted months.

Personal Capital Gains
Tax Rate (%)

15

- interest and dividends (also from foreign sources for Czech tax residents)
- rental income: income from lease of immovable property;
- other income: income from the sale of securities, sale of property (if not tax exempt).

Gift
Tax Rate (%)

19

Acceptance of a gift by a legal entity generally represents taxable income of the current period (taxed at 19% corporate income tax rate).

Wealth
Tax Rate (%)

0

No wealth taxes are imposed.

Country

Denmark

Section A Overview

Corporate Tax

Generally, taxable income includes the company's profits, which consist of business/trading income, passive income and capital gains from Danish territory. The corporate tax rate is 22 % (2020). Normal business expenses may be deducted in computing taxable income. The tax rate is identical for public limited companies, private limited companies and branches.

A corporation is resident if it is incorporated in Denmark or if its day-to-day management is in Denmark.

Furthermore, foreign companies can be subject to limited tax liability either through a branch or a permanent establishment or through withholding taxes on certain types of Danish source income. A permanent establishment can be constituted by non-resident companies conducting business in Denmark through, that constitute a fixed place of business through which the business of an enterprise is wholly or partly carried on. All income attributable to or received by the establishment are subject to taxation.

A construction site constitutes a permanent establishment after 6 or 12 months depending on the double taxation treaty in question.

Business carried out by a dependent representative is treated as a permanent establishment: a dependent is a person who legally and financially depends on the foreign enterprise he or she represents; the person carries on business in the interest of the foreign enterprise; its usual business is in line with business carried on by the enterprise he or she represents.

Personal Tax

Danish tax legislation distinguishes between full tax-liability for resident individuals and limited tax liability for non-resident individuals. Citizenship does not affect tax liability. Residents are taxable on their worldwide income and capital gains. Furthermore, residents are liable to pay gift tax. There are no wealth taxes in Denmark. Non-residents are taxed only on income and capital gains deriving from sources in Denmark.

Taxable income is taxed at various progressive rates up to approximately 52.06% (excluding the church tax and "AM-tax"). The income tax consists of the "AM-bidrag" (AM-tax) of 8%, municipal tax, church tax and state tax.

The AM-tax is calculated and deducted before calculating other taxes. The municipal taxes are determined by each county and range from 22.5% to 27.8% and the church tax, which is optional, ranges from 0.39% to 1.27%. The state tax consists of a bottom bracket tax of 12.16% and a top bracket tax of 15% for income exceeding DKK 531.000 (after deduction of the 8% AM-tax). Capital income (interest income, etc.) up to DKK 45,800 for single taxpayers (DKK 91,600 for married couples) is taxed at a maximum tax rate of about 37.7%. Income exceeding DKK 45,800/DKK 91,600 is taxed at progressive rates up to 42.7%. Capital gains on shares and dividends are taxed progressively as share income at 27% for income up to DKK 55,300 (DKK 110,600 for married couples), and 42% thereafter.

A personal allowance of DKK 46,500, as well as an employment allowance, are available to most taxpayers. Deductions include interest expenses, child support payments, pension contributions, trade union fees, unemployment fund fees, and expenditure incurred on transport between home and work. The self-employed can deduct most business-related expenses.

A special gross 32.84% expatriate taxation scheme may be available for approved scientists or employees working temporarily (max. 84 months) in Denmark that meet the salary qualification of DKK 68,100 (2020).

Double Taxation Relief

Both companies and natural persons can be liable to double taxation. However, Denmark has entered into double taxation agreements with many countries to avoid this using the OECD Model Tax Convention on Income and on Capital.

According to Danish legislation there are two ways of mitigating double taxation according to the treaties: exemption of taxation or crediting the taxpayer already paid to the other signatory to the double taxation treaty.

VAT

Denmark applies the system of value-added tax (VAT) established by the EU. Denmark imposes VAT on imports and taxable deliveries of goods and services – unless specially exempted – at a standard rate of 25%. A number of business activities are exempted from VAT. The most important ones are: hospital, medical and dental care, insurance, banking, and certain financial activities. Furthermore, the transport of persons, education, insurance business, financial activities and certain other services are exempt.

The registration threshold for VAT purposes is DKK 50,000. Non-residents that make taxable supplies of goods or certain services in Denmark are required to register; there is no threshold in such cases.

Distance selling is when a company/business established and VAT-registered in another EU member state sells goods to private customers in Denmark (e.g. via the internet) and handles the shipment or transportation of the goods (directly or indirectly). Only if such sale exceeds EUR 35,000, the company/business is required to register for VAT in Denmark, charge 25% Danish VAT on the sales and pay in the VAT to the Danish tax authorities respectively.

However, if the goods sold are subject to certain excise duties (such as alcohol, alcoholic beverages, fabricated tobacco and energy products) the company/business must always register in Denmark and pay in the Danish VAT.

Refund of Danish VAT is available for foreign companies not registered for VAT in Denmark. A company which is established outside the EU and carrying out business in Denmark may be required to register for Danish VAT-purposes through a resident VAT agent.

Employment Tax

Danish employers are liable to pay various social costs for their employees. However, in an international perspective viewed as low. Social costs consists of a seven difference types of cost. Some types of costs are fixed, others depends on the type of profession.

Employers make social contributions totalling approx. EUR 1,300 per year per fulltime employee.

Employees performing work in Denmark will be mandatory members of the Danish social security scheme, and thereby obliged to pay social security contributions (ATP) of approx. DKK 1.135 per employee per year.

An exemption from the Danish social security scheme may be obtained if there is a totalisation agreement between Denmark and the home country/jurisdiction. This applies to both residents as well as non-residents.

Section B Rates

	Rate	Notes
Corporate Tax Rate (%)	22	The standard corporate tax rate is 22%.
VAT Rate (%)	25	The standard VAT rate is 25%.

WHT on:

	R	NR	Notes
Dividends (%)	27	27	The rates differ between companies (22%) and individuals (27-42%).
Interest (%)	22	22	Only interest payments from a controlled Danish company (more than 50% of shares or votes) made to non-resident companies are subject to Danish withholding tax.
Royalties (%)	22	22	Royalties paid to a nonresident are subject to a 22% withholding tax, unless the rate is reduced under a tax treaty or the EU interest and royalties directive applies.

Personal
Tax Rates (%)

0–52

Taxable income is taxed at various progressive rates up to approximately 52.06%.

Inheritance
Tax Rates (%)

15

An inheritance received from a spouse is not taxed. A 15% tax is imposed on an inheritance by the closest family members (children, children-in-law, grandchildren and parents) on the value of the estate exceeding DKK 301,900.

Inheritance by others is subject to further taxation of 25%.

Corporate Capital Gains
Tax Rate (%)

27/42

Capital gains on shares are taxed as share income. Gains derived from the sale of an owner-occupied dwelling are normally are exempt.

Personal Capital Gains
Tax Rate (%)

27/42

Capital gains on shares are taxed as share income. Gains derived from the sale of an owner-occupied dwelling normally are exempt.

Gift
Tax Rate (%)

15

Individuals, who are closely related to the donor, can receive gifts without tax, if the cumulative value of all donations for one calendar year does not exceed DKK 67,100 (2020).

There is an additional tax on gifts to stepparents and grandparents, if the cumulative value of the gifts exceeds DKK 67,100 . Gifts to spouses are tax-free.

Gifts to other relatives or unrelated parties are treated as ordinary taxable income.

Wealth
Tax Rate (%)

0

There are no wealth taxes in Denmark.

Country

Estonia

Section A Overview

Corporate Tax

The system of corporate earnings taxation in force currently in Estonia shifts the moment of corporate taxation from the moment of earning the profits to the moment of their distribution.

There are two types of profit distribution possible – an implicit and an explicit way.

The explicit way stands for dividends and other profit distributions (except for a bonus issue, which is taxable for resident natural persons upon the alienation of assets received through the bonus issue).

Payments upon proceeds from liquidations, payments upon capital reductions and redemption or return of participation in a company are generally subject to corporate income tax in the hands of the payor: an Estonian company at the moment of distribution.

The resident legal person and the non-resident legal person acting through its permanent establishment registered in Estonia carrying out profit distribution has to pay income tax of the amount of profits distributed.

The Estonian company pays corporate income tax at the moment of payment, while the tax rate is calculated from the net amount, 20/80 of the payment.

The company's income tax rate is the rate of 20% as in the provisions for the taxation of salaried work payments. The difference is that 20% is applied to gross payments and 20/80 is applied to net payments.

No income tax is withheld from income of the dividend recipient generally.

As from 2019, a reduced tax rate (14/86) applies to part of dividends paid by the Estonian resident company regularly - the profit distributed in a calendar year, which is smaller than or equal to the average distributed profit of the previous three calendar years (starting from 2018) on which a resident company has paid income tax.

The natural person receiving such dividends taxed at a reduced rate (14/86) in the hands of the Estonian company, has to pay income tax at a rate of 7% in addition. This tax is withheld by the payor.

Corporate Tax

A non-resident natural person has to pay income tax on dividends received from the Estonian company in the resident country also and he or she cannot take into account the corporate income tax (20/80 or 14/86) paid in Estonia by the Estonian resident company to avoid double taxation of the recipient. Only the income tax withheld at a rate of 7% may qualify to avoid double taxation of the natural person recipient.

The implicit way to distribute profits is to do that through fringe benefits, gifts and donations, as well as expenses and payments unrelated to business activity.

All of these profit distributions are taxed at a rate of 20/80.

Hence, there is no obligation to submit a tax return annually, regardless of profits or losses.

Income tax is assessed monthly, thus taxable amount must be declared monthly (10th day of the month following the payment) whenever profits are distributed or other taxable expenses are incurred.

Personal Tax

Residents pay tax on their worldwide income. Taxable income includes, in particular, income from employment (salaries, wages, bonuses and other remuneration); business income; interest, royalties, rental income; capital gains; pensions and scholarships (except scholarships financed from the state budget or paid on the basis of law). Taxable income does not include dividends paid by Estonian or foreign companies when the underlying profits have already been taxed.

The personal income tax is withheld from the employees´ gross salary every month and paid by the employer.

Non-residents pay personal income tax only on their income received from Estonian sources. Taxable income in Estonia includes:
- Income from work under a labour contract or contractor´s agreement in Estonia;
- Income from business carried out in Estonia;
- Interest income received from Estonia (only if it is substantially higher than that of similar debt claims)
- Royalties;
- Income from the lease of assets located in Estonia;
- Gains from disposal of assets located in Estonia;
- Directors´ fees paid by Estonian enterprises;
- Income of a sportsman or an artist from his or her activities in Estonia;
- Pensions and scholarships.

Personal income tax declarations need to be filed once a year.

Double Taxation Relief

Estonia has concluded the Conventions for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital with several countries, laying down the conditions on which occasions and to which extent the income of the residents of the contracting parties shall be taxed.

If the residency prescribed on the basis of an international agreement differs from the residency prescribed pursuant to law or if the international agreement prescribes more favourable conditions for taxation of income than those provided by law, the provisions of the international agreement apply.

VAT

The value added tax rate in Estonia is 20%.

Who pays value added tax?
- A person liable to value added tax
A person liable to value added tax (VAT) shall pay VAT on sales supply, goods and services purchased from an entrepreneur of a foreign country which are subject to reverse charge in Estonia, goods imported into Estonia and goods purchased from another taxable person of Estonia which are subject to internal reverse charge. A person liable to VAT is entitled to the right to deduct input value added tax.
- A person liable to value added tax with limited liability
A person liable to value added tax with limited liability is registered or required to register as a taxable person with limited liability, excluding persons registered for VAT according to the standard procedure and natural persons not engaged in business. A person liable to value added tax with limited liability shall pay value added tax only on goods and/or services acquired from an entrepreneur of a foreign country which are subject to reverse charge in Estonia, and goods imported to Estonia. A person taxable with limited liability is not entitled to the right to deduct input value added tax.
- Other person
Non-taxable person who imports goods, acquires excise goods from another Member State (except for a natural person who acquires excise goods for personal use) or a new means of transport, terminates the tax warehousing of the goods without transfer of the goods, transports excise goods under excise duty suspension arrangement out of the excise warehouse without transfer of goods or has, for any reason, indicated the amount of VAT on the invoice, which was not allowed by law.

VAT is charged on:
- supply, except supplies exempt from tax, the place of which is Estonia;
- import of goods into Estonia, except imports exempt from tax;
- provision of services the place of supply of which is not Estonia, except supplies exempt from tax;
- supply of goods or services exempt from tax whereto the taxable person has voluntarily added the amount of value added tax;
- intra-Community acquisition of goods, except intra-Community acquisition of goods which are exempt from tax.

VAT

The time of supply, except intra-Community supply, is:
1. the time of delivery of the goods to the acquirer or provision of services or
2. the time when full or partial payment is received for the goods or services.
The time of supply is determined proceeding from either of the conditions above which has been met first.

The determination of the place of supply is taken into account when deciding on the country of taxation. Generally the supply of goods is created in the country of location of the goods. The determination of the place of supply of services depends on the type of service.

In the case of certain transactions additional reference either to the corresponding provision of VAT Act or VAT Directive shall be indicated on an invoice. For example, reference is necessary in the case of supply exempt from tax, zero-rated supply, intra-Community transactions and when applying special arrangements.

Employment Tax

Taxes to be paid and withheld by an employer

1. Income tax
The income tax is withheld monthly by the employer at a rate of 20% of the gross salary of the employee. Certain deductions can be made from the tax base of the income tax.

2. Social tax
The social tax is paid at a rate of 33% on all payments made to employees for salaried work performed. Employers pay the social tax in full.
There is always a minimum obligation on social tax to be paid, which is equal 33% of the minimum envisaged by the budget act annually.

3. Unemployment insurance premium
An unemployment insurance premium is withheld at a rate of 1,6% of the gross salary of the employee. Pensioners are not entitled to unemployment status benefits and therefore they do not pay the unemployment insurance premium. In addition to this, employers pay the unemployment insurance premium at a rate of 0,8% of the amount of gross salaries monthly.

4. Funded pension payment
A funded pension payment is withheld at a rate of 2% for the persons under the obligation, which is envisaged by the funded pensions act. Once having joined the obligatory funded pension system, one cannot disjoin it, and anyone who was born after 1 January 1983 is automatically a person under obligation.

5. Exemption for social security contributions
Social security contributions (social tax, unemployment insurance premium and funded pension payment) will not be paid or withheld in Estonia if the employee has a ceritificate of a posted employee (E101, A1) issued by the authorities of an EU country, or a country with which Estonia has a social security agreement (Canada, Ukraine).

Section B Rates

	Rate	Notes
Corporate Tax Rate (%)	20	The standard rate of tax is 20%.
VAT Rate (%)	20	There is also a reduced VAT rate of 9% for certain goods such as books.

WHT on:

	R	NR	Notes
Dividends (%)	20	20	A 20% applies on dividends, interest and royalty payments.
Interest (%)	20	20	A 20% applies on dividends, interest and royalty payments.
Royalties (%)	20	20	A 20% applies on dividends, interest and royalty payments.

Tax	Rate	Description
Personal Tax Rates (%)	20	The standard personal tax rate is 20%.
Inheritance Tax Rates (%)	0	Income tax is not charged on accepted estate.
Corporate Capital Gains Tax Rate (%)	0	Estonia does not tax capital gains derived by a company.
Personal Capital Gains Tax Rate (%)	N/A	Capital gains tax is triggered only when a person sells securities and earns profit. Gains from transfer of securities (or other financial assets) are subject to the standard income tax rate of 20%.
Gift Tax Rate (%)	20	Where applicable, this is charged at 20%.
Wealth Tax Rate (%)	0	Estonia has a proportional income tax system. This means that the standard rate for the personal income tax is 20% for everyone.

Country

Finland

Section A Overview

Corporate Tax

The Finnish corporate income tax is levied to Finnish tax resident companies on their global income whereas non-resident companies are subject to corporate income tax on their income that can be attributed to their permanent establishment (PE) located in Finland. In addition, non-resident companies might be subject to withholding tax.

In addition to limited-liability companies and other corporations, entities liable to corporate income tax also include e.g. cooperatives, institutions, associations, housing companies and foundations. However, there are some limitations to this, e.g. non-profit associations are subject to corporate tax only on their business income and e.g. they are subject to tax at a lower rate on certain real estate income.

In the Finnish corporate income tax system the taxable income is calculated by subtracting the deductible expenses from the corresponding taxable income. In general, if a taxpayer generates operating losses they can be deducted from its taxable income within the next 10 years. However, there are exceptions to this.

Please note, that while the above mentioned entities are subject to the corporate income tax, the profits of a private business persons and self-employed persons are taxed as the entrepreneur's personal income. This also applies to partnerships (Ay and Ky in the Finnish legislative system) in which the partners are individuals and therefore the profits are taxed as the joint owners' personal income and the partnership itself is not subject to tax. However, if a partner is a legal entity, the income of the said partner is generally subject to corporate tax.

Personal Tax

The personal income taxation in Finland is divided into the taxation of earned income and the taxation of capital income. Earned income and capital income are taxed separately and the taxable income is based on gross income and the applicable deductions. In addition to the earned income and capital income taxes, there is additional taxes an individual might be required to pay (e.g. gift and inheritance taxes and real estate tax when applicable).

Earned income includes, inter alia, wages, pension income and taxable welfare benefits. In general, the level of tax for earned income is based on the progressive income tax scale. Since the earned income tax is divided into state income tax and municipal tax, latter determined by each municipality, the amount of tax levied varies based on the residency within Finland. In certain conditions the tax on earned income can be calculated by using a fixed tax-at-source rate.

Capital income includes, inter alia, dividends, interest income and capital gains. The taxation of capital income is progressive and the taxable capital income is determined on the basis of gross income and applicable deductions, and the latter includes e.g. expenses related to acquisition and maintenance of capital income. Within certain limits its possible to have a deficit in capital income credited from the earned income.

Double Taxation Relief

Individuals and companies have either unlimited tax liability or limited tax liability in Finland. The national legislation determines which of the two is considered to be the status of an individual or a company. The factors taken into account when deciding the scope of the tax liability include, inter alia, where an individual or a company resides, is there any kind of personal or professional ties to Finland and if the company was established in accordance with the laws of Finland.

Finland has double tax treaties with multiple countries that include income tax agreements and in some cases also inheritance and gift tax agreements. These tax treaties might set limitations to Finland’s taxing rights based on national tax legislation. In general, the bilateral tax treaties ratified by Finland are based on the OECD’s Model Tax Convention and most of the tax treaties apply the credit method in order to remove double taxation. On 13 February 2019 the Finnish Parliament also ratified the so-called Multilateral Instrument made in 2016, which provides for simultaneous modification in bilateral tax treaties.

It should be noted that Finland adopted an exit tax legislation in the beginning of 2020. This applies to legal entities that transfer assets between different jurisdictions, if certain criteria is met.

VAT

Value Added Tax (VAT) was adapted by Finland in 1994 as a requirement of a membership in the European Union. In general, VAT is levied on consumption of goods and services and its nature as an indirect tax means that it is to be paid by the end-consumers whereas VAT-liable businesses are required to collect and pay it to the Finnish Tax Administration. Since VAT is levied on the value that is added at each stage of the production and supply chain, VAT-liable entities have the right to deduct input VAT from the tax that is levied on their sales.

VAT system is the most harmonized tax system within the EU and therefore the intra-community legislation and VAT practice has a significant impact on how the VAT legislation is interpreted by the Finnish Tax Authorities. The international nature of the VAT-system means that a zero-rate of VAT is generally applied to export deliveries meaning that the tax is not payable on sales, but the seller is, however, reimbursed by input VAT on its related purchases.

There are some exceptions to the regular collection and payment procedure, most notably in consumption of services related to certain aspects of construction industry.

Tax rates are calculated and added to the prices before taxes.

Employment Tax

An individual or a company operating as an employer in Finland is in general required to register into Employer Register and deduct the withholding tax from employee's salary. This means that if certain conditions are met and the registration is mandatory, an employer cannot assign withholding obligations to its employees.

Besides the withholding tax, employers are generally required to withhold health insurance contribution and the so-called wage-related payments from employees salary. The latter include, inter alia, unemployment insurance premiums and pension contributions. It should be noted, that in many aspects the Finnish pension and unemployment systems differ from equivalent systems in other countries, and therefore it is recommended e.g. for a company planning to establish a permanent establishment or a subsidiary in Finland to consult with the local tax and employment legislation specialists.

From the employees point of view the most important aspect in relation to employment tax obligations is to obtain a personal tax card. The tax card includes employees own estimation of his/hers yearly earned income on which the applicable withholding tax rate is based on. Employees yearly income also determines the amounts of health insurance contributions and wage-related payments.

Section B Rates

	Rate	Notes
Corporate Tax Rate (%)	20	Corporate tax rate is not applied to businesses operating as partnerships having individuals as partners, private business persons or self-employed persons. These entities are not subject to tax and their business income is taxed as personal income of the entrepreneur(s) operating the said business.
VAT Rate (%)	24	Finland also applies reduced VAT rates of 14% and 10% to certain goods and services. For certain goods and services a zero-rate is applied and some goods and services are VAT-exempt.

WHT on:

	R	NR	Notes
Dividends (%)	Varies	30	The tax-at-source applied to the dividends received by a non-resident can be lower than 30% or zero due to the double tax treaties.
Interest (%)	Varies	Varies	Interest income received by a non-resident is usually not subject to withholding tax in Finland.
Royalties (%)	Varies	Varies	The tax-at-source applied to the royalties received by a non-resident can be lower than the maximum of 30% due to double tax treaties. Certain royalties received by non-residents are not subject to withholding tax in Finland.

Personal
Tax Rates (%)

Progressive

The Finnish earned income tax is divided in to three parts: state income tax that is based on the progressive tax scale, municipal tax (average tax rate currently 19,97 %) and church tax (if an individual is a member of the Evangelical Lutheran Church or the Orthodox Church) that currently ranges between 1 - 2,2 %.

Inheritance
Tax Rates (%)

Progressive

Inheritance tax rates are divided into two separate classes with different progression of the tax rate. Class I is applied only to a close relatives whereas Class II includes the rest.

The tax is levied on to receiver.

If the inheritance received is under 20,000 EUR, no inheritance tax is levied.

Corporate Capital Gains
Tax Rate (%)

20

All of the income (incl. capital gains) received by corporations like limited-liability companies are subject to 20% corporate income tax.

Personal Capital Gains
Tax Rate (%)

30

Tax rate of 30% is applied to capital gains up to Euro 30,000 whereas the amounts exceeding the Euro 30,000 are subject to capital gains tax rate of 34%.

Gift
Tax Rate (%)

Progressive

Gift tax rates are divided into two separate classes with different progression of the tax rate. Class I is applied only to a close relatives whereas Class II includes the rest.
The tax is levied on to receiver.
If the fair-market value of the gift received is under 5,000 EUR no gift tax is levied.

Wealth
Tax Rate (%)

0

No wealth taxes are levied.

Country

France

Section A Overview

Corporate Tax

Legal entities that are incorporated as corporations are automatically subject to corporate income tax (IS). As an option, certain partnerships may also be subject to corporate income tax.

The French corporate income tax has a specific feature in terms of its territorial scope: only economic activities carried out in France are taxable in France, regardless of the country in which the company has its registered office. This means that a company whose registered office is located in France will not be taxable in France on activities carried out outside France. Correspondingly, a company whose head office is located abroad carrying on an economic activity on French territory will be taxed in France on the profits derived from this activity.

The corporate income tax applies to the company's taxable income. The tax profit is determined on the basis of the accounting profit subject to certain adjustments.

There are specific tax regimes for income from subsidiaries: (1) a parent company regime in accordance with the European Directive (exemption subject to the reintegration of a 5% share of costs and charges) and (2) a quasi-exemption regime for capital gains realised on "equity securities" (exemption subject to the reintegration of a 12% share of costs and charges).

Finally, the corporation tax allows profits to be carried forward indefinitely (but limited in amount: €1 million + 50% of the balance) and deficits to be carried back to the previous year only up to a limit of €1 million.

Personal Tax

Individuals resident in France are subject to unlimited French income tax (IR) on their worldwide income.
Non-residents of France are subject to income tax in France only on their French-source income.
Taxable income is determined at the level of each tax household, consisting of a single person, a married or civil union couple, and minor children.
Income tax applies to the income received by the taxpayer during the calendar year.

The taxable base for the IR is the "overall net income", which covers all net income categories. There are 8 different categories of income: land income, industrial and commercial income, remuneration of directors of certain companies, agricultural profits, salaries and annuities, income from movable capital, and capital gains on disposal. Each income is determined according to the rules specific to its category and it is the overall income that is subject to the progressive scale of the IR.

As a matter of principle, expenses are deductible at the level of the categorical income but some of them are deductible from the overall income.
Since 2011, an additional contribution is added to income tax and is levied on the highest incomes. This is the exceptional contribution on high income (CEHR), which is levied on incomes above €250,000 per year for a single person and €500,000 per year for a couple. Its rate is progressive according to a two-tier scale: 3% and 4%.

Social security contributions are added to the IR and CEHR: at a rate of 9.7% on earned income and at a rate of 17.2% on income from assets.
Finally, since 1 January 2018, capital income is in principle subject to a fixed tax of 30% (12.8% income tax + 17.2% social security contributions).

Double Taxation Relief

In order to limit the risk of double taxation in international transactions, France has concluded double taxation treaties on income and wealth tax with 126 other countries. France has also signed double tax treaties on inheritance tax with 37 other countries.

Under these conventions, France has traditionally used the progressive exemption method, except for income subject to limited taxation in the other State (dividends, interest and royalties). The double taxation of such income is then limited by the application of the partial tax credit method.

However, in recently signed treaties, France generalises the partial tax credit method (i.e. it grants a tax credit equal to the tax paid abroad but capped at the amount of French tax corresponding to the income).

VAT

France applies a value added tax (TVA) regime in accordance with European Directive 2006/112/EC.

It is a tax on consumption that applies to all goods and services consumed or used in France. Its scope of application is therefore very broad: it covers all transactions carried out for consideration by a taxable person acting as such. For the purposes of TVA, a taxable person is “any person who independently carries out one of the economic activities expressly mentioned” by the General Tax Code.

With regard to territorial application, French TVA only applies to taxable transactions located in France.

A distinction is traditionally made between supplies of goods and services in order to locate the location of the taxable transaction.

One of the main principles of TVA is its system of deduction: at each stage of production and distribution, the tax is levied only on the “value added”. Taxable persons can therefore deduct input TVA from the TVA they collect on output. Only the remainder is paid to the Treasury. Only the final consumer cannot deduct the TVA.

In addition to the general scheme, certain transactions are subject to special schemes (real estate activities, agriculture, banking, works of art, press, intermediaries, etc.).

For transactions of an international nature, a distinction must be made between transactions with EU Member States and transactions with non-EU countries.

Employment Tax

French legislation does not provide for a specific regime for the taxation of labour income.

Such income is subject to one of the 8 categories of income tax mentioned in the paragraph on personal income tax.

As a general rule, the net salary received constitutes the basis of taxation. To determine this net salary, the amount of the gross remuneration must be taken as the starting point. To this amount are added any benefits in kind (provision of accommodation, company car, etc.). Social security contributions (pension and provident scheme, unemployment insurance) as well as professional expenses are deductible from the gross income. Professional expenses are determined either on a flat-rate basis (deduction of 10% of gross income less deductible social security contributions) or in real terms.

The net salary is then subject to the progressive scale of income tax.

Since 1 January 2019, the employer is obliged to deduct income tax at source on the salary of his employees.

Section B Rates

	Rate	Notes
Corporate Tax Rate (%)	28	The IS rate will gradually decline. It will be 26.5% in 2021 and 25% from 2022 onwards. A reduced rate of 15% applies for SMEs up to a maximum profit of €38,120. A social security contribution of 3.3% applies on the amount of the tax if it is higher than €763,000.
VAT Rate (%)	20	20% is the standard rate. Reduced rates exist: 5.5% for basic necessities (water, food, gas, electricity, etc.), books and entertainment. 10% for certain supplies of goods or services (transport, catering, etc.).

WHT on:

	Rate	Notes
Dividends (%)	R 30 / NR 12.8	These rates concern natural persons. The difference between residents and non-residents is explained by the application of social contributions at the rate of 17.2% for residents (17.2 + 12.8 = 30). Dividends paid by French companies to foreign legal entities are subject to a withholding tax equal to the IS rate (28% in 2020; 26.5% in 2021 and 25% from 2022). The parent company scheme may apply The withholding tax can reach 75% if the dividends are paid in a Non-Cooperative State or Territory (ENTC)

Interest (%) R **30** NR **0**

The 30% rate applies to French residents who are natural persons.

There is no withholding tax for legal entities established in France.

Interest paid by a debtor located in France to non-residents (individuals or legal entities) is exempt from withholding tax in France.

The withholding tax can reach 75% if the interest is paid in a Non-Cooperative State or Territory (ENTC)

Royalties (%) R NR **28**

The rate of withholding tax is the current IS rate (28% in 2020; 26.5% in 2021 and 25% from 2022).

Pursuant to the European Interest and Royalties Directive, royalties paid to companies established in an EU Member State with a 25% shareholding are exempt from withholding tax.

The withholding tax can be as high as 75% if the royalties are paid in a Non-Cooperative State or Territory (ENTC).

Personal Tax Rates (%) **45**

It is a progressive scale with marginal bands, the top band of which concerns income exceeding €157,806 and is taxed at 45%. If income exceeds €250,000, the exceptional contribution on high income is applicable.

Inheritance Tax Rates (%) **45**

In direct line: a progressive scale with marginal tranches, the upper tranche of which concerns inheritance shares in excess of €1,805,677 and is taxed at 45%. Between brothers and sisters: the highest rate is 45%.

Between non-parents: fixed rate of 60%.

Corporate Capital Gains Tax Rate (%) **3.36**

Only in the case of application of the exemption scheme for equity securities (a 12% share of costs and charges to be reinstated is subject to the standard rate of corporation tax).

Personal Capital Gains
Tax Rate (%)

30

This is the rate applicable for capital gains on securities.

Non-residents are in principle exempt from capital gains tax on securities except in the case of the sale of a substantial stake in a French company (+25% capital).

Gift
Tax Rate (%)

45

Idem inheritance tax

Wealth
Tax Rate (%)

1.5

Concerns only real estate located in France or outside France for French residents and real estate located in France for non-residents.

The scale is progressive, its maximum rate is 1.5%.

Country

Germany

Section A Overview

Corporate Tax

Germany taxes its corporate residents on their worldwide income. However, most double tax treaties (DTTs) exempt income attributable to a foreign permanent establishment (PE). Non-residents with PE or property income are taxed by assessment on German-source income; those earning royalties and dividends are taxed by withholding at source. Interest paid abroad is, in most cases, free of German tax altogether.

German business profits are subject to two taxes, corporation tax and trade tax.

Corporation tax is levied at a uniform rate of 15% and is then subject to a surcharge of 5.5% (solidarity surcharge). This results in a total tax rate of 15.825%.

The trade tax rate is a combination of a uniform tax rate of 3.5% (base rate) and a municipal tax rate depending on where the PEs of the business are located. Currently, municipalities with at least 80,000 inhabitants currently levy trade tax at a rate of between 12.6% and 20.3%.

The basis for this tax is the adjusted profit for corporation tax purposes: in particular, 25% of all financing costs over 100,000 EUR, including the implicit financing costs in leasing, rental, and royalty payments, are added back to taxable income.

Personal Tax

The German taxation scheme for individuals is composed of an income tax, a solidarity surcharge, and where applicable, church tax. Individuals residing in Germany are subject to tax on their worldwide income unless exempt under the provisions of a tax treaty. This is known as the concept of unlimited tax liability.

The maximum tax rate in Germany is 45 percent plus a solidarity surcharge of 5.5 percent of the income tax. In addition, the individual may be liable to pay church tax at 8 or 9 percent of the income tax.

Non-residents are subject to tax on certain categories of income from German sources under the concept of limited tax liability.

Double Taxation Relief

Germany has an extensive tax treaty network (over 95 treaties). Germany has signed the OECD multilateral instrument (MLI) and deposited its instrument of ratification with the OECD on 18 December 2020 and the MLI will enter into force for Germany on 1 April 2021.

VAT

Proceeds of sales and services effected in Germany are subject to VAT under the common system of the European Union at the standard rate of 19% (7% on certain items, such as food and books). The taxpayer generally is entitled to deduct the VAT charged on inputs from that payable on outputs.

Employment Tax

There is no payroll tax, but the employer is required to withhold wage tax on a monthly basis from an employee's income and remit it to the tax authorities.

Employees working in Germany need to make a contribution for pension, health, nursing care, and unemployment insurance. The employer is generally required to bear 50% of the total contribution.

Section B Rates

	Rate	Notes
Corporate Tax Rate (%)	15	15.825% including solidarity surcharge, plus municipal trade tax of 7% to 17%.
VAT Rate (%)	19	Reduced rates of 0% and 7% may apply.

WHT on:

	R	NR	
Dividends (%)	25	25	Germany charges a 25% withholding tax on dividends.
Interest (%)	25	0	Generally, only interest paid by banks to a resident is subject to WHT.
Royalties (%)	0	15	Germany charges a 15% withholding tax on royalties when paid to a non resident.

Personal Tax Rates (%)	0–45	Progressive rates of tax apply to individuals.
Inheritance Tax Rates (%)	50	The inheritance tax rate is generally 50%.
Corporate Capital Gains Tax Rate (%)	15	Capital gains are subject to the normal corporation tax rate (15.825% including the solidarity surcharge).

Personal Capital Gains Tax Rate (%)	25	25%, plus solidarity surcharge.
Gift Tax Rate (%)	50	A gift tax may apply depending on the gift received.
Wealth Tax Rate (%)	N/A	Germany does not impose a wealth tax.

Country

Greece

Section A Overview

Corporate Tax

A company incorporated under Greek law or that has its registered seat in Greece or the place of its effective management in Greece at any time during a tax year is considered resident for tax purposes in Greece for that tax year.

Corporate tax is imposed on a company's total annual profits before the distribution of dividends, fees paid to directors out of profits, etc. Normal business expenses are deductible for tax purposes, provided that they are not included on a list of non-deductible expenses, are incurred for the benefit of the entity and reflect real transactions that are recorded in the books in the year incurred.

The corporate income tax rate is 24% for income earned as from tax year and generally applies to all forms of legal entities in Greece (except in exceptional circumstances, e.g. agricultural cooperatives, etc.). However, Greek credit institutions and Greek branches of non-resident credit institutions remain subject to the 29% tax rate if they are subject to the special "deferred tax asset" recognition provision for all relevant fiscal years.

Personal Tax

Business income and employment income are taxed at progressive rates ranging from

9% to 44% (the lowest rate applies on income not exceeding EUR 10,000, while the highest rate applies on income exceeding EUR 40,000).

Specifically:

1. Up to 10,000 EUR	9% rate
2. 10,001 to 20,000 EUR	22% rate
3. 20,001 to 30,000 EUR	28% rate
4. 30,001 to 40,000 EUR	36% rate
5. over 40,001 EUR	44% rate

Double Taxation Relief

Double taxation arises when more jurisdictions seek to impose comparable taxes on the same taxpayer in respect of the same subject matter and for identical periods, based on the criterion of (a) residence or (b) nationality or (c) place of the transaction.

Double taxation is treated in national and international level, as follows:

1. National provisions: The state has the right to provide national legal rules regarding the treatment of double taxation.
2. Agreements for the avoidance of double taxation: States proceed to the conclusion of multilateral agreements / bilateral Conventions in order to eliminate the harmful effects of international double taxation, on the exchange of goods and services and movements of capital, technology and persons. For instance, such agreements, known as Double Tax Treaties (DTTs), determine the country which has the right to impose taxes on individuals or legal persons/entities, and, if they both have such rights, which one of the Contracting States takes priority.
3. EU provisions: EU has adopted various tax rules for the avoidance of double taxation (e.g. Council Directive 2003/49/EC, 2011/96/EU), including among others, rules as regards the exchange of information in the field of taxation.

Greece has entered into DTTs on income and on capital with fifty seven (57) countries.

VAT

Value Added Tax (VAT) is a consumption tax that is applied to nearly all goods and services that are bought and sold for use or consumption in the European Union.

For EU-based companies, VAT is chargeable on most sales and purchases of goods within the EU and due in the EU country where the goods are consumed by the final consumer.

VAT is not charged on exports of goods to countries outside the EU. In these cases, VAT is charged and due in the country of import and the exporter does not need to declare any VAT as an exporter.

The standard VAT rate that applies in Greece is 24%.
There is also a reduced rate of 13% and the super reduced rate of 6%.

Employment
Tax

Social security contributions:The employer must contribute approximately 24.81% of the employee's gross salary to the social insurance fund. The majority of salaried employees must contribute approximately 15.75% to the fund.

Taxable income includes employment income, business income, income from capital (dividends, interest, royalties,and rental income) and capital gains from the alienation of real estate and securities. Each category of income is taxed separately.

Individuals may qualify for a specific tax reduction on employment income (with the amount depending on the total taxable income and the number of children).Taxpayers are required to use a certain minimum amount of their income (pursuant to a progressive scale) to purchase goods or services (in Greece or in the EU/EEA) using an electronic means of payment (e.g.,debit or credit card, etc.).

Certain taxpayers are excluded from this obligation (e.g., elderly or disabled taxpayers). If a taxpayer fails to make the minimum payment, the income tax assessment will be increased by 22% of the difference between the minimum required payment and the actual payment.

Section B Rates

	Rate	Notes
Corporate Tax Rate (%)	24	The corporate income tax rate is 24% (reduced from 28%) for income earned as from tax year and generally applies to all forms of legal entities in Greece (except in exceptional circumstances). Greek credit institutions and Greek branches of nonresident Credit institutions remain subject to the 29% tax rate.
VAT Rate (%)	24	The standard VAT rate that applies in Greece is set to 24%. There is also a reduced rate of 13% and a super reduced rate of 6%.

WHT on:

Dividends (%) R **5** NR **5**

5% dividend withholding tax (reduced from 10%) for dividends received on or after 1 January 2020.

No withholding tax applies on distributions to corporations if the requirements under the EU parent subsidiary directive are met (i.e. broadly, a 10% minimum shareholding for an uninterrupted period of at least 24 months), subject to the provisions of the anti abuse rule.

The same requirements for an exemption apply to dividend distributions between domestic companies. No withholding tax is levied on distributions of partnerships that maintain simplified accounting books.

Interest (%) R **15** NR **15**

The withholding tax rate on interest payments to residents and nonresidents is 15%, unless in the latter case the rate is reduced under an applicable tax treaty or where the interest paid to corporations is exempt under the EU interest and royalties directive, as transposed into Greek tax legislation.

Royalties (%) R **0** NR **20**

Royalties paid to individual residents and nonresidents are subject to a 20% withholding tax, unless in the latter case the rate is reduced under an applicable tax treaty or where the royalties paid to corporations are exempt under the EU interest and royalties directive, as transposed into Greek tax legislation

Personal Tax Rates (%) **9–44**

Up to 10,000 EUR	9% rate
10,001 to 20,000 EUR	22% rate
20,001 to 30,000 EUR	28% rate
30,001 to 40,000 EUR	36% rate
over 40,001 EUR	44% rate

Inheritance
Tax Rates (%)

1–10

For close relatives, inheritance tax at rates ranging from 1% to 10% is levied on the "tax value" of real estate after the deduction of a tax-free amount, which varies depending on the taxpayer's relationship with the deceased. For other heirs, the applicable rates range from 0% to 40%.

Corporate Capital Gains
Tax Rate (%)

24

Corporate capital gains are not taxed separately but are treated as regular business income.

Personal Capital Gains
Tax Rate (%)

0

Personal capital gains are not taxed separately.

Gift
Tax Rate (%)

1–40

The gift tax rate is progressive and depends on the value of the transferred property and the relationship of the granter and the grantee.

Wealth
Tax Rate (%)

0

Greece does not impose wealth taxes.

Country

Hungary

Section A Overview

Corporate Tax

Companies incorporated and/or having their place of effective management in Hungary are subject to corporate income tax on their worldwide income (including capital gains) at 9%. The tax base should be established on the basis of the total revenues less costs and expenses ("pre-tax profit") as determined in the financial statements prepared in accordance with the Hungarian accounting standards. For the purpose of determining the tax base, the pre-tax profit has to be modified by certain tax base increasing items and also certain tax base decreasing items may be applied as set forth in the legislation. Business expenses are generally deductible for tax purposes.

There are preferential rules for reported shares, reported intangibles, royalty income and a so-called double deduction (and triple in certain circumstances) may be applied in respect of costs incurred with research and development activities. The legislation sets out a number of further incentives (e.g., development tax allowance).

No withholding tax is levied on payments made to companies (e.g., dividend, interest, royalty etc.). The tax year is generally aligned with the financial year of the taxpayer (which latter, in turn, corresponds by default to the calendar year). The tax return should be filed electronically and the tax has to be paid by the last day of the 5th month following the end of the tax year.

Advance payments should be made on a quarterly, or, under certain conditions on a monthly basis. Advance payment should be paid by the 20th day of the month following the given period.

Personal Tax

The following individuals are subject to personal income tax on their worldwide income for being resident in Hungary: Hungarian citizens; EEA nationals who spend at least 183 days per calendar year (including the day of entry and the day of exit) in Hungary; third-country nationals who have a permanent residence permit or stateless status in Hungary and individuals whose only permanent home is in Hungary. Individuals whose permanent home is not in or not only in Hungary may qualify as resident based on their centre of vital interests or their habitual abode. Income from dependent activities (e.g., from employment), independent activities and other income (i.e., which is specified as such in the legislation or which does not fall under any distinct source of income) constitute the consolidated tax base.

Certain sources of income (e.g., capital gains, dividends, interest, private entrepreneurial activities, sale of movable and immovable assets) are taxed separately with distinct regimes applying to each of them. A flat rate of 15% applies to both the consolidated tax base and to income taxed separately, however, the effective tax rate may differ in certain cases (e.g., the income from the sale of a real property is progressively exempted from tax the longer the asset concerned has been held by the seller).

As a general rule, if income is received from a paying agent (e.g., employer), the paying agent is liable to report the tax on such income as well withhold and remit this amount to the tax authority as advance payment. The tax return is due until 20 May of the year following the tax year.

Double Taxation Relief

Hungary has an extensive double tax treaty network with around 86 countries. Treaties on inheritance tax have been concluded with Austria, Poland, Romania and Sweden. The treaties take precedence over the domestic legislation, therefore, the provisions of the relevant double taxation treaty entered into by Hungary should be applied. Consequently, lower treaty rates override the higher domestic ones, i.e., the payor may under certain circumstances apply the lower treaty rate in respect of foreign resident individuals subject to withholding tax, or, the foreign resident individual may reclaim the amount exceeding that which is calculated based on the treaty rate from the tax authority.

Hungary does not levy withholding tax on foreign entities. The double tax treaties concluded by Hungary usually provide for the credit method to grant tax relief to Hungarian tax residents in regard of passive income. In case no double tax treaty applied, tax credit would be granted in accordance with the domestic legislation by allowing for the reduction of the tax payable by up to 90% of the tax paid on the income abroad, but by no more than the amount of the personal income tax payable.

Hungary signed the OECD Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Sharing 2017 (MLI) in 2017 but has not ratified it yet.

VAT

Hungary has implemented the EU directive on value-added tax. Accordingly, goods or services supplied in Hungary for consideration by a taxable person acting in such capacity are subject to value-added tax. A taxable person is any person or entity carrying out any business activity on a regular or continuing basis independently in order to generate revenues. As a general rule, a supply of goods would be subject to value-added tax in Hungary if the goods are located in Hungary when the supply is made.

According to the main rule, a supply of services would be subject to value-added tax in Hungary if rendered to a taxable person that is established for business purposes in Hungary in connection with the given supply.

The standard rate is 27% with reduced rates of 18% and 5% applying to certain goods and services. Furthermore, the legislation also sets out exemption, e.g., for the leasing or letting of immovable property and financial services.

The VAT return has to be submitted and settled with the tax authority as a general rule on a quarterly basis, however, in some circumstances such obligations have to be complied with monthly or yearly. The deadline of these obligations is the 20th day of the month following the period concerned.

Employment Tax

As a general rule, the following taxes (other than personal income tax) and social security contributions will arise in connection with employment in Hungary:

- Social tax at 17.5% (15.5% effective from 1 July 2020) payable by the employer on the basis of the gross wage;

- Training fund contribution at 1.5% payable by the employer on the basis of the gross wage; and

- Pension contribution at 10%, health insurance contribution at 7%, labor force contribution at 1.5% to be withheld by the employer from the gross wage of the employee. These contributions will be merged together as one single social security contribution at 18.5% from 1 July 2020 as an administrative simplification, which, however, will not affect the material liability.

The employer has to file a tax return on the above-mentioned taxes and contributions on a monthly basis and pay the amounts indicated therein by the 12th day of the month following the month concerned.

Section B Rates

	Rate	Notes
Corporate Tax Rate (%)	9	The standard corporate tax rate is 9%.
VAT Rate (%)	27	The general rate is 27% with reduced rates of 5% and 18% applying to certain supplies.

WHT on:

	R	NR	Notes
Dividends (%)	0	15	Only individuals are subject to withholding tax.
Interest (%)	0	15	Only individuals are subject to withholding tax.
Royalties (%)	0	15	Only individuals are subject to withholding tax.

Category	Rate	Notes
Personal Tax Rates (%)	15	The is the standard rate that applies.
Inheritance Tax Rates (%)	18	A preferential tax rate of 9% applies in connection with residential properties and related rights. There are several exemption to inheritance tax, e.g. in case of gifts between lineal relatives.
Corporate Capital Gains Tax Rate (%)	9	There is no special rate for capital gains. Capital gains from reported shares or reported intangibles may be tax exempt.
Personal Capital Gains Tax Rate (%)	15	Capital gains are usually taxed separately.
Gift Tax Rate (%)	18	A preferential tax rate of 9% applies in connection with residential properties and related rights. There are several exemption to gift tax, e.g. in case of gifts between lineal relatives.
Wealth Tax Rate (%)	0	Hungary does not levy a general wealth tax. However, municipalities may levy building tax and land tax on real properties located within their territory.

Country

Ireland

Section A Overview

Corporate Tax

Companies resident in Ireland must pay corporation tax on their worldwide profits. A company is resident in Ireland if it is managed and controlled in Ireland. These profits include both income and capital gains. A company registered in Ireland is regarded as being automatically Irish tax resident unless that company is managed and controlled in a country which has a Double Tax Agreement in force with Ireland in which case it is resident in that country.

Non-resident companies that trade through a branch or agency in Ireland must also pay corporation tax.

Non resident companies that do not trade in Ireland through a branch pay tax on Irish source income (rental income) and on gains on the disposal of Irish real estate.

Corporation tax is charged on the profits earned in a company's accounting period. This period cannot be longer than 12 months.

The rate of corporation tax in Ireland that applies to trading profits is 12.5% (in some exceptional cases trading profits can be taxed at a rate of 25%). Passive income (investment type income) is liable to a 25% rate of corporation tax.

Certain 'closely held' companies (generally a company controlled by less than 5 persons) are exposed to a further surcharge of 20% on passive income and an effective 7.5% on professional services income.

Ireland has a specific research and development and intellectual property regime that applies to companies as well as a participation exemption (which exempts certain gains from tax). The taxation of dividends from abroad (whilst taxable in the Irish companies hands) also generally benefits from credit relief and in some cases domestic exemptions reduce the tax burden.

Personal Tax

Personal Income Tax is payable by individuals on income earned in a tax year. The tax year runs from 1 January to 31 December.

The exposure to personal income tax is based on residence. An individual resident and ordinarily resident in Ireland (that is an individual who has been resident for the 3 consecutive prior tax years) is liable to Irish income tax on their worldwide income.

An individual remains ordinarily resident in Ireland until they have been non resident for at least 3 consecutive tax years.

The rate of income tax is 40% in Ireland. Further social security charges (Pay Related Social Insurance (4%) and the Universal Social Charge (up to 11%)) can result in a marginal combined rate of 55%.

There are targeted reliefs available to attract foreign expertise (Special Assignee Relief Program) and for Irish people working abroad (Foreign Earnings Deduction).

Capital gains are taxed at a 33% rate of tax in Ireland. Again, resident individuals are taxed on their worldwide capital gains.

Ireland has a remittance basis of taxation that applies to non domiciled individuals. Individuals resident but not domiciled in Ireland pay income tax only on foreign income remitted to Ireland (there are some exceptional circumstances where income not remitted is taxable) and on foreign gains remitted to Ireland.

Double Taxation Relief

Ireland has an extensive network of Double Tax Agreements and is a member of the EU and the OECD. Ireland currently has 73 Double Taxation Agreements in force with other countries.

The aim of these treaties is to reduce double taxation by allowing credit relief for income and gains earned by Irish residents that is also exposed to tax in a foreign jurisdiction (with whom a Double Tax Agreement is in force). The treaties in force typically apply to profits and gains earned by corporations and income and gains earned by individuals.

The overriding rule is that the amount of credit to be allowed for foreign tax cannot exceed the Irish tax charged on the same income or profits.

Unilateral relief from double taxation can also be given by deducting the foreign tax from foreign income and capital gains for foreign tax suffered on income and gains not covered by a tax treaty.

VAT

Value Added Tax (VAT) is charged when a taxable person supplies goods or services in Ireland in the course or furtherance of its taxable business. It is also chargeable on the purchase of specified services from supplier's abroad, on imported goods and on intra-community acquisitions of goods.

There are different rates of VAT in Ireland depending on the relevant business sector (e.g. medical, farming, building services, professional services etc.).

The five differing VAT rates are 0%, 4.8%, 9%, 13.5% and 23%. Certain activities are also exempt from an Irish VAT charge.

For the most part banking, insurance and educational services (there are of course exceptions) are VAT exempt and therefore cannot obtain VAT recovery on their input costs.

Where an entity is registered for VAT it may generally recover VAT on its business purchases and must charge VAT on its sales. The entity must then pay over the net VAT due to the Revenue Commissioners or receive a VAT refund for net VAT overpaid.

There are specific and detailed rules which apply to the supply of real estate (with different rules applying to residential real estate and commercial real estate).

Employment Tax

Tax on income that an employee earns from employment is deducted at source by their employer on behalf of the Irish Revenue. This is known as Pay As You Earn (PAYE). The amount of tax that the employee contributes depends on the amount of the income that they earn and on their personal circumstances.

Tax is charged as a percentage of a person's income. The percentage that is paid depends on the level of income. The first part of an employee's income, up to a certain amount is taxed at 20%. This is known as the standard rate of tax and the amount that it applies to is known as the standard rate tax band (the current basic standard rate band is €35,300 - income above this level is liable to a 40% tax rate).

The remainder of an employee's income is taxed at the higher rate of tax of 40%.

Universal Social charge is payable up to a rate of 8%.

Employee's earning are also subject to a social insurance tax called PRSI. This is charged at a rate of 4%.

Employers will pay up to 11.05% employer PRSI also.

The income earned from an Irish directorship is liable to payroll taxes. This is the case even where the director is not Irish tax resident - therefore non executive directorships are specifically within the scope of Irish employment taxes.

A non Irish resident company that employs Irish resident individuals is likely to have an obligation to register for Irish payroll taxes.

Section B Rates

	Rate	Notes
Corporate Tax Rate (%)	12.5/25	There are two rates of Corporation Tax (CT) 12.5% for trading income. 25% for income from an excepted trade / non trading income, for example rental and investment income.
VAT Rate (%)	0–23	23% is the standard rate of VAT and all goods and services that do not fall into the reduced rate categories are charged at this rate. 13.5% is a reduced rate of VAT for items including fuel (coal, heating oil, gas), electricity, veterinary fees, building and building services, agricultural contracting services, short-term car hire, cleaning and maintenance services. 9% is a special reduced rate for newspapers and sporting facilities. This also includes e-books and electronically supplied newspapers. 5.4% flat rate compensation percentage for farmers 4.8% is a reduced rate of VAT specifically for livestock. 0% (Zero) VAT rating includes all exports, tea, coffee, milk, bread, books, children's clothes and shoes, oral medicine for humans and animals.

WHT on:

	R	NR	
Dividends (%)	0	25	A withholding tax (currently 25%) applies to dividend payments and other profit distributions, including cash and scrip dividends, made by an Irish resident company. There are a significant number of exemptions that apply to eliminate when this withholding tax applies.
Interest (%)	20 /41	20 /0	Certain annual interest payments are subject to WHT at 20%. Interest payments made by companies to companies resident in other EU member states or in treaty countries are generally not subject to WHT. The EU Interest and Royalties Directive may also provide an exemption from WHT for payments between associated companies. WHT (DIRT) on interest on deposit accounts at 33%. No DIRT on interest paid to non-residents where a written declaration of non-residence is completed.
Royalties (%)	20	20	Royalty payments and certain other annual payments are subject to WHT at 20%. Lower WHT rates may be accessed under treaties, subject to reporting requirements. The EU Interest and Royalties Directive may also provide an exemption from WHT for payments between associated companies

Personal Tax Rates (%) 51/55

Top rate income tax 40%

Top rate USC 8% (11% for self employed)

PRSI 4%

Inheritance
Tax Rates (%)

33

A rate of 33% applies to all inheritances (and gifts) where either the transferor or transferee is Irish tax resident. Otherwise the rate only applies to Irish situs property. There are exemption thresholds the largest in force being €335,000 for parent/child relationships.

Corporate Capital Gains
Tax Rate (%)

33

Corporate capital gains tax is charged at an effective rate of 33%.

Personal Capital Gains
Tax Rate (%)

33

Individuals resident or ordinarily resident in Ireland are liable to capital gains tax on disposals.

Individuals resident or ordinarily resident but not domiciled in Ireland are liable on gains arising on the disposal of assets situated in Ireland and on all foreign gains to the extent that those gains are remitted to Ireland .

Individuals neither resident nor ordinarily resident are liable on gains made on the disposal of certain specified assets.

Gift
Tax Rate (%)

33

A rate of 33% applies to all gifts. Gifts by an Irish resident transferor are liable. Also gifts received by an Irish resident transferee are liable.

If neither party is resident gift tax applies to Irish situs assets.

Wealth
Tax Rate (%)

0

Ireland has no wealth tax though a local property tax does apply to residential real estate owned in Ireland.

Country

Italy

Section A Overview

Corporate
Tax

Italian corporate entities are subject to a corporate income tax, known as 'imposta sul reddito sulle società' or IRES, and to a regional production tax, known as 'imposta regionale sulle attività produttive' or IRAP.

The IRES taxable base is determined in different ways according to the type of company concerned.

a) Resident Companies and commercial entities: the profit and loss indicated in the financial statements requires the increase or decrease in the tax regulations for the active and passive of corporate income;

b) Resident non commercial entities: the tax base of the total income is determined by adding up the individual categories of income (real estate, capital, corporate and various income);

c) Non-resident companies: are taxed only on Italian source income.

There are different methods of computation for the IRAP taxable base, depending on the nature of the business carried out by the taxpayer. Provisions for liabilities and risks, as well as extraordinary items, cannot be taken into account when determining the IRAP taxable base.

In general, the IRAP taxable base is determined by substracting production costs from the gross production value.

Personal Tax

For the purposes of direct taxation, Italian resident are subject to a personal income tax, known as 'imposta sul reddito delle persone fisiche' or IRPEF.

All their incomes are taxed wherever they are produced, according to the worldwide taxation principle.

Each income produced by individuals falls into one of the categories provided by the Italian legislator: real estate income, business income, employee income, self-employment income, business income and capital gains.

The IRPEF taxable base is calculated by the sum of the taxable income of the above categories subject to ordinary taxation. IRPEF is applied on a progressive rate basis.

The personal income tax rates have increased from the REGIONAL TAX SUPPLEMENT and from MUNICIPAL TAX SUPPLEMENT that depend on Region or Municipality and bracket of income of each.

It should also be noted that new tax breaks were introduced in the FY 2020 in favor of indivisuals who want to transfer their fiscal residence to Italy (i.e. flat tax or exemption of 70% of the income produced in Italy).

Moreover, there are two types of wealth tax for Italian resident that have real estate possessions or financial assets out of Italy.

The first of these is called 'imposta sul valore degli immobili all'estero' or IVIE on the cadastral value of the property, but it can vary according to the type of property (luxury or normal) and ist destination of usage (commercial, resident,etc).

The second is proportionate to the percentage financial investments owned and the size of the asset. This is called 'imposta sul valore delle attività finanziarie detenute all'estero' or IVAFE.

For the purposes of indirect taxation, any transfer of assets resulting from the opening of a succession due to death in Italy or through a spirit of liberality is subject to INHERITANCE AND GIFT TAX. These taxes are applied at rates determinad on the basis of the relationship of kinship or affinity existing beetween the deceased\donor and the beneficiary of the transfer. Specific provisions apply to a handicapped person.

Double Taxation Relief

In order to avoid double taxation, there are two alternative methods: 1) the EXEMPTION in Italy of income produced abroad, or 2) the TAX CREDIT, through the recognition of the deduction, by the Italian tax authorities, of taxes paid abroad, under certain conditions.

In principle, the exemption method makes definitive the level of taxation of the source state while the tax credit method makes definitive the higher taxation level between that of the source state and that of the recipient's state of residence.

The Italian system has mainly adopted the the tax credit method even if there are cases to which the option exemption method (i.e. branch exemption) is applied or mixed cases for which both the exemption and the tax credit (i.e. dividends received by italian resident companies that contribute to the formation of taxable income in the amount of 5%-exemption method- but which, if subject to withholding tax in the souce State, benefit from the tax credit in the misure of 5% of the amount of withholding tax).

Amon the remedies we have to also mention the treaties against double taxation concluded by Italy which provide the elimination of double taxation based on the model of the OECD Convention. In this case, the general method of avoiding double taxation ist hat oft he tax credit.

VAT

VAT is a tax, with different rates, which weighs on the supply of goods and services by taxable persons, that is, by enterpreneurs, artist and habitual professionals, on the territory of Italy.

In addition to taxable transactions for VAT purposes, it is possible to identify:

a) Non-taxable transactions: without one or more requirements provided by the reference legislation (i.e. export sales). This type of transactions contribute to the sum of the volume of business and are subject to all the formal and substantial obligations dictated for VAT purposes;

b) Exempt operations: exclude from the field of VAT application for explicit regulatory provision for social or technical reasons (i.e. health services, didactic and educational services). However, since these are transactions that satisfy all the VAT conditions, they give rise to a series of formal obligations. They contribute to the formation of turnover but do not allow, in general, the deduction of VAT on purchases.

c) Excluded transactions: defined as 'irrilevant trabsactions' as they are excluded from the field of application of the tax for explicit regulatory provision. They do not generate particular VAT obligations and do not contribute to forming the turnover.

A particular mechanism of payment of the tax directly by the assignee consists in the so-called 'reverse charge'. To limit tax evasion, it has been envisaged that, for some transaction, the transferor will issue an invoice without indicating tha VAT payable which will instead be exposed by the transferee through the integration of the invoice or the issue of a self-invoice.

For pratical purposes, this mechanism entails only the transfer from the customer to the supplierm of the burden of indicating the VAT on the document, but does not produce any additional burden or prejudice the right to deduct.

Employment Tax

The employer who pays employee earnings acts as a substitute for tax, having to make a withholding tax by way of the workers' personal income tax. Tax substitute have to withhold tax on the taxable part of the sums (i.e. salaries, wages, indemnities) and the values (so-called 'fringe benefits') paid in each pay period (i.e. month). When withholding tax on each pay period, the substitute tax must apply any tax deductions due for employee income.

Moreover, social security contributions is mandatory. It is mainly depends on the relationship between the individual and the company.

In the case of employment relationship, the social security contributions are made by both the employee and the employer. The Italian employer, in order to pay social security contributions for employees, must register with the Italian Social Security Administration (Instituto Nazionale Previdenza Sociale or INPS).

The total social security rate is around 40% of the employee's gross compensation (the rate depends on the work-activity performed by the company, the number of employees of the company, the employee's position), and is shared as follows: employer's charge is around 30%; employee's charge is around 10%.

As regards the employee, however, experimenal measures were introduced from 1st July 2020 to 31th December 2021: bonuses to employees with a total income not exceeding 28.000€ for an amount equals to 600€ which will become 1.200€ from the 1st January 2021 and a further deduction in favor of the earners of employees' earnings with total income not exceeding 40.000€.

Section B Rates

	Rate	Notes
Corporate Tax Rate (%)	27.9	24% for IRES; 3.9% for IRAP (but Regions have the power to slightly increase or decrease IRAP rates).
VAT Rate (%)	22	Reduced rate for particular goods or services (10%, 5% or 4%) and 0% rate for Intra-community and international transport.

WHT on:

Dividends (%)

R 26 –0

NR 26 –1.20

If the recipient is:

a) An Italian resident natural person, capital income and withholding tax of 26%

b) An Italian company, corporate tax and no withholding tax (but the taxable base is reduced to 5% if the beneficiary is a join-stock company and to 58,14% if the beneficiary is a partnership)

c) A non-resident natural person, withholding tax of 26%

d) A non-resident company, withholding tax of 1.20%, if there are certain conditions.

Interest (%)

R 26

NR 26

The taxation of interest depends on the type of recipient (natural person or company) and the type of interest received (interest on deposits and current accounts, interest on bonds, other interest on different income). The tax rate is the same (26%) but taxation may include a) the payment of a substitute tax; or b) the application of a WHT by advance payment of tax on personal income tax or corporate income tax or a final WHT. Interest on government bonds is subject to a 12.5% domestic WHT.

Royalties (%)

R 20 –0

NR 30

If the recipient is:

a) An Italian resident natural person, withholding tax of 20% (the tax base may be reduced in some cases)

b) An Italian company, no withholding tax

c) A non-resident natural person or company, withholding tax of 30% (generally applyed on 75% of the amount of them).

Personal Tax Rates (%)

47.23

IRPEF:
- on the first 15.000€ the rate is 23%;
- above 15.000€ up to 28.000€ the rate is 27%;
- above 28.000€ up to 55.000€ the rate is 38%;
- above 55.000€ up to 75.000€ the rate is 41%;
- over 75.000€ the rate is 43%.

REGIONAL TAX SUPPLEMENT varies from 1.23% to 3.33%
MUNICIPAL TAX SUPPLEMENT varies from 0.10% to 0.90%

Inheritance
Tax Rates (%)

4-8

This tax is paid depending on who the beneficiaries are and can be summarised as follows:

- 4% if beneficiaries are the deceased's spouse or relatives in a direct line, with no tax payable up to 1.000.000 € (per heir)
- 6% if beneficiaries are sisters or brothers, with no tax payable up to 100.000 € (per heir) and to other family members up to the fourth generation but without any tax free amount;
- 8% if beneficiaries are unrelated parties not previously mentioned with no tax free allowance.

Corporate Capital Gains
Tax Rate (%)

24

Capital gains are generally treated as ordinary income, so companies pay 24% tax on them. However, under a specif regime so-called 'PEX', in the case of the disposal of partecipation in other companies, capital gains realised are exempt for 95% of their amount, subject to certain conditions.

Personal Capital Gains
Tax Rate (%)

26/ Progressive

Capital gains on the sale of shareholding are subject to a 26% imposition as a substitute of IRPEF.

The capital gain on the sale of real estate is taxed at progressive tax rates. However, there are some exceptions deriving from the sale of real estate if owned for more than 5 years or the sale of real estate, even if owned for less than 5 years, if it has been used as primary residence.

Gift
Tax Rate (%)

4-8

The same Inheritance tax rules apply for gift tax.

Wealth
Tax Rate (%)

0.78

0.76% for IVIE; 2 per thousand for IVAFE.

Country

Latvia

Section A Overview

Corporate
Tax

Under the new Corporate Income Tax (CIT) model in force as of 1 January 2018, all undistributed corporate profits are exempt. This exemption covers both active (e.g. trading) and passive (e.g. dividends, interest, royalties) types of income. It also covers capital gains arising on the sale of all types of assets, including shares and securities, except for the sale of immovable property by non-residents. This tax regime is available to Latvian-resident companies and non-resident companies' permanent establishments (PEs) registered in Latvia.

The taxation of corporate profits is postponed until those profits are distributed as dividends or deemed to be distributed.

The CIT rate is 20% applicable to the taxable base. However, before applying the statutory rate, the taxable base should be divided by a coefficient of 0.8. As the taxable base is increased by the coefficient, the effective CIT rate is 25%.

Personal
Tax

Latvia has a progressive Personal Income Tax (PIT) system. Unless the law provides for a different rate, the progressive rate is based on the level of annual income as follows:

A rate of 20% applies to income up to EUR 20,004.

Any portion of income between EUR 20,004 and EUR 62,800 attracts a rate of 23%.

Any income over EUR 62,800 attracts a rate of 31%.

PIT on dividends is 20%. However, where a company has already charged its profits to CIT, there will be no PIT to pay. This applies to Latvian companies, European Union (EU)/European Economic Area (EEA) companies, and others, except for companies from tax havens and MBT payers. To zero-rate dividends for PIT, evidence of PIT or CIT paid abroad should be presented.

Other income from capital, including interest, also attracts a fixed PIT rate of 20%.

The rate on income from capital gains is 20%.

Double Taxation Relief

Latvia has concluded 62 tax treaties. Latvia signed the OECD's MLI on 7 June 2017.

VAT

The standard rate on supplies of goods and services, commodity imports, services rendered by non-residents and treated as supplied in Latvia, and intra-Community acquisitions of goods is 21%.

Reduced rates of 0%, 5% and 12% may apply in certain cases.

Employment Tax

The employer is responsible for withholding personal income tax (PIT) at a rate of 20% on income up to EUR 20,004, at 23% income between EUR 20,004 and EUR 62,800. For the annual income exceeding EUR 62,800, the applicable rate is 31%, which is applied via submission of the individual annual tax return.

The employee's part of National social insurance contributions (NSIC) at a rate of 10.5%, is deducted from gross employment income. The employer's part of NSIC, at a rate of 23.50%, is calculated on top of gross employment income. NSIC is payable on annual income up to EUR 62,800. A solidarity tax applies to annual income over EUR 62,800 at the same rates as NSIC.

Section B Rates

	Rate	Notes
Corporate Tax Rate (%)	20	Payable only when profits are distributed.
VAT Rate (%)	21	Reduced VAT rates may apply.

WHT on:

	R	NR	
Dividends (%)	0	0	Dividends paid to residents of tax havens are subject to a 20% WHT.
Interest (%)	0	0	Interest attracts WHT only if made to companies in tax havens. A 20% rate applies on all interest and royalty payments to tax havens.
Royalties (%)	0	0	Royalty payments attract WHT only if made to companies in tax havens. A 20% rate applies on all interest and royalty payments to tax havens.

Personal Tax Rates (%)	20–31	Latvia has a progressive personal income tax system.
Inheritance Tax Rates (%)	N/A	
Corporate Capital Gains Tax Rate (%)	20	Capital gains are subject to the normal corporate income tax rate.

Personal Capital Gains
Tax Rate (%)

20–31

Capital gains are subject to the progressive personal income tax rates.

Gift
Tax Rate (%)

Gifts in any form from individuals are subject to the progressive personal income tax rate after applying an annual exemption of EUR 1,425 to the value of the gift. Small gifts of up to EUR 15 (including VAT) from the employer are exempt from PIT. Gifts between spouses and relatives up to the third degree are fully exempt.

Wealth
Tax Rate (%)

0

Latvia does not impose a wealth tax.

Country

Lithuania

Section A Overview

Corporate Tax

Lithuania has a traditional corporate tax system. Corporate tax is paid on profit and capital gain earned in Lithuania and abroad.

Taxable profit is calculated by deducting the non-taxable income and deductible

expenses, including deductible expenses of limited amounts, from the income received

over the taxable period. Deductible expenses include all of the usual costs that the entity actually incurs for the purpose of earning a business income, or receiving the economic benefits.

Corporate tax payers are the local companies registered with the Register of Legal Entities of the Republic of Lithuania. Foreign registered companies is subject to corporate tax on certain type of income and may require registration for tax purposes only (e. g. possession of immovable property in Lithuania, employment of Lithuanian resident, etc.). Foreign registered companies are also taxed on activities conducted through a permanent establishment (PE) situated in the territory of Lithuania. It also applies to income earned in foreign countries and attributed to PE in Lithuania where such income relates to the activities of a foreign entity conducted through PE situated in Lithuania.

Re-organisations of companies (including mergers and divisions) are generally tax-neutral transactions (if performed under the conditions set in the law). However, the general anti avoidance rule of “substance over form” should be noted, which allows tax authorities to reclassify the legal form of transaction.

Personal Tax

Income tax is levied on individuals who are resident in Lithuania for tax purposes and individuals who are not resident but receiving a Lithuanian sourced income.

The residence of an individual is judged by the individual circumstances in each case. The criteria are laid down in the laws and principally outline the requirements as:

- Domiciled in Lithuania;
- Personal, social or economic interests in Lithuania;
- Spending a specified period of time in Lithuania (residents are recognized foreign individuals staying in Lithuania with or without breaks for no less than 183 days in a calendar year, or staying in Lithuania with or without breaks for no less than 280 or more days during two consecutive calendar years, where the stay in Lithuania during one of these years lasted at least 90 days).

Permanent residents pay income tax on their worldwide income.

Lithuania has progressive income tax depending on type of income and taxable amount: tax on employment income may reach 32 percent while tax from individual activities (sole trader) is not exceeding 15 percent. Increased tax rate shall apply when annual income exceed 84 average salaries.

Double Taxation Relief

Lithuania has 56 double tax avoidance treaties including all EU countries that are based on OECD model agreement.

Double taxation in Lithuania is eliminated by granting tax credit, i. e. deducting tax paid in other State. Such deduction in either case shall not exceed that part of the tax in Lithuania, as computed before the deduction is given, which is attributable to the income which may be taxed in that foreign State. Tax credit method will apply unless domestic laws provide for more favourable regime.

Law on Personal Income Tax of the Republic of Lithuania provides that income received by a resident of Lithuania in a foreign country, with which the Republic of Lithuania has concluded a tax treaty, except for interest, dividends and royalties received in the said country, shall not be subject to personal income tax in Lithuania where income tax or equivalent tax has been paid on such income in that foreign country.

The above provisions shall apply only where documentary evidence is submitted concerning the income received during the relevant tax period in a foreign country and the amount of income tax or equivalent tax paid on such income. In this situation local Lithuanian legislation set for a tax exemption (rather than tax credit) of foreign income from Lithuanian personal income tax.

VAT

A taxable person is not required to submit an application to register for VAT and to calculate and pay VAT to the budget for the supply of goods and (or) services provided the total consideration for the economic activity of goods and (or) services provided in the Republic of Lithuania for the last 12 months did not exceed EUR 45,000. Lithuania has filled application to the EU Commission to increase the above threshold up to EUR 55,000.

Other VAT registration threshold:
EUR 14'000 (purchases in the EU)
Distance selling threshold: EUR 35'000.

EU registered entities may be registered as a VAT payers directly while others through fiscal agent only that has joint liability together with a VAT payer.

EU undertakings engaged in distance selling in Lithuania have to register for VAT purposes if their sales income from distance selling in Lithuania exceeded EUR 35,000 during the calendar year.

The taxable period is one month. Under certain circumstances, the taxable period may be calendar quarter or 6 calendar months. The VAT statement for the taxable period must be submitted and the VAT must be paid after the end of the taxable period and before the 25th day of the next month.

Employment Tax

There is no separate wage tax in Lithuania. Employment income is subject to progressive personal income tax rate, which is deducted by the employer. When calculating tax on employment source income basic tax-exempt amount of income (depends on amount of income as well as working capacity of employee) shall apply.

Employment income includes all income related to employment including fringe benefits, bonus or employer's car. Daily allowances or payouts related to movable nature of work, share options under certain conditions and gifts (prizes) up to EUR 200 are not taxable.

Residents and non residents acting through a permanent base must file annual tax return upon the end of the calendar year until 1 May of the following year. Lithuanian permanent resident may deduct:

1) Pension contributions to the funds set up in OECD and EEA countries up to EUR 1,500 yearly;
2) Payments for vocational training or studies when the first degree is obtained;
3) Payments for repair of apartments, home, car – up to Eur 2,000 yearly;
4) Life insurance premiums up to EUR 1,500 yearly.

Section B Rates

	Rate	Notes
Corporate Tax Rate (%)	15	The taxable income of entities where the average number of employees does not exceed 10 and where income over the taxable period does not exceed EUR 300,000 are subject to 0% tax rate for the first tax year and 5% for further periods (subject to exceptions).
VAT Rate (%)	21	0%, 5% and 9% reduced VAT rates also applied.

WHT on:

	R	NR	Notes
Dividends (%)	15	15	Subject to any available relief under the double tax avoidance treaty. Applying the participation exemption rule, wht is not imposed on dividends received from an entity where the recipient entity has held enough shares entitling it to more than 10% of the total amount of votes for at least 12 subsequent months.
Interest (%)	0	10	Subject to any available relief under the double tax avoidance treaty. 0% withholding tax is imposed on interest paid to EEA registered entities and entities established in countries where Lithuania has double tax treaties in place.

Royalties (%) R **0** NR **10**

Subject to any available relief under the double tax avoidance treaty.

0% withholding tax is also imposed on royalties paid to an EU registered company if the payee and recipient company is related, with a minimum 25% holding capital for not less than 2 consecutive years.

Personal
Tax Rates (%) **15**

Employment income, annual bonus is subject to 20%-32% progressive tax rate.

5% tax rate applies to income on sale of waste.

Inheritance
Tax Rates (%) **5**

5% when taxable value of the inherited property is less than EUR 150,000 and 10% when taxable value exceeding EUR 150,000.

Corporate Capital Gains
Tax Rate (%) **15**

Capital gains on the sale of shares of the company registered in EEA or tax treaty country are exempt from corporate tax if the following conditions are met:

- Shares held for at least 2 years and number of shares exceeding 10%; or
- Shares are transferred according to the provisions of reorganization regulations and more than

10% of the shares were held for at least 3 years

Personal Capital Gains
Tax Rate (%) **15**

15% when capital gain is less than 120 average monthly salaries and 20% when exceeding 120 average monthly salaries.

Gift
Tax Rate (%)

15

Income received as a gift from spouses, children (adopted children), parents (adoptive parents), brothers, sisters, grandchildren and grandparents is tax free, while gifts from other persons up to the amount (value) not exceeding EUR 2,500 in the calendar year is not subject to tax.

Wealth
Tax Rate (%)

0.5

When total value of the real estate (including apartments, garages, farms, greenhouses, recreational buildings, fishery, civil engineering constructions and the like) owned by individuals is from:

- EUR 150,000 to EUR 300,000 then it is subject to 0,5%;
- EUR 300,000 to EUR 500,000 then it is subject to 1%;
- EUR 500,000 then it is subject to 2%.`

Country

Luxembourg

Section A Overview

Corporate Tax

Luxembourg taxes its corporate residents on their worldwide income and non-residents only on Luxembourg-source income.

Businesses with taxable income lower than EUR 175,000 are subject to Corporate Income Tax at a rate of 15%.

Businesses with taxable income between EUR 175,000 and EUR 200,001 are subject to Corporate Income Tax computed as follows: EUR 26,250 plus 31% of the tax base above EUR 175,000.

The Corporate Income Tax rate is 17% for companies with taxable income in excess of EUR 200,001 leading to an overall tax rate of 24.94% in Luxembourg City (taking into account the solidarity surtax of 7% on the Corporate Income Tax rate, and including the 6.75% municipal business tax rate applicable).

The Corporate Income Tax does not apply to tax-transparent entities (e.g. general or limited partnerships or European Economic Interest Groupings).

Although there used to be a minimum Corporate Income Tax for Luxembourg resident companies, no such minimum Corporate Income Tax is applicable as of 2016. It has been replaced by a minimum net wealth tax.

Personal Tax

If the resident taxpayer's taxable income includes only one salary subject to the Luxembourg withholding tax on wages and that does not exceed 100,000 Euro (EUR), the taxpayer does not to have to file a tax return.

In respect of non-resident taxpayers, the same rule applies to taxpayers who have worked at least 9 months on a continued basis in Luxembourg during the tax year, and derived salary subject to the Luxembourg withholding tax on wages, and that does not exceed EUR100,000.

Other thresholds may apply depending on the situation.

Double Taxation
Relief

A tax treaty generally defines which persons are liable to tax in one contracting state and how a person can be considered to be a resident of that state. A private individual is deemed to be a resident if he has his main residency based in the state (a tie break rule may be applied to determine the residency) while a Luxembourg company will be considered as a resident in Luxembourg under such a tax treaty if it has its place of management and control in Luxembourg.

A tax treaty then grants to one contracting state the right to tax particular income as defined in the treaty. Some income may be fully taxed in Luxembourg while other income may be taxed on a limited basis (meaning that a further taxation is also possible in another state). For instance profits realised by a company's branch established in Luxembourg will often be fully taxable in Luxembourg and enjoy the generous benefits of the Luxembourg Corporate Income Tax Laws. For other income such as dividends, interests or royalties, the treaty may reduce or cancel any withholding tax at source in Luxembourg.

However, Luxembourg Corporation Tax Law does not withhold tax:
- on dividends when they are paid to foreign companies (if they are considered to be resident in a double tax treaty country, have held a stake of 10% for more than a year into the paying Luxembourg company);
- on dividends paid to European Union companies (same rules apply);
- on any interest paid abroad (except for private individuals based in EU and subject to the European Saving Directive);
- on any royalties;

In such cases the double taxation treaty does not prevail on the Luxembourg Corporation Tax Law as the latter is more advantageous than the double tax treaty.

Under a tax treaty agreed by Luxembourg, some income is withheld at source in the country where this income is originated. The Luxembourg tax payer receives either:
- a tax credit on his Luxembourg tax liability
- a tax exemption which prevents the income from being taxed twice

VAT

VAT-liable persons—who must first register for VAT with the Registration Duties, Estates and VAT Authority (Administration de l'enregistrement, des domaines et de la TVA - AED)—charge their customers a tax proportional to the price of the goods sold and/or the services provided.

Taxable persons must forward this tax (output tax), after deducting the VAT they are charged by their own suppliers (input tax), to the Registration Duties, Estates and VAT Authority, which is in charge of collecting it.

Field of application of VAT:
The following operations fall within the field of application of Luxembourg VAT:
- delivery of goods and provision of services, in return for payment, within the country, by a taxable person as part of their business activities;
- intra-EU purchase of goods, in return for payment, within the country, by a taxable person as part of their business activities, or by a non-taxable legal person;
- intra-EU purchase of new means of transport, in return for payment, within the country, by a taxable person as part of their business activities, or by a not-taxable legal person, or by any other non-taxable person;
- the importing of goods from non-EU Member States.

However, in certain conditions, these operations may be VAT exempt. An operation that corresponds to none of these categories is said to fall outside of the field of application of Luxembourg VAT.

At present, 4 rates are applicable in Luxembourg:
- a normal rate of 17 % for taxable operations other than those listed below;
- a super-reduced rate of 3 % for operations involving goods and services listed in Appendix B to the VAT law;
- a reduced rate of 8 % for operations involving goods and services listed in Appendix A to the VAT law and for certain works of art;
- an intermediary rate of 14 % for operations pertaining to goods and services listed in Appendix C to the VAT law.

Employment Tax

Social security contributions apply to wages and salaries and are due from both the employer (rates approximately: 12/15%) and the employee (circa 12%).

Contributions for both employers and employees are computed on a capped basis and must be withheld by the employer. Self-employed individuals must register for social security purposes and pay approximately the same rates as the combined rates for an employer and an employee

Section B Rates

	Rate	Notes
Corporate Tax Rate (%)	24.94	The standard corporate tax rate is 24.94%.
VAT Rate (%)	17	The standard VAT rate is 17%.

WHT on:

	R	NR	Notes
Dividends (%)	15	0	Dividends paid to a non-resident company generally are subject to a 15% WHT, unless the rate is reduced under a tax treaty. No tax is withheld on dividends paid to a qualifying company under the EU parent-subsidiary directive.
Interest (%)	15	0	Luxembourg does not levy withholding tax on interest. However, interest on profit-sharing bonds and debt instruments with remuneration linked to the issuer's profits are taxed as dividends.
Royalties (%)	0	0	Luxembourg does not levy withholding tax on Royalties.

Personal
Tax Rates (%)

0–42

Progressive rates up to 42% apply. Individual income tax due is increased by:

- a 7% contribution to the employment fund for income not exceeding EUR 150k (EUR 300k for couples taxed jointly), and 9% contribution for income exceeding these amounts.
- a 1.4% uncapped dependency contribution

Inheritance
Tax Rates (%)

0–48

Inheritance tax is levied in Luxembourg if the deceased was resident in Luxembourg at the time of his/her death. The tax base is the market value of the entire net estate inheritance at the time of death.

Rates range from 0% to 48%, depending on the proximity of the relationship and the amount of the assets bequeathed to each beneficiary. Exemptions are appluicale in certain cases.

Corporate Capital Gains
Tax Rate (%)

24.94

Capital gains generally are included in taxable income and taxed at the standard coporate tax rate (24.94%).

However, capital gains derived from the sale of shares may be exempt from corporate income tax in certain cases (to hold the participation for an uninterrupted period of at least 12 months and the participation does not fall below 10% or below an acquisition price of EUR 6 million throughout that period).

Personal Capital Gains
Tax Rate (%)

0–42

Short-term capital gains are taxed as current income (at progressive rates up to 42%). Long term gains receive more favorable treatment, including an exemption of EUR 50k (doubled for couples taxed jointly) for gains realized in a 11-year period and taxation of the remaining long-term gains at 50% of the taxpayer's global rate.

Gains derived by an individual from Real estate are considered long-term if the property was held for more than 2 years. If shares, held for more than 6 months and are taxable only if the shareholding exceeds 10% at one point of time during the 5 year period before sale.

Gift
Tax Rate (%)

Varies

A gift tax is levied on all assets received if the donor is a Luxembourg resident. Gifts from a non-resident are subject to gift tax only in respect of real estate located in Luxembourg.

Inheritance and gift tax are based on graduated rates according to the degree of family relationship of the respective individuals.

Wealth
Tax Rate (%)

0

No wealth tax rate on individuals

Country

Malta

Section A Overview

Corporate Tax

Malta's corporate Tax rate is a 35% on the 'chargeable income', which is the 'total income' of any person, which means the aggregate amount of income of any person from the sources specified in the Income Tax Act, remaining after allowing the provided exemption and deductions. Although this is a considerably high rate when compared to other countries, the effective rate may be reduced considerably by virtue of Malta's Full Imputation (FIS) and Tax Refund System (TRS). In accordance with the FIS, the tax paid at the level of the company is available as a credit in the hands of the shareholders on the tax due on the dividend income. This ensures that shareholders are not charged to further tax no their dividend income, in some cases, they may also be able to benefit from a refund if their average tax rate is below 35%.

In addition to the FIS, the TRS provides for a tax refund to the shareholders of the tax paid on the dividend being distributed. The refunds vary according to the source of income, at company level, and whether any double taxation has been relieved - The refunds are of 6/7ths, 5/7ths, 2/3rds and 100%, resulting in an effective rate of between 0% - 6.25%.

Malta also provides for an exemption on dividend income and capital gains from a participating holding or from the transfer of such holding, making it a very attractive jurisdiction for holding structures.

Personal Tax

Malta adopts a progressive system of taxation when it comes to taxation of individuals. The rates vary from 0% to 35%, reaching the highest bracket on annual income above €60,000. There are different tax brackets for individuals who may opt for 'single', 'married' or 'parental' rates - whilst the rates remain between 0% - 35%, the income brackets varies.

Malta adopts a self-assessment system, whereby each individual self declares their chargeable income on an annual basis and pay tax accordingly.

Personal Tax

All income and taxable capital gains are aggregated together when computing the total taxable payable by an individual.

Different tax rates could apply on different sources of income. A 15% optional tax rate applies on rental and interest income. If the 15% option is taken, this would be deemed to be final tax, and such income wouldn't need to be declared in the annual Tax Return.
Individuals who are ordinarily resident but not domiciled in Malta for tax purposes are not charged to tax on their world-wide income, but on income and capital gains arising in Malta and on foreign income which is received in Malta. There are are also a number of exemptions applicable to non-residents, such as the exemption on any gains derived from the transfer of shares in a Maltese company.

A number of tax residence programmes, provide for a reduced rate of 15% tax on foreign income which is received in Malta.

The annual tax returns are due by the 30 June following the year in which the income was earned or received.

Double Taxation Relief

Malta has a number of ways to relieve double taxation, these include, treaty relief, unilateral relief and flat-rate foreign tax credit (FRFTC). In terms of treaty relief, Malta has a vast treaty network (70+), most of which are based on the OECD Model Taxation, relieving tax in accordance with Article 23B of the Model, that is, in accordance with the Credit Method.

In cases where a double tax treaty is not in force, Malta relieves double taxation on a unilateral basis. From a practical perspective, unilateral relief is calculated in a similar manner to treaty relief, with the main difference, that one of them is applied when a double tax treaty is in force, whilst the other is applied even when there is no treaty.

In addition to the above, Malta also provides for a relief of a deemed foreign tax in certain situations. The FRFTC is a tax credit, for a deemed foreign tax, which is applicable to companies, typically on passive income arising outside Malta. It is worked out by grossing up the foreign income by 20%, which is the deemed tax suffered outside Malta.

In addition to relieving juridical double taxation, Malta also relieves economic double taxation, particularly on income the distribution of taxed corporate profits by virtue of the full imputation system, whereby the tax paid at the level of the company is available as a credit in the hands of the shareholder on the tax due on the dividend income.

VAT

As an EU Member State, Malta's VAT legislation follows the EU VAT Directive. The standard VAT Rate is 18%, however there are also other reduced rates which apply, being 7% and 5%, together with exemption with and without credit.

A standard VAT period is of 3 months, with the VAT Return due 45 days after the end of the VAT period, with the possibility of an electronic filing.

Depending on the type of activity and the value of the annual turnover, Malta provides for a VAT Registration under one of the 3 articles, being Article 10, 11 and 12. Whilst Article 10 is the default registration article, Articles 11 and 12, apply for small undertakings and for persons not registered under Article 10 which make intra-community acquisitions of goods exceeding €10,000 over a calendar year, respectively.

Malta has recently introduce the concept of VAT Grouping whereby two or more VAT Registered persons established in Malta may be treated as a VAT Group and be registered as a single taxable person. At least one of the companies in the VAT Group must be licensed or recognized in terms of the specified legislation.

In 2015, Malta introduced the Mini One Stop Shop (MOSS), which allows taxable persons supplying telecommunication services, television and broadcasting services and electronically supplies services to non-taxable persons in a Member state, to account for VAT in the Member State in which they are registered.

Employment Taxes

Employment income is charged to tax at the progressive rates applicable to individuals. The rates vary from 0% to 35%, reaching the 35% rate when the annual income exceed €60,000. Employment income is taxed according to the Final Settlement System (FSS), which is a tax deduction methodology designed to produce accurate tax deductions from emoluments. This methodology ensures that the correct amount of tax is deducted from gross emoluments as they are received thus reducing the incidence of large refunds and tax bills arising from end of year tax assessments. Tax on employment income is deducted from the gross salary, before paying out the net salary to the employee.

Upon the termination of the tax year, or of employment, the employee is provided with a document, known as the FS3, which includes all tax and social security deductions carried out during the year, or during his/her employment. Typically, individuals who are in receipt of only employment income, would not need to file an annual tax return as they would receive a tax statement with the above-mentioned deductions from the Commissioner for Revenue.

In addition to income tax, social security contributions (SSC) are also deducting from one's salary. The rates of SSCs vary, but typically these are at the rate of 10% for the employee and another 10% for the employer, at a maximum amount of €2,498 per annum (or €1,901 for persons born up to 31 December 1961).

Section B Rates

	Rate	Notes
Corporate Tax Rate (%)	35	The effective tax rate could be reduced to between 0% - 6.25% by virtue of Malta's Full Imputation System and Tax Refund System.
VAT Rate (%)	18	Other rates apply, such as 7% and 5%, together with exemptions with and without credit.

WHT on:

	R	NR	Notes
Dividends (%)	0*	0	Whilst Malta does not impose withholding taxes on outgoing dividends, a 15% withholding tax is imposed when distributions are made from the 'untaxed account' to a 'recipient'. A 'recipient includes a person, other than a company, resident in Malta and also a non-resident person who is owned and controlled by an individual who is ordinarily resident and domiciled in Malta.

Interest (%)	R **0**	NR **0**	Malta does not impose any withholding tax on interest.
Royalties (%)	R **0**	NR **0**	Malta does not impose any withholding tax on royalties.
Personal Tax Rates (%)		**0–35**	Progressive rates of tax apply to individuals,with a tax free portion and a 35% rate for annual income which exceeds €60,000.
Inheritance Tax Rates (%)		**0**	Malta does not impose any inheritance tax, however it does imposes a stamp duty on 'causa mortis' transfer of 2% and 5% in relation to transfers of securities and immovable property.
Corporate Capital Gains Tax Rates (%)		**35**	Capital Gains are taxed with the other income and the standard corporate tax rate of 35%. Although all items of income are taxable, Malta only taxes capital gains made from the transfer of certain assets, and these include, immovable property, securities, intangibles, beneficial interest in a trust and interest in a partnership.
Personal Capital Gains Tax Rates (%)		**0–35**	Capital Gains are taxed with the other income and the standard progressive rates applicable to individuals of 0% - 35%. Although all items of income are taxable, Malta only taxes capital gains made from the transfer of certain assets, and these include, immovable property, securities, intangibles, beneficial interest in a trust and interest in a partnership.

Gift
Tax Rate (%)

0*

Malta does not impose a specific gift tax, however as per Malta's capital gains rules, a donation shall be considered as a deem sale made at the market value of the property at the time of the transfer, and depending on the asset being donated, it may be charged to tax at the rates applicable to individuals or corporates.

Wealth
Tax Rate (%)

0

Malta does not impose a wealth tax.

Country

Netherland

Section A Overview

Corporate
Tax

Public and private companies in the Netherlands are subject to Dutch corporate income tax ("CIT") on their profits. A lower tax rate is applicable to a taxable amount not exceeding €200,000 and the part exceeding €200,000 is taxed at the ordinary CIT rate.

Some legal entities, such as tax investment institutions, are not subject to CIT. The Tax Authorities may also exempt specific legal entities that make collective investments from CIT.

Specific exemptions may apply also to shared - and business mergers, either domestic or cross-border.

The Dutch tax regime provides a participation exemption applicable to substantial holdings in resident and non-resident companies, exempting a Dutch resident parent company from paying tax on dividend income. The participation exemption (i) is available only to shareholders who hold at least a 5% stake in a company and (ii) does not apply to holdings in an investment vehicle that is subject to a reduced tax rate. It is possible to obtain either an advanced pricing agreement (APA) on transfer pricing issues or an advance tax ruling (ATR) on specific exemptions.

In the tonnage-tax regime, the income from shipping activities (vessel exploitation for transportation of persons and goods within international traffic and to natural resources, pipe / cable laying) is determined on the basis of the tonnage of the respective vessel, resulting in a low effective CIT rate.

The innovation box provides tax relief to encourage innovative research and development taking place in The Netherlands. All profits earned from innovative activities are taxed at an effective tax rate of 7%. Software can also qualify as an intangible asset. It is proposed to increase the effective tax rate to 9% per 1 January 2021.

Personal Tax

A person living in the Netherlands is considered a 'resident taxpayer'. A person living abroad but receiving income from the Netherlands, is generally a 'non-resident taxpayer'. Resident taxpayers are taxed on their worldwide income/assets. Non-resident taxpayers are taxed on limited Dutch sources.
Different categories of income are treated differently for tax purposes.
There are three (3) types of taxable income:

1. Income from profits, employment and home ownership
Tax rates: 37.35% on the first € 68,507, thereafter 49.5% on income:
• Wages
• Income from an enterprise
• Pensions
• Social benefits
• Company car
• Rental value of owner-occupied property. Mortgage interest is to a large extend tax deductible

2. Income from substantial shareholding
Tax rate: 26.25% on income and capital gains from:
• a shareholding (at least 5% of issued capital);
• options (at least 5% of shares, also per type);
• profit-sharing certificates (at least 5%), or
• a cooperative / an association on cooperative basis (at least 5% of votes).

3. Taxable income from savings and investments
Tax rate: 30% on a percentage of value of asset / liabilities as per 1 January.

The Dutch tax system provides for a general tax credit and additionally entitled credits depending on kind of income, children or age.
Partners are taxed individually. Certain income and tax deductions can be apportioned to maximize tax credits and minimize tax due (not 1). Unmarried couples may qualify as tax partners. Income is due annually by a return.

Double Taxation Relief

The Netherlands Treaties on Avoidance of Double Taxation and the 2001 Unilateral Decree for the Avoidance of Double Taxation may either eliminate or mitigate international double taxation by means of a proportional tax exemption or foreign tax credit.

Tax treaties generally restrict the right to tax business income to the country in which the income is generated, provided the taxpayer has a presence in that country in the form of a permanent establishment ("PE"). In fact, non-resident tax payers are subject to Dutch corporate income tax, amongst others, to the extent they have a PE in the Netherlands. In case of a treaty situation, the treaty definition of PE in the applicable tax treaty applies. The Dutch tax treaties generally follow the OECD Model and The Netherlands has concluded tax treaties with a considerable number of countries, at present more than 90 countries.

The 2001 Decree for the Avoidance of Double Taxation up to January 1, 2012 determined that foreign income derived though a PE or from foreign real property was included in the taxable base. As of January 1, 2012 the method of avoidance of double taxation for corporate taxpayers has changed to the extent that profits or losses attributable to a foreign permanent establishment or foreign real property, are excluded from the Dutch taxable base (object exemption), with the exception of final losses upon permanent wind-up of a PE.

VAT

The Netherlands has in line with other EU countries VAT legislation based on the applicable EU VAT directives. Almost every entrepreneur in the Netherlands must calculate and add VAT on the sales price of their products and services they provide, regardless of the legal structure of their company. Even a foundation or association can be liable for VAT.

There are various VAT rates: (i) the standard rate is 21%; (ii) the so-called low tariff of 9% applies to most of the basic goods and services and (iii) a 0% rate applies to (foreign) entrepreneurs who conduct business in foreign countries from the Netherlands. This mainly involves the supply of goods from the Netherlands to another EU country. However, the 0% tariff also applies to some services that are provided in the Netherlands. These are services related to cross-border transactions, such as services for the international carriage of goods or work on goods that are exported to non-EU countries.

Non-resident companies doing business in the Netherlands, may have to file a VAT return in the Netherlands. If so, they need to register for VAT with the Dutch Tax and Customs Administration. The VAT on business costs is usually deductible unless (partly) exempt services are provided such as financial and medical services.

The Dutch VAT legislation contains several facilities enabling companies to avoid incurring Dutch VAT. In many cases incurring Dutch VAT may lead to a negative impact on cash flow and leads to uncertainty as a refund still has to be granted by the Dutch Revenue. The beneficial VAT facilities mitigating this are:

- Import VAT deferment license (so-called Article 23 license);
- The application of the 0% VAT rate on the supply of certain products traded in bulk (so-called VAT warehousing);
- The application of the 0% VAT rate on the supply of excise goods while under excise duty suspension (so-called excise bonded regime).

Employment
Tax

Payroll tax
Payroll tax is withheld from wage paid by a Dutch employer. The rates and credits are in general equal to the income tax rates and credits. Payroll tax consist of wage tax and national insurance contributions, deductible from the annual income tax due.

Social Security
All residents are insured under the National Insurance schemes, covering old age, death, long-term invalidity, medical expenses and child benefit. In addition, employees are insured against illness, long-term invalidity and unemployment.

Social security premiums are collected via payroll, and partly be deducted from the employee's gross salary. The employer will pay the contributions to the various social security agencies.

Pension Scheme
Each company can have its own pension scheme, sometimes mandatory. The government pension is paid through the wage tax.
Payments are due to be paid to the authorities by the last day of the following month.

30% Ruling
Employees recruited from abroad ("expats") with a specific expertise (scarce or absent in the job market in the Netherlands) may be entitled to the 30% tax ruling. This ruling reduces the gross salary to 70% on top of which a tax-free remuneration of 30% is paid via the payroll.

Both employee and employer must jointly request the application of the 30% rule from Dutch tax office. The employee will need higher education, be hired from abroad >150 km from the Dutch border and earn a salary of at least €38.347 per annum. The 30% ruling is generally limited to a five-year period during which also foreign source income is considered tax exempt.

Section B Rates

	Rate		Notes
Corporate Tax Rate (%)	16.5		In the case of taxable profits exceeding €200,000, the rate is 25%.
VAT Rate (%)	21		Reduced rate of 9% and 0% on specific transactions.

WHT on:

	R	NR	Notes
Dividends (%)	15	15	Exemption available based on double tax treaties subject to anti-abuse rules.
Interest (%)	0	0	There are no withholding taxes on interest.
Royalties (%)	0	0	There are no withholding taxes on royalties.

Personal Tax Rates (%)	37.35	Rate of 49.5% for income over €68,508.
Inheritance Tax Rates (%)	20	Rate of 20%.
Corporate Capital Gains Tax Rate (%)	0	No separate capital gains tax rates, regular corporate tax rates apply.
Personal Capital Gains Tax Rate (%)	0	26.25% in case the individual holds more than 5% of the shares.
Gift Tax Rate (%)	20	Rate of 20%.
Wealth Tax Rate (%)	30	This rate applies with respect to a deemed rate of return on qualifying assets of 1.931% to 5.59% resulting in an effective tax rate of 0.58% to 1.67% for individuals owning assets with a value of more than €989,737.

Country

Poland

Section A Overview

Corporate
Tax

In Poland, legal entities (companies) and capital groups are subject to corporate income tax. Currently, there are two separate corporate income tax rates: lower, at 9 percent and higher (standard), at 19 percent. Corporate income tax liability applies to all legal entities whose registered office is placed on the territory of Republic of Poland or that are registered outside Poland but they are managed from Poland. Subject to Corporate Income Tax ("CIT") are also entities that hold its registered office outside of the territory of Republic of Poland, if such entities earn an income within Polish borders.

Subject to taxation is the income obtained by a taxpayer from different sources of income. There are two sources of revenues under CIT Act:

1. capital gains - dividends, other revenues actually derived from participation in profits of legal persons and a limited joint stock person, the value of property received as a result of the liquidation of a legal entity or a limited joint stock person, revenues from the sale of shares of companies, revenues from the sale of receivables previously acquired by the taxpayer, revenues from property rights such as copyrights or related property rights, licenses, trademarks and know-how, revenue from securities, derivative financial instruments;

2. other revenues, including revenues derived from operating activities - other revenues, including revenues derived from the sales of goods and services, etc.

Poland introduced commercial real estate CIT. This tax covers commercial real estate classified according to the Classification of Fixed Assets as office facilities, shopping centres, department stores, independent stores and boutiques, and other commercial and service facilities with the initial value exceeding PLN 10 million. The taxable base is the revenues corresponding to the initial value of the fixed asset determined on the first day of each month resulting from the records maintained less the amount of PLN 10 million. The tax amounts to 0.035% of the taxable base for each month. It is calculated and paid for each month by the 20th day of the following month. It is deducted from CIT advance payments and annual CIT.

Tax advances are generally paid monthly. Small taxpayers and taxpayers starting their own business activity are entitled to make advance payments

Corporate Tax

quarterly. The corporate income tax return must be filed within three months of the end of the tax year. Thereby, as the tax year usually equals to the calendar year, as a rule the date for filing the tax return is 31 March of the calendar year following the tax year.

At present there are discussions on introduction, as of 2020, of the so called "Estonian CIT" reform, where as long as the profits generated by the company remain in it and are, for example, allocated to investments, its development or research, then the company does not pay this income tax

Personal Tax

Natural persons, if residing in the territory of Poland, are liable for tax on their total income (revenue) irrespective of the location of the sources of revenue (unlimited tax liability). A resident of Poland is a natural person who either has the centre of his/her personal or economic interest (centre of interest) in the territory of Poland or stays in the territory of Poland for over 183 days in any given tax year. Natural persons that do not reside in the territory of Poland are liable to pay tax only on income (revenue) earned in the territory of Poland (limited tax liability). The Polish tax system provides for taxation of worldwide income for resident natural persons and envisages territorial taxation for non-residents.

The tax year for personal income tax runs from 1 January to 31 December. Advance payments for income tax with respect to regularly earned income (such as income from employment or business activities) are payable monthly. The deadline for the annual personal income tax settlement is 30 April of the year following the year in which income was earned.

Principal system of taxation assumes progressive tax rates. As of 2020 reduction of the tax rate from 18% to 17% was introduced, while the tax rate of 32% for income above PLN 85,528 remains unchanged. Lowering the tax rate will apply to all taxpayers who receive income taxed according to the general rules, including employees, pensioners, as well as entrepreneurs, who have not chosen a flat rate income tax or lump sum taxation. 19% is available for self-employed individuals, as sole traders or as partners in partnerships, but in this case certain deductions (such as donations) are disallowed.

As of 1 August 2019, revenue under an official relationship, employment relationship, contract work, cooperative employment relationship, and mandate contracts received by individuals under the age of 26 is exempt from from PIT, up to no more than PLN 85,528 in a given financial year.
The tax-free amount is PLN 8,000. but in the case of earnings exceeding the minimum threshold, taxpayers will pay a degressive tax.
In certain cases, non-residents can benefit from a 20% flat tax rate.
Individuals who derive in a tax year income exceeding PLN 1 million are required to pay solidarity tax at the rate of 4% on the excess of this amount.
The Polish tax system provides for joint return filing by married couples, although this is not available in every situation. The income tax return may be filed electronically or in a paper format.
For certain types of income (e.g. employment,) the Ministry of Finance prepares a draft of annual tax declaration that can be then modified by the taxpayer.

Double Taxation Relief

Poland is a party to 90 double taxation agreements and generally follows the OECD Model Convention and the commentary thereto in respect to its treaty policy and interpretation. Typically, Poland applies the exemption method as the main method for avoiding double taxation.

Generally, double tax treaty provisions take priority over domestic laws: If a domestic withholding tax rate is lower than the maximum tax rate provided for in an applicable tax treaty, a foreign taxpayer benefits from the lower domestic tax rate. If a domestic withholding tax rate is higher than the maximum tax rate provided for in an applicable tax treaty, a foreign taxpayer benefits from the lower treaty tax rate. The lower rate may under specific circumstances be applied directly at source by the payor, however specific documentation has to be gathered such as tax residency certificate of the recipient, statement of the recipient that it is the beneficial owner of the payment. Poland is also a signatory to the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting.

VAT

Polish VAT tax follows the methodology set in the EU law provisions. VAT is imposed on goods and services acquired in Poland at the standard rate of 23%. Certain goods and services are taxable with reduced rates (8%, 5% or 0%). VAT is non-refundable, unless goods or services acquired are used for a VAT-taxable business activity purposes, or are purchased by tourists.

As a rule, the following activities will be taxable in Poland: paid delivery of goods, understood as the transfer of the right to dispose of the goods as the owner, paid services, understood as any service that is not a supply of goods, export and import of goods within the territory of the country, intra-Community supply of goods, intra-Community acquisition goods for remuneration on the national territory. The taxpayer of the VAT is a natural person, a legal person and an organizational unit without legal personality (e.g. a civil law partnership, registered partnership etc.), which independently conducts business activity, regardless of the purpose or result of such activity. Economic activity for VAT purposes is all the activity of producers, traders or service providers, including entities that acquire natural resources and farmers, as well as the activities of persons who pursue freelancers. Economic activity consists in particular of using goods or intangible assets on a continuous basis for profit. There are also many exemptions applicable (e.g. sales made by taxpayers whose value in sales did not exceed PLN 200,000 (approx. EUR 45,000) in total in the previous tax year).

Employment
Tax

The gross amount of remuneration for an employment contract is the basis for calculating contributions for retirement, disability, sickness, accident and health insurance, as well as contributions for the Labor Fund and Guaranteed Employee Benefits Fund. The employer co-finances the retirement and disability pension contributions, while he pays accident insurance and contributions for the funds mentioned above. The employee bears the total cost of sickness and health contributions.

The following taxes should be mentioned while discussing the employment contract taxes:

A. Payable by the employee:
- Retirement pension 9.76%;
- Disability pension 1.5%;
- Sickness pension 2.45%;
- Social securities pension - 9%;

B. Payable by the employer:
- pension insurance contribution - 9.76%
- disability insurance contribution - 6.5%
- accident insurance premium - 1.67%
- Labour Fund contribution - 2.45%

Section B Rates

	Rate	Notes
Corporate Tax Rate (%)	19	The standard CIT rate stands at 19%. There is a separate 9% rate applicable to the so called "small taxpayers" and entities commencing its business activities.
VAT Rate (%)	23	The standard VAT rate stands at 23%, with lowered rates at 8% and 5% applicable to certain types of goods and services. 0% rate applies in certain cross-border operations

WHT on:

	R	NR	Notes
Dividends (%)	19	Varies	As a rule, the rate of withholding tax on dividends is 19 per cent, but tax treaties may stipulate a lower rate (5, 10 or 15 per cent). Poland implemented the EU Parent Subsidiary Directive so in certain cases exemption from withholding may apply to dividends paid out of Poland
Interest (%)	20	Varies	Interest are subject to 20-per cent withholding tax in Poland, but tax treaties may stipulate a lower rate (5, 10 or 15 per cent). Some tax treaties also stipulate a 0-per cent rate on interest . Interest are exempt from withholding tax in Poland if they are disbursed by a corporation with its registered office in Poland to a company with its registered office in an EU/EEA state other than Poland or in Switzerland, and if certain conditions would be met. These condition come mostly from Interst and Royalities Directive.

Royalties (%)	R **0** NR **20**	Royalties are subject to a domestic withholding tax rate of 20%. This rate can be reduced under double tax treaties. Also Poland implemented EU Interest and Royalties Directive so in certain cases exemption from withholding may apply.
Personal Tax Rates (%)	**17**	If the personal income exceeds PLN 85,528 (approx. EUR 19,000) the personal tax rate increases to 32%. Solidarity tax of 4% is charged on income exceeding PLN 1 m.
Inheritance Tax Rates (%)	**3;7;12**	The amount of inheritance and gift tax depends on the acquirer's tax group. Acquires are classified into tax groups based on their personal relationship with the person from whom tangible property or property rights are acquired or inherited. The rates mentioned are the general rates, subject to detailed calculations.
Corporate Capital Gains Tax Rate (%)	**19**	Earnings from the sale of shares and other securities are subject to 19-per cent CIT in accordance with general principles.
Personal Capital Gains Tax Rate (%)	**19**	There is a specific personal capital gain tax rate set at 19%.
Gift Tax Rate (%)	**3–20**	Gift tax rate ranges from 3 to 20%. The specific amount is closely related to the value of the donation and the donor's and recipient's affiliation to individual tax groups
Wealth Tax Rate (%)	**4**	This is so called solidarity tax charged to individuals only. 4% tax is charged on income surplus over the amount of PLN 1,000,000 (approx. EUR 450,000)

Country

Portugal

Section A Overview

Corporate Tax

Resident companies are subject to corporate income tax ("CIT") on their worldwide income on an annual basis, whereas non-resident companies are only liable to tax on Portuguese-sourced income, typically by means of withholding taxes (although some exceptions apply).

CIT is levied on a company's period profits (adjusted for tax purposes), which includes business/trading income, passive income and capital gains. Expenses and other costs are generally deductible when linked to taxable income and properly documented.

Small businesses are eligible for a simplified CIT regime (taxable income as a percentage of turnover).

Net financial costs are deductible up to the highest of €1M or 30% of EBITDA. Unused limits may be carried forward up to five years. Companies under a tax group regime may apply the relevant thresholds at the group level.
Tax losses may be carried forward for five years, but a minimum 30% of taxable profit needs to be safeguarded.

Portuguese participation exemption regime exempts from CIT dividends and capital gains out of (amongst other) 10% stakes (capital or voting rights) uninterruptedly held for more than one year. Participation exemption regime does not apply to stakes in entities resident of blacklisted jurisdictions or in entities whose effective tax rate is lower than 60% of the Portuguese CIT.

The standard CIT rate in mainland is 21%, different rates applying in Madeira and in Azores. Non-residents tend to be subject to CIT at flat rates ranging from 25% to 35%, capable of being reduced under the applicable double tax treaty or Directive.

Personal Tax

Personal Income Tax ("PIT") is levied on income obtained by natural persons, being applicable to pre-determined Categories of Income, including employment income (A), business and professional income (B), investment income, such as interest and dividends (E), rental income (F), capital gains (G) and pensions (H).

Residents in Portugal are taxed on their worldwide income on an annual basis, whereas non-residents are only liable to PIT on income obtained in Portuguese territory, typically by means of withholding taxes (although some exceptions apply).

PIT is a progressive tax, at rates that vary from 14% up to 53% (including the additional solidary rate), being possible for certain types of income to benefit from flat rates (in particular by reference to interest, dividends, rental income and non-real estate capital gains). Non-residents tend to be subject to PIT at flat rates ranging from 25% to 35%, capable of being reduced under the applicable double tax treaty.

Deductions to both gross income (by reference to the type of income) and final PIT liability (e.g. health and education expenses) are allowed.

A special PIT regime (inpatriates regime) applies to non-habitual tax residents under which most of foreign sourced passive income is exempt from Portuguese taxation, being possible to benefit from a 20% flat rate for income derived from high added value activities.

Double Taxation Relief

Portugal has signed 79 double tax treaties for the avoidance of double taxation on income tax, following the OECD Model Convention, having made reservations on partnerships, pension funds' definition, (broader) concept of permanent establishment, (extended) scope of article 6 on income from immovable property, taxation of independent personal services, taxation of business profits, dividends' definition, interest and royalties and applicable tax rates.

As a rule, the method for double taxation relief used in the concluded treaties is the ordinary tax credit, although in some of the treaties provision has been made for a matching credit or tax-sparing credit.

Portugal is a signatory of the OCDE Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting ("MLI") which, by reference to Portugal, will enter into force on the 1st of June 2020. In the MLI, and amongst other, Portugal opted to keep the credit method and to apply the principal purpose test.

Applicability of double tax treaties is dependent on the ability of non-residents to provide for tax residency certificates and on the compliance with the Portuguese official domestic forms.

Domestic provisions on double taxation relief include unilateral double taxation relief under the participation exemption regime for outbound or inbound dividends (corporates) and capital gains (both corporates and natural persons) and an official list of blacklisted jurisdictions in respect of which specific taxation and anti-abuse provisions apply and tax benefits are limited.

VAT

VAT is applied in accordance with current standards in the EU and applies on most goods and services.

Portugal has three VAT rates, being the standard rate levied on most goods and services, and intermediary and reduced rates applied to essential household or personal expenditures like foods goods, medication and cultural events and goods. The autonomous regions of Azores and Madeira benefit from specific rates. Exemptions are also available, covering, amongst other, sale and lease of real estate.

The current VAT rates are of 6%, 13% and 23% for Portugal mainland, 5%, 10% and 18% in Azores and 5%; 12% and 22% in Madeira

There is no VAT threshold in Portugal for the registration of non-resident traders being said registration mandatory for a broad scope of situations. Non-resident VAT registration in Portugal must comply with the domestic provisions on accounting, invoicing and VAT rates.

Portugal has very strict invoicing provisions and requirements based on Tax Authority´s certified software.

VAT returns are filled monthly in Portugal for taxpayers with turnover equal or higher than €650,000 and must be filled by the 10th business day of the second month following the reporting period. For businesses with turnover lower than €650,000 the VAT return is submitted quarterly until the 15th business day of the second month following the reporting period.

Employment Tax

Employment income is subject to PIT as Category A income.
Employment income includes all payments and benefits derived (amongst other) from an individual employment agreement (or another legally equivalent to it) or from the exercise of functions in the capacity of member of a board of directors, and covers salary, bonuses, commissions, allowances and other types of fringe benefits (such as stock option plans, reduced interest rates, use of company car, housing allowances). Meal and transportation allowances (amongst other) are excluded from PIT up to pre-determined thresholds.

Employees may deduct (amongst other) union contributions, indemnities paid to the employer and social security contributions (a minimum of €4.104,00 being safeguarded).
Net employment income is aggregated to the other types of income and subject to PIT at progressive tax rates ranging from 14% up to 53% (including the additional solidary rate).
Employment income is subject to withholding taxes upon payment, at rates that are set considering the personal situation of the relevant employee (e.g. marital status, number of descendants), and that range from 0,00% up to 39,80%. No withholding tax applies to fringe benefits and other in-kind compensation, being said items subsequently subject to taxation upon the employee's filling of the annual PIT return.

Non-habitual tax residents qualifying for the Portuguese inpatriates regime and deriving their employment income from high added value activities are subject to a 20% flat rate.

Section B Rates

	Rate	Notes
Corporate Tax Rate (%)	21	20% in Madeira and 16.8% in Azores. Reduced 17% and 12,5% CIT rates apply to the first €25,000 of taxable profits of SMEs. A state surcharge is levied on taxable profits as follows: 3% on profits exceeding €1,5M and up to €7,5M; 5% on profits exceeding €7,5M and up to €35M; and 9% on profits exceeding €35M. A municipal surcharge up to 1,5% is levied on taxable profits. State surcharges are reduced to 2,5%, 4,5% and 8,5% in Madeira.
VAT Rate (%)	23	6%, 13% and 23% for Portugal mainland, 5%, 10% and 18% in Azores and 5%; 12% and 22% in Madeira.

WHT on:

	R	NR	Notes
Dividends (%)	25	25	28% to natural persons. Reduced/eliminated under DTT, Directive or participation exemption. Aggravated to 35% by reference to jumbo accounts and blacklisted jurisdictions.
Interest (%)	25	25	28% to natural persons. Reduced/eliminated under DTT, Directive or participation exemption. Aggravated to 35% by reference to jumbo accounts and blacklisted jurisdictions.

Royalties (%)	R **25** NR **25**	28% to resident natural persons. Reduced/eliminated under DTT or Directive. Aggravated to 35% by reference to jumbo accounts and blacklisted jurisdictions.
Personal Tax Rates (%)	**0–39.8**	Employment income withholding tax rates. PIT is a progressive tax, at rates that vary from 14% up to 53%.
Inheritance Tax Rates (%)	**N/A**	A 10% Stamp Duty charge tends to be due on free transfers but an exemption applies to transfers for the benefit of spouses or unmarried partners, descendants and ascendants.
Corporate Capital Gains Tax Rate (%)	**N/A**	Capital gains are included in taxable income for CIT purposes. Ability to benefit from the participation exemption regime by reference to corporate stakes. Non-residents capable of being exempt on securities capital gains, but taxed for real estate capital gains.
Personal Capital Gains Tax Rate (%)	**28**	Not by means of withholding. 50% of real estate capital gains are subject to PIT at progressive rates (from 14% up to 53%), whereas other capital gains are subject to a flat rate of 28% (effective 14% rate for micro or small companies). Non-residents capable of being exempt on securities capital gains, but taxed for real estate capital gains.

Gift
Tax Rate (%)

10.8

A 10% Stamp Duty charge tends to be due on free transfers but an exemption applies to transfers for the benefit of spouses or unmarried partners, descendants and ascendants.
0.8% only for real estate.

Wealth
Tax Rate (%)

N/A

No wealth taxes. Real estate or vehicles subject to specific annual taxes.

Additonal Notes/Comments

Apart from the identified taxes, real estate taxes should be considered, alongside with Stamp Duty, in particular in the context of real estate acquisitions and Portuguese financing and security.

Tax neutral regimes for both income and real estate taxes are available.

Investments structures need to be planned in advance, considering investment, holding and disinvestment phases.

Country

Romania

Section A Overview

Corporate Tax

Corporations having their registered office and/or their place of effective management in Romania are deemed to be tax residents of Romania. As a consequence, they are subject to corporate income tax in Romania on their worldwide income at a tax rate of 16%.

The tax year is generally the calendar year; however, taxpayers may opt to use a different tax year under certain conditions. The taxable basis is computed as the difference between the revenues and expenses registered as per accounting rules, adjusted with tax elements. Generally, expenses incurred in carrying out economic activities are tax-deductible but there are certain expenses which are partly or fully non-deductible. Also, there are certain types of income that are non-taxable.

Dividends received from a Romanian company are exempted from corporate income tax, whilst the dividends received from a foreign company and the capital gains obtained from the sale of shares in a Romanian/foreign company are tax exempt, if a 10% shareholding was retained for at least one year. The corporate income tax return generally must be filed by 25 March (25th of the third month) of the next year.

Quarterly payments of corporate income tax are generally due on 25 April, 25 July and 25 September which are determined based on the actual tax result. Newly incorporated companies and companies that have a turnover lower than the RON equivalent of EUR 1,000,000 are obliged to apply the micro-enterprise tax regime. The micro-enterprise tax applies to the revenues obtained by the company and is 1% for entities that have at least one employee, and 3% for entities that have no employees.

Personal Tax

Individuals are deemed to be residents in Romania (and thus subject to Romanian tax on their worldwide income) if they have their domicile or stay for more than 183 consecutive days a year in Romania. Taxable income includes income from: employment, independent activities, rental, pension, investments, prizes and gambling, agricultural, forestry and fisheries, transfer of real estate and other types of income.

The tax base is computed as the total amount of all categories of income decreased by tax-deductible expenses allowed for certain categories of income (e.g., from independent activities, from intellectual property rights, from rental). Losses can be carried forward up to 7 years. The tax rate is 10%, but special rates apply to certain types of income such as: 5% for dividends, 3% on net income (i.e. transfer price less a non-taxable amount of RON 450,000) deriving from assignment of real estate, 1%/16%/25% on income from gambling depending on the level of the related income, etc.

There are certain income taxes that are levied by way of withholding by the payer of the income (e.g., employment income, pension income, dividends) or by the notary in case of transfers of real estate. Tax withheld at the source is payable by the 25th of the following month. The income subject to withholding tax should not be included in the annual income tax return.

All other categories of income, if obtained, should be included in the annual income tax return. The deadline for submission of the annual income tax return is 15 March of the next year (which is also the payment term). Any postponement is communicated annually in advance by the Romanian authorities.

Double Taxation Relief

Romania has double tax treaties with 90 other jurisdictions which generally follows the OECD Model Convention and the commentary thereto in respect to its treaty policy and interpretation. Typically, Romania applies the credit method as the main method for avoiding double taxation, with the exemption method only applying if the respective double tax treaties provide for it. The double tax treaties generally take priority over Romanian tax legislation, as long as they contain more favorable provisions than the domestic legislation However, to benefit of the treaty, the beneficiary of the income should provide its tax residency certificate and the withholding tax should not be borne by the Romanian payer of the income.

Romania is also a signatory to the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting. Romania has introduced a general anti-avoidance rule in its domestic legislation stating that cross-border transactions or a chain of cross-border transactions which are qualified as “artificial” by the competent tax authorities will not fall within the scope of double tax treaties. “Artificial transactions” are defined as cross-border transactions or chains of cross-border transactions lacking economic content and which cannot be normally used in ordinary business practice, their essential purpose being to avoid taxation or to obtain tax advantages that would otherwise not be granted.

VAT

Romanian VAT legislation is in line with EU VAT Directive. The following operations are subject to VAT:
(i) supplies of goods or services made in Romania by a taxable person; (ii) intra-community acquisition of goods from another EU Member State; (iii) acquisition of general business-to-business services taxable in Romania, from EU and non-EU suppliers; import of goods into Romania.

A "taxable person" is any person who independently provides taxable supplies of goods or services in the course of a business. The VAT registration is mandatory for taxable persons established in Romania that reach a turnover of RON 300,000/ year (below this threshold the registration being optional).
The standard VAT rate is 19%. Reduced rates of 9% applies to supply of food, medicines, certain agricultural products, etc. and of 5% applies to school books, school manuals, restaurants and catering services, hotels, supply of social housing (social housing includes, but is not limited to, houses that are a maximum of 120 sqm and that do not exceed RON 450,000 net of VAT), etc.

There are also operations that are VAT exempt with deduction right such as export of goods, services directly linked to export of goods, international transport of passengers, intra-community supply of goods (in certain circumstances). There are also operations that are VAT exempt without deduction right such as banking and financial operations, insurance and reinsurance, medical services, hiring, concession, leasing or letting of immovable property (unless option to tax is exercised), sale of "old" buildings (unless option to tax is exercised).

Employment
Tax

The following taxes and contributions apply to employment income:
(i) due by employee:
- social security contribution of 25%;
- health insurance contribution of 10%;
- income tax of 10%.

(ii) due by employer:
- work insurance contribution of 2.25%
- social insurance contribution of 4% for difficult work conditions and 8% for special work conditions.

Tax incentives are available (under certain conditions) for specific activities such as:
- income tax exemption for software developers and employees involved in R&D;
- income tax exemption, health insurance contribution exemption and reduction of social security contribution due for employees working in construction, if their salary varies between RON 3,000- RON 30,000, as well as exemption of social insurance contributions due by employer.

Section B Rates

	Rate	Notes
Corporate Tax Rate (%)	16	Companies with revenues lower than EUR 1,000,000 (e.g., micro-companies) are subject to taxation on their income at 1% or 3% (if they have no employees).
VAT Rate (%)	19	Reduced rates apply to certain goods and services

WHT on:

	R	NR	Notes
Dividends (%)	0	5	Dividends paid by a Romanian company to its Romanian legal shareholder is non-taxable if the said shareholder holds at least 10% of shares for a period of at least 1 year. Dividends paid by a Romanian company to a non-resident shareholder is subject to 5% withholding tax. Under certain conditions, the tax rate might be reduced under Double Taxation Treaty and Parent Subsidiary Directive.
Interest (%)	0	16	Interest paid between two Romanian legal entities are not subject to withholding tax. Interest paid by a Romanian entity to a non-resident is subject to 16% withholding tax. Under certain conditions, the rate might be reduced under Double Taxation Treaty and Interest and Royalties Directive.

Royalties (%)	R 0	NR 16	Royalties paid between two Romanian legal entities are not subject to withholding tax. Interest paid by a Romanian entity to a non-resident is subject to 16% WHT. Under certain conditions, the tax rate might be reduced under Double Taxation Treaty and Interest and Royalties Directive.
Personal Tax Rates (%)		10	There is a flat personal income tax rate of 10% in Romania. However, a reduced rate of 5% applies in case of dividends. Other rates also apply depending on the nature of the income.
Inheritance Tax Rates (%)		0	The Romanian law does not provide the concept of inheritance tax in Romania.
Corporate Capital Gains Tax Rate (%)		16	There is no special corporate income tax rate on capital gains. Such gains are included in the corporate income tax taxable basis. Capital gains on certain participations may be tax exempt.
Personal Capital Gains Tax Rate (%)		10	Capital gains on sale of shares and other financial investments are subject to 10% income tax. Sale of immovable assets from own patrimony are subject to 3% on the net income computed as difference between the price and a non-taxable amount of RON 450,000.
Gift Tax Rate (%)		0	The Romanian law does not provide the concept of gift tax in Romania.
Wealth Tax Rate (%)		0	The Romanian law does not provide the concept of wealth tax in Romania.

Country

Slovakia

Section A Overview

Corporate
Tax

Slovakia has a preferential tax regime known as the Patent Box Regime, together with preferential taxation on income derived from research and development. A tax exemption is valid on income from disposal of business share sale, if it is done after 24 months of holding of a stake corresponding to at least 10% of the registered capital.

Since 2019, Slovakia has also introduced rules for controlled foreign companies (CFC-rules).

Slovakia applies transfer pricing rules even on pure domestic transactions between related companies. There are three categories of transfer pricing documentation, with the lowest level consisting of a definition of related parties and transactions between them.

Based on the fact that partnerships in Slovakia have a legal form of limited partnerships, the limited partner and the general partner are subject to a different system of taxation. The limited partner subject to corporate income tax rules and the general partner is subject to personal income tax rules.

From tax deductible costs it is worth to mention the costs in relation to the use of cars which are tax deductible with the following limitation: in case of luxury cars has to be reported a taxable income of at least EUR 12.000 in order to be able to deduct the full depreciation on them. There is also a limitation on costs related to the rental income from assets. In this area the rental fees have to exceed the depreciation of each asset item.

Broker activities can become disadvantagious for companies registered in Slovakia as losses from securities trading are not regarded as tax deductible.

Tax losses are deductible within 5 following years after the tax year in which they were reported, while it can be deducted up to 50% of the tax base in the given year.

Income derived from donations and dividends received from other companies are not subject to tax.

Personal Tax

The income of an individual is from the tax perspective divided into active and passive income. The category of active income includes for example entrepreneurial activities, income of general partner of partnerships, income from artistic performance and sportsmen´s activities. As passive income are considered inter alia the lease of real estate, income derived from capital such as interest income or sale of shares or properties, winnings, income from sale of virtual currencies.

Entrepreneurs not registered for VAT purposes may deduct a flat - rate expenditure of 60% of the revenues without submitting any documentation. This lump sum may not exceed the amount of EUR 20.000. Otherwise there is the possbility of deduction of all the provable costs. Except of the insurance contributions and other entrepreneurial costs, the tax base of the active income category may be reduced also by a non – taxable amount up to EUR 4.400 and also by tax losses of previous periods. It is possible to deduct another non – taxable amount relating to the taxpayer´s spouse, if he or she has no or only a small income in the given tax year.

Income obtained by donations or inheritance is not subject to tax.

Taxpayers are not obliged to file a tax return if their total taxable income achieved in calender year did not exceed the amount of EUR 2.200, with the exception of the taxpayers who reported a tax loss.

Double Taxation Relief

Currently, Slovakia applies 64 double tax conventions (DTCs) concluded with other countries. The prevailing form of elimination of double taxation is the credit method. However, there is a number of countries, which adopted also the exemption method for the purposes of limiting of double taxation. Under these countries count Brasil, Cyprus, China, Denmark, France, Greece, Netherlands, India, Japan, Bosnia and Herzegovina, Luxembourg, Nigeria, Norway, Austria, Sri Lanka, Great Britain, Germany, Spain, Sweden, Italy, Tunisia. All countries that allow taxpayers to use the tax exemption method in their DTCs with Slovakia have simultaneously negotiated the use of the credit method for selected income groups such as Dividends, Royalties, Interests, Director´s fees, Entertainers and Sportspersons and in some of them also the category of Capital gains.

Further to the double taxation relief defined in DTCs concluded with Slovakia, there is also a general rule in the local Income tax act valid for employment income earned abroad. According to this rule, the exemption method shall be applied, if a taxpayer with unlimited tax liability in Slovakia gains income from dependant activities from sources abroad, provided that tax has been provably collected from this income abroad. This is true even if the employment income has been earned from a country with which Slovakia hasn´t concluded a DTC yet.

In 2017 Slovakia has become one of the signatories of the Multilateral Convention to implement tax treaty related measures to prevent base erosion and profit shifting in line with the OECD Action Plan Nr. 15. The Multilateral Convention entered into force in Slovakia as of 1. January 2019.

VAT

In Slovakia, small businesses are not obliged to become taxpayers for VAT purposes before they exceed a turnover of EUR 49.790. A company not having a local business and a sufficient infrastructure in Slovakia could receive a rejection in case of a voluntary registration for VAT purposes from the local tax authorities. Taxpayers having a full registration for VAT in Slovakia are obliged to submit a detailed list of transactions as an attachment of each VAT return. Information contained in this attachment about each invoice included in the given tax return are invoice number, delivery date, VAT number of the business partner and amount.

From the local tax exemptions it is worth to mention the renting of real estate. In case the subject of rent is a flat or house, the landlord can´t opt for not exempting the rental fee from VAT. In relation to other real estate items if the customer is a taxable person there is an option to charge the rent including VAT.

The domestic reverse charge procedure is also applied in Slovakia. It only affects transactions between two domestic VAT payers when performing the following activities: real estate deliveries, construction works, metal waste and scrap metal trading, emissions quotas trading, delivery of mobile devices and microprocessors, if the invoice value is less than EUR 5.000, trade in selected iron and steel products and agricultural products.

Small business can take advantage from a taxation based on money receipt. This VAT regime is possible for taxpayers who generate sales of less than EUR 100,000.

Slovakia excludes the deduction of tax only on the purchase of goods and services for entertainment. From all other transactions the input tax is deductible to the extent of the provable use for taxable turnovers.

Employment Tax

Employment taxes are levied monthly from the wage. In terms of taxation, remuneration of directors is considered as employment income. As an employment income is also considered to be a payment in kind in form of products of own production or services provided by the employer.

Accommodation for employees provided by employer up to an amount of EUR 350 can be considered as tax free income. Company cars allowed for private purposes are subject to employment tax to the extent of 1% of the purchase price of the given car. All income from employment is subject to insurance contributions. 13th and 14th salaries, which are paid on a voluntary basis, have a preferential taxation.

After the end of a calendar year, the employer is obliged to process the annual tax settlement of employment tax at the request of the employees. In the annual tax settlement it is possible to reduce the tax base by additional tax deductible amounts for the spouse without an income, for interests paid to banks or for supplementary insurances. Parents of children are entitled to a reduction in tax liability by the so-called tax bonus.

Travel expenses paid to employees are not subject to tax.

Section B Rates

	Rate	Notes
Corporate Tax Rate (%)	21	For small businesses not exceeding a turnover of EUR 100,000 in a business year, a reduced tax rate of 15% applies.
VAT Rate (%)	20	There is a reduced tax rate of 10%, which applies to certain healthy foods, medical and pharmaceutical products, printed books, newspapers, brochures (excluding electronic ones) and accommodation services.

WHT on:

	R	NR	Notes
Dividends (%)	7	7	Dividends paid between companies are not subject to any dividend tax. Dividends received from and paid to countries not being on the white list of cooperating countries are subject to an increased dividend tax rate of 35% (non cooperating countries are countries with which Slovakia does not have a DTC or an international agreement on the exchange of tax information with that country).
Interest (%)	19	19	Interest paid to residents of countries not being on the white list of cooperating countries are subject to an increased tax rate of 35%.

Royalties (%) R **N/A** NR **19**

Royalties paid to Slovak residents are not subject to withholding tax.

Personal
Tax Rates (%) **19**

There are two exceptions to the basic tax rate:

1) an increased tax rate of 25% applies to income exceeding EUR 37,163.36 in a calendar year

2) a decreased tax rate of 15% is applicable to business income of individuals having a turnover which does not exceed EUR 100,000 in a calendar year

Inheritance
Tax Rates (%) **N/A**

Corporate Capital Gains
Tax Rate (%) **21**

There is a tax exemption valid on disposal of business shares if this is done after 24 months of holding of a stake corresponding to at least 10% of the registered capital.

Personal Capital Gains
Tax Rate (%) **19**

Income earned from the sale of movable assets, other than those, which have been treated as business assets are tax exempt. Income from the sale of real estate after the fifth anniversary of acquisition of such real estate or its exclusion from business assets is also tax exempt.

Gift
Tax Rate (%) **0**

There are no gift taxes in Slovakia.

Wealth
Tax Rate (%) **0**

There are no wealth taxes in Slovakia.

Country

Slovenia

Section A Overview

Corporate Tax

Corporations having their legal seat and/or their place of effective management in Slovenia are deemed to be tax residents of Slovenia.

As a consequence, they are subject to unlimited corporate income tax liability in Slovenia on their worldwide income (including capital gains) at a rate of 19%.

The tax year is generally the calendar year. Corporations may, however, apply for permission to use a different tax year. A corporation's tax base is the profit as shown in its financial statements. In addition, where mandatory tax provisions deviate from financial accounting rules, adjustments have to be made.

As a general rule, expenses incurred in acquiring, securing and maintaining taxable income are tax-deductible. A few types of expenses are partly or fully non-deductible. Also, a few exemptions of income exist.

The corporate income tax return must be filed electronically by March 31 of the calendar year following the tax year. Advance corporate tax payments are due monthly or quarterly, depending on the amount of the advance payment, which is determined based on the last corporate income tax declaration.

Such prepayments are creditable against the final amount of corporate income tax assessed for that tax year.

Personal Tax

Individuals are deemed to be residents of Slovenia for income tax purposes (and thus subject to unlimited income tax liability in Slovenia) if they have a domicile and/or their habitual abode in Slovenia.

Taxable income includes:

(i) employment income; (ii) income from agriculture and forestry; (iii) income from activities (professional/other independent services/business); (iv)income from transfer of property rights (including royalties); (v) other income; (vi) rental income, and (vii) capital income (dividends, interests, capital gains).

The tax base is computed as the total amount of income (save for tax-exempt items), decreased by tax-deductible expenses. The income tax for rental and capital income and for income from activities with regulated expenditures is paid separately and is not included in the calculation of the tax base. Certain personal allowances exist for the taxpayer and family members in the form of tax reliefs. The taxable income is subject to a progressive income tax rate, with the top rate being 50% (for income above EUR 72,000).

Rental and capital income (including income from sale of Slovenian real estate) is in general subject to a flat rate of 27.5%. For capital income this rate is decreased for every 5 year of its ownership (to 20%, 15%, 10%). After 20 years of ownership no income tax is paid on capital income. The tax rate for income from activities with regulated expenditures is 20%. Income tax is levied by way of assessment based on an informative calculation provided by the tax authority by 31 March for the previous tax year. It is paid during the year by way of advance payment. Rental and capital income are paid separately based on a the tax return which must be filed electronically by February 28 for the previous tax year. The Slovenian tax system does not provide for joint return filing by married couples. Each spouse is subject to tax independently and they have to agree on how certain types of tax relief (i.e. for dependent family members) shall be used between them.

Double Taxation Relief

Slovenia has concluded 59 income tax treaties and generally follows the OECD Model Convention and the commentary thereto in respect to its treaty policy and interpretation. Typically, Slovenia applies the ordinary credit method as the main method for avoiding double taxation. Since under Slovenian rules of interpretation the more specific provision takes precedence over the more general provision, double tax treaties generally take priority over domestic laws: If a domestic withholding tax rate is lower than the maximum tax rate provided for in an applicable tax treaty, a foreign taxpayer benefits from the lower domestic tax rate.

If a domestic withholding tax rate is higher than the maximum tax rate provided for in an applicable tax treaty, a foreign taxpayer benefits from the lower treaty tax rate. The lower rate may under specific circumstances either be applied directly at source by the payer, or the foreign taxpayer as recipient of the payment may be required to apply for a refund of the balance. Slovenia is also a signatory to the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting.

VAT

Slovenia levies value added tax in line with the pertinent EU directives:

(i) supplies of goods or services if they are effected in Slovenia by a taxable person within the sphere of its enterprise in Slovenia and against consideration; (ii) intra-community acquisition of goods from another EU Member State; (iii) import of goods into Slovenia. A "taxable person" is any person who independently performs a business activity, such activity being every activity (production, processing, trade, service and other) that is performed for the purpose of generating revenues. Under the general rule, a supply of goods is carried out in Slovenia (and thus taxable) if the goods are located within Slovenia at the time the sale is effected. Under the general rule, services are rendered in Slovenia (and thus taxable) if the recipient, being a taxable person, carries out its business in Slovenia and has a seat in Slovenia. The standard rate of value added tax is 22%. Reduced rates of 9.50% and 5% apply to certain supplies. There are also a number of exemptions applicable (i.e. for financial services, (re)insurance transactions and certain real estate leases and transfers).

Employment Tax

The following other duties will typically fall due in connection with an employment in Slovenia:

- 16,10% social security contributions – to be paid by the employer;

- 22,10% social security contributions – to be withheld by the employer from wage payments made to the employee

Section B Rates

	Rate	Notes
Corporate Tax Rate (%)	19	Apart from the 19% corporate income tax, there are no surcharges or other taxes on a company's income.
VAT Rate (%)	22	The standard rate is 22%. Reduced rates of 9.5% and 5% apply to certain supplies.

WHT on:

	R	NR	Notes
Dividends (%)	15	27.5	Dividends paid to natural persons and foreign corporations are subject to a withholding tax rate of 27.5% and 15%, respectively. These rates can be reduced under double tax treaties. In addition, under the Slovenian implementation of the EU Parent Subsidiary Directive, an exemption from withholding may apply. Dividends paid to corporations which are tax residents in Slovenia are not subject to withholding tax.

Interest (%) R **15** NR **27.5**

Interest paid to natural persons and foreign corporations are subject to withholding tax rate of 27.5% and 15%, respectively.

Exemptions apply for, among others, interest paid by banks and the Central Bank and for interest paid to certain subjects (i.e. banks, the Central bank, corporations which are tax resident in Slovenia).

In addition, interest paid under certain debt securities are exempted as well. The tax rates paid by foreign natural persons and corporations can be reduced under double tax treaties. In addition, under the Slovenian implementation of the EU Interest and Royalties Directive, an exemption from withholding may apply.

Royalties (%) R **15** NR **25**

Royalties paid to natural persons are subject to 25%withholding tax which is final tax.

Foreign corporations are subject to 15% withholding tax. In addition, under the Slovenian implementation of the EU Interest and Royalties Directive, an exemption from withholding may apply.

Personal Tax Rates (%) **50**

The personal income tax rates are progressive (16%, 26%, 33%, 39% and 50%).

The highest rate applies for income above EUR 72,000.

Inheritance Tax Rates (%) **39**

Inheritance Tax Rates are progressive and depend on the type of the heir and the inherited amount.

The tax rates amount from 5% to 39%.

No tax applies for inheritance in the amount of up to EUR 5,000 (provided that the inherited subject is a movable).

The closes heirs (i.e. children, spouse of the deceased) are exempted from this tax.

Corporate Capital Gains
Tax Rate (%)

19

There is no special corporate income rate on capital gains. Capital gains on qualified foreign participations may be tax exempt.

Personal Capital Gains
Tax Rate (%)

27.5

The rate of 27.5% applies to capital gains (which include capital gains on securities and money market instruments, shareholdings, real estate, investment coupons).

The rate is lowered after every 5 years of holding the capital (to 20%, 15% and 10%). After 20 years of ownership, no personal capital gains tax applies.

Gift
Tax Rate (%)

39

Gift Tax Rates are the same as Inheritance Tax Rates.

They are progressive and depend on the type of the recipient of the gift and on the value of the gift.

The tax rates amount from 5% to 39%.

No tax applies for gifts in the amount of up to EUR 5,000 (provided that such gift is a movable).

Wealth
Tax Rate (%)

0

No general wealth tax is levied in Slovenia.

A special tax is levied by municipalities to the owners or the actual users of the Slovenian real estate.

Country

Spain

Section A Overview

Corporate
Tax

The Corporation Tax (impuesto de sociedades -IS-) is a tribute belonging to the Spanish tax system, periodic, proportional, direct and personal. Taxes the income of companies and other legal entities. It is regulated by Law 27/2014, of November 27.1 The general rate of the IS in Spain is 25% for large and small companies, although there are other rates of 30%, 20%, 15%, 10% or even 1% depending on the type of company in question. In the Basque Country and Navarra, which have fiscal autonomy, it is 24%.

Personal
Tax

The Personal Income Tax is a personal, progressive and direct tax that is levied on the income obtained in a calendar year by natural persons residing in Spain. Thus, it is a tax figure belonging to the Spanish tax system.

The regulations applicable to the tax will be Law 35/2006, of November 28, on the Income Tax of Natural Persons and of partial modification of the laws of Corporation Tax, on the Income of non-residents and on Capital, as well as its corresponding Regulation, approved by Royal Decree 439/2007, of March 30, which approves the Regulation of the Income Tax of Natural Persons and modifies the Regulation of Pension Plans and Funds, approved by Royal Decree 304/2004, of February 20.

Double Taxation Relief

The existence of agreements to avoid double taxation (CDI) is essential to promote foreign investment, whether foreign in Spain or Spanish capital abroad, as they provide investors with legal certainty and reduce the taxation of such investments.

Currently, 103 agreements to avoid double taxation have been signed, 95 being in force. The other 8 are in different stages of processing.

The agreements signed by Spain generally choose to use these two measures to avoid double taxation:

a) Exemption method, which implies the non-taxation in Spain of income taxed abroad. The State of residence, therefore, waives to tax the income obtained in the source State. There are two modalities:
- simple exemption modality: income or assets are not taken into account, at any time in the tax base of the recipient,
- exemption modality with progressiveness: exempt income is taken into account for the purposes of calculating the tax on the rest of the income, that is, for the purposes of the progressiveness of the tax.

For the purposes of applying the scale, exempt income is included, deducting from the quota the amount corresponding to said income, applying to them the average tax rate.

b) Imputation method, or tax credit method, coinciding with the provisions of general regulations.

Income (or equity) obtained in the other State (source) is incorporated (imputation) into the tax base of the State of residence.

The following is a deduction from the tax quota equal to:
- in the modality of integral or total imputation, the total amount paid abroad is deducted (source State)
- In the partial or limited imputation modality, the deduction cannot exceed the Spanish tax (before the deduction) corresponding to the income that has motivated that tax, a limit for which calculation must be in accordance with the general regulations of the tax .

VAT

The Value Added Tax (VAT) in Spain is a tax that forms the basis of the Spanish system of indirect taxation.

It was created in 1986, at the request of the European Economic Community, replacing the Business Traffic Tax, and was subject to reform at the community level in 1992 to adapt it to the so-called internal market within the European Union that meant the abolition of controls at the border. The fundamental law that regulates the tax is Law 37/1992.

The Tax Law classifies it as a tax of an indirect nature that falls on consumption, as a manifestation of the economic capacity liable to tax, and therefore, from an economic point of view, it is the consumer who bears the tax, even if they are the businessmen and professionals forced to enter the tax fees.

Unlike what happens with other indirect taxation systems, the value added tax has a neutral character towards companies, since it does not suppose for them neither expense nor income, insofar as the goods acquired in production or distribution are employed in its production or marketing process. Neutrality is broken when the final consumption of goods occurs.

The businessman or professional is responsible for the correct application of the VAT tax mechanics, becoming a State collector, for the part of the tax corresponding to the value generated or added in its production phase. Consequently, you are obliged to self-settle the tax by filing the corresponding quarterly or monthly returns.

Employment Taxes

Social Security
All workers are required to contribute to Social Security. In the case of employees, they contribute to the General Scheme. The contribution base will depend on the employee's gross salary (both monetary and in kind).

Section B Rates

	Rate	Notes
Corporate Tax Rate (%)	25	There are other rates of 30%, 20%, 15%, 10% or even 1% depending on the type of company in question. In the Basque Country and Navarra, which have fiscal autonomy, it is 24%
VAT Rate (%)	21	This is the general rate but there are several reduced rates as pharmacy products, foods, art objects, restoration, etc.

WHT on:

	Rate	Notes
Dividends (%)	19–23	Up to € 6,000 - 19% Between € 6,000 and € 50,000 - 21 % More than € 50,000 - 23%
Interest (%)	R 19 NR 0	Banking entities are in charge of withholding 19% of the profits obtained through deposits and remunerated accounts. Thus, one will only have to pay tax on the part of interest that exceeds 6,000 euro at the rate of 21% and on amounts exceeding 50,000 euro at 23%.

Royalties (%)

R **15** NR **0**

Withholding applicable to income from copyright and income from artistic creation

The percentage of withholding and payment on account of the income from work derived from the preparation of literary, artistic or scientific works (provided that the right to their exploitation is assigned), will be 15%.

Personal Tax Rates (%)

19–45

0 - 12.450 €	19%
12.450,01 - 20.200 €	24 %
20.200,01 - 35.200 €	30 %
35.200,01 - 60.000 €	37 %
60.000,01 € +	45%

Inheritance Tax Rates (%)

7.65–34

It is regulated by each autonomous region in Spain.

The general tax ranges from 7.65% to 34%, after which the bonuses from each Autonomous Community are applied.

Corporate Capital Gains Tax Rate (%)

25

25% for large and small companies, although there are other rates of 30%, 20%, 15%, 10% or even 1% depending on the type of company in question. In the Basque Country and Navarra, which have fiscal autonomy, it is 24%.

Personal Capital Gains Tax Rate (%)

N/A

Gift
Tax Rate (%)

7.65–34

It is the same as the inheritance tax rates.

It is regulated by each autonomous region in Spain.

The general tax ranges from 7.65% to 34%, after which the bonuses from each Autonomous Community are applied.

Wealth
Tax Rate (%)

0

There are no wealth taxes in Spain.

Country

Sweden

Section A Overview

Corporate Tax

Companies registered in Sweden are liable to corporate tax of 21.4% tax on their worldwide business income (20.6% as from 2021).

Group contributions within "qualifying groups"(holdings > 90% of the capital), allows offsetting operating losses of one company against operating profits of another company between Swedish companies and in certain circumstances also EU/EEA companies.

Participation exemption applies for dividends and capital gains related to "shares held for business purposes".
Unlisted shares are always considered held for business purposes. Listed shares requires a holding of minimum 10% of the voting rights or that the shares held are necessary for conducting the business. The capital gains exemption related to listed shares requires in addition a holding period of at least one year. Under certain conditions, tax exemption applies also to shares in foreign companies. Capital gains from shares in "shell companies" are however not tax exempt.

Dividends will not be exempt if they are tax deductible in the country of the distributing company (hybrid arrangement) or other anti-abuse rules apply.

There are no thin capitalisation rules. Interest deduction limitation rules may however apply to interest costs related to affiliated companies or on the basis of the EU ATAD directive and the BEPS project.

Net operating losses can be carried forward indefinitely, except in the case of a direct or indirect change in the ownership structure of the company.

Controlled Foreign Company (CFC) rules may apply to direct or indirect holdings of at least 25% (capital or voting rights) in a foreign entity taxed below 55% of the Swedish corporate rate, currently corresponding to 11.77%). Exemptions apply according to an official white list and, under certain circumstances, to active entities resident within the EU/EEA.

Personal Tax

Tax resident individuals are liable to tax on their worldwide income. Non-residents are taxable only on Swedish sourced income such as employment and pension income and certain capital gains.

Tax residence is based on (1) permanent stay/domicile or (2) continuous stay exceeding six months or (3) having "essential links" to Sweden (despite having left the country).

Individuals can be taxed on three different categories;

- employment income (progressive rate, approx. 30-52%)
- capital income, including interests, dividends, capital gains (22-30%)
- business income (same rate as employment income)

For owners of real estate used as dwellings an annual real estate fee of 0.3% and 0.75% of the property's assessment value is levied (depending on the number of apartments of the property).

Personal allowances and deduction for expenses related to the acquisition or maintenance of the income are allowed. Moreover, work related expenses such as commuting and maintenance of more than one dwelling are deductible as well as expenses for certain labour costs related to the personal dwelling.

Double Taxation Relief

Both companies and individuals are liable to tax on their worldwide income and therefore mechanisms are needed to avoid double taxation of the foreign income.

The relief from double taxation can be made unilaterally by domestic law (The Tax Credit Act) or based on a double tax treaty. It can also be made by a combination of the two in cases where the tax treaty does not cover all the foreign taxes.

Double taxation is normally avoided by a tax credit for the foreign tax. In certain cases a deduction for the foreign tax is possible. The deduction can later be reversed and replaced by a tax credit.

Sweden generally applies the "ordinary tax credit method" implying that the tax credit is limited to an amount corresponding to the Swedish tax on the foreign income.

Sweden furthermore uses the "overall principle" implying that all foreign income and all foreign taxes are considered together as opposed to the per-item or the per-country method.

Sweden has concluded over 100 income tax treaties. In most of the treaties the ordinary tax credit method is applied. Some treaties stipulate a reversed credit method and in some other treaties a matching credit for fictive foreign tax is allowed.

Unutilised foreign taxes may be carried forward for five years.

VAT

The Swedish VAT system is harmonised with the European Union (EU) rules.

The standard VAT rate of 25% is chargeable on most goods and services.

Reduced rates apply to certain goods and services:

- 12%: a.o. hotel accommodation, foodstuffs (excluding alcoholic beverages), restaurant meals and low or non-alcoholic drinks
- 6% a.o. newspapers, magazines, books, passenger transport, maps, musical notes, some cultural services, transport in ski lifts etc.

Exemption (0%) applies to certain financial and insurance services.

The tax point (time of supply) rules in Sweden determine when the VAT is due. It is payable to the tax authorities 10 days after the VAT reporting period end (monthly or quarterly). For most goods, it is the time of delivery or passage of title. For services, it is the completion of the service.

VAT returns are filed and tax is paid monthly or quarterly; monthly if the VATable turnover is estimated at more than SEK 40 million (estimated yearly sales excl. any reverse charge or import acquisitions); quarterly (option) for a VATable turnover below SEK 40 million. For companies with a turnover of less than SEK 1 million, VAT is reported on a yearly basis in the VAT return (with option to report VAT monthly or quarterly).

Employment Tax

Employment tax is levied on all remuneration from employment, whether in cash or in kind, including e.g. director's fees, bonuses, benefits in kind, allowances, incentives and pension income.

Employment tax is charged on the world-wide income. However, exemptions may apply for Swedish residents assigned to work abroad or who have taken up employment abroad with a planned duration of at least six months.

Foreign experts and key personnel employed by a Swedish company or a non-Swedish company with a permanent establishment (PE) in Sweden may apply for an expert tax concession implying an exemption of 25%-100% of the compensation during the first three years the employee works in Sweden.

The tax is composed of a progressive municipal tax (up to 32%) and, above a certain income, an additional state income tax (20%).

Non-residents working in Sweden for a Swedish employer or for a foreign employer with a PE in Sweden are taxed a flat rate of 25% at source. Artists and sportsmen are taxed at 15%.

Swedish sourced pension paid to a person not tax-resident in Sweden is taxed at a flat rate of 25% (with option of ordinary progressive taxation).

Special rules apply to the taxation of income from closely held companies.

Sweden has a pay-as-you-earn (PAYE) system with monthly reporting per individual for all employers.

Social security contributions are levied at 31.42% of the total taxable remuneration (no cap) in cash and in kind. A reduced rate is applicable for people over the age of 65 and under 18.

Section B Rates

	Rate	Notes
Corporate Tax Rate (%)	21.4	As from 1 January 2021 reduced to 20.6% All income is treated as business income No municipal or local income taxes apply
VAT Rate (%)	25	Certain goods and services benefit from reduced rates: - 12% : a.o. hotel accommodation, food and low or non-alcoholic drinks - 6% : a.o. newspapers, magazines, books, passenger transport, musical notes and certain cultural services - 0%: certain financial and insurance services

WHT on:

	R	NR	Notes
Dividends (%)	30	15 –30	No WHT on dividends relating "shares held for business purposes" provided that the foreign company is "similar to a Swedish company" and is subject to an "equivalent income tax" as that levied on a Swedish company. No WHT is levied on payments to a legal entity resident in a EU member state provided the entity owns at least 10% of the share capital in the distributing company and fulfils the other conditions of the EU Directive (90/435).
Interest (%)	0	0	There is no Swedish WHT on interest and service fees payments.

Royalties (%) R **0** NR **0**

There is no WHT on royalty payments. However, the receipt of Swedish-source royalties by a foreign resident is treated as a special form of PE income, taxable at the corporate tax rate. Exemption applies to royalties paid to an EU resident company if one of the companies holds at least 25% (capital) of the other or, where there are two companies concerned, at least 25% are held by another company within the EU.

Personal Tax Rates (%) **30/52**

Progressive municipal income tax of up to 32% applies to all income.

An additional flat state income tax of 20% is levied on income over 509,300 SEK (2020)

Inheritance Tax Rates (%) **0**

Sweden levies no inheritance taxes.

Corporate Capital Gains Tax Rate (%) **0/21.4**

Ordinary corporate tax or full exemption for gains from the disposal of

- Swedish "shares held for business purposes"
- All Swedish unlisted shares
- Swedish listed shares provided a holding of min. 10% voting rights and a holding period of min. 1 year

Equivalent rules apply to the disposal of foreign shares on certain conditions

Personal Capital Gains
Tax Rate (%)

22/30

Net capital gains on the sale of securities are normally taxed at a flat rate of 30%, however unlisted shares are taxed at 25% and special rules apply to gains related to shares closely held companies.

Gains related to the sale of real estate are taxed at a rate of 22%.

Gains on the sale of personal assets are taxable only if they exceed SEK 50,000 per year.

NB: Individuals who have previously been resident in Sweden may be liable to capital gains tax up to 10 years after they have left the country (subject to treaty reduction or waiver).

Gift
Tax Rate (%)

0

Sweden levies no gift taxes.

Wealth
Tax Rate (%)

0

Sweden levies no wealth tax.

Additonal Notes/Comments

Main features:
- Extensive tax treaty network
- Participation exemption rules for dividends and capital gains
- No thin capitalisation rules
- No stamp duty or equity related taxes
- No withholding tax on interests and royalties
- No wealth tax
- No gift tax

Contributors

Austria

NAME OF FIRM

Wolf Theiss Attorneys-at-Law

w: www.wolftheiss.com

CONTACT PERSON

Dr. Niklas Schmidt

e: niklas.schmidt@wolftheiss.com

Bulgaria

NAME OF FIRM

Wolf Theiss Attorneys-at-Law

w: www.wolftheiss.com

CONTACT PERSON

Yanitsa Radeva

e: yanitsa.radeva@wolftheiss.com

Radena Tsvetanova

e: radena.tsvetanova@wolftheiss.com

Croatia

NAME OF FIRM

Wolf Theiss Rechtsanwälte GmbH & CO KG - Zagreb Branch

w: www.wolftheiss.com

CONTACT PERSON

Berislav Draskovic

e: berislav.draskovic@wolftheiss.com

Cyrpus

NAME OF FIRM

Harneys - Aristodemou, Loizides, Yiolitis LLC

w: www.harneys.com

CONTACT PERSON

Emily Yiolitis

e: Emily.Yiolitis@harneys.com

Theodoros Assiotis

e: Theodoros.Assiotis@harneys.com

Czech Republic

NAME OF FIRM

Accace s.r.o.

w: www.accace.com

CONTACT PERSON

Petr Neškrábal

e: petr.neskrabal@accace.com

Denmark

NAME OF FIRM

LEAD | Rödl & Partner

w: www.lead-roedl.dk/en

CONTACT PERSON

Inger Stokvad Loft

e: inger.loft@lead-roedl.dk

Estonia

NAME OF FIRM

Sirel and Partners Law Firm

w: www.sirel.com

CONTACT PERSON

Turgay Kuleli

e: turgay.kuleli@sirel.com

Finland

NAME OF FIRM

Alder & Sound Oy

w: www.aldersound.fi

CONTACT PERSON

Suvi Vänskä

e: suvi.vanska@aldersound.fi

Johanna Kannisto

e: johanna.kannisto@aldersound.fi

NAME OF FIRM

Bird & Bird Attorneys Ltd.

w: www.twobirds.com/fi

CONTACT PERSON

Sami Tuominen

e: sami.tuominen@twobirds.com

France

NAME OF FIRM

Bonnard Lawson

w: www.bonnard-lawson.com

CONTACT PERSON

Guillaume Grisel

e: gg@bonnard-lawson.com

Aymeric Serre

e: as@bonnard-lawson.com

Greece

NAME OF FIRM

Cremer & Partners

w: www.cremer-law.com

CONTACT PERSON

Marcel Cremer

e: info@cremer-law.com

Hungary

NAME OF FIRM

Wolf Theiss Faludi Erős Attorneys-at-Law

w: www.wolftheiss.com

CONTACT PERSON

Janos Pasztor

e: janos.pasztor@wolftheiss.com

Ireland

NAME OF FIRM

Twomey Moran

w: www.twomeymoran.ie

CONTACT PERSON

Paul Morris

e: Paul@twomeymoran.ie

Italy

NAME OF FIRM

Fidinam (Italia) s.r.l.

w: www.fidinam.com/italia

CONTACT PERSON

Avv. Filippo Tornambè

e: filippo.tornambe@fidinam.com

Dott.ssa Raffaella Arena

e: raffaella.arena@fidinam.com

Lithuania

NAME OF FIRM

Sorainen

w: www.sorainen.com

CONTACT PERSON

Laimonas Skibarka

e: laimonas.skibarka@sorainen.com

Luxembourg

NAME OF FIRM

Trustconsult Luxembourg s.a.

w: www.trustconsultgroup.com

CONTACT PERSON

Vishal Sookloll

e: vishal.sookloll@trustconsultgroup.com

Malta

NAME OF FIRM

Seed Consultancy

w: www.seedconsultancy.com

CONTACT PERSON

Nicky Gouder

e: nicky@seedconsultancy.com

Luana Farrugia

e: luana@seedconsultancy.com

Netherlands

NAME OF FIRM

Courtlane Corporate Consultancy

w: www.courtlane.nl

CONTACT PERSON

Fred D. Piet

e: fred.piet@courtlane.nl

Poland

NAME OF FIRM

Wolf Theiss P. Daszkowski sp.k.

w: www.wolftheiss.com

CONTACT PERSON

Karolina Stawowska

e: karolina.stawowska@wolftheiss.com

Portugal

NAME OF FIRM

CCA Law firm

w: www.cca.law/pt

CONTACT PERSON

Tânia de Almeida Ferreira

e: taf@cca.law

Romania

NAME OF FIRM

Wolf Theiss Attorneys-at-Law

w: www.wolftheiss.com

CONTACT PERSON

Bryan W. Jardine

e: bryan.jardine@wolftheiss.com

Slovakia

NAME OF FIRM

EHATAX s.r.o.

w: www.ehatax.com

CONTACT PERSON

Ing. Eva Palatická LL.M.

e: palaticka@ehatax.com

Slovenia

NAME OF FIRM

Wolf Theiss Attorneys-at-Law

w: www.wolftheiss.com

CONTACT PERSON

Neja Nastran

e: neja.nastran@wolftheiss.com

Spain

NAME OF FIRM

MG Abogados

w: www.mgabogados.com

CONTACT PERSON

Laura Gobernado Guzman

e: lgobernado@mgabogados.com

Sweden

NAME OF FIRM

Suzanne Lauritzen

CONTACT PERSON

Suzanne Lauritzen

e: suzannelauritzen@gmail.com