



Real Estate Transfer Tax (RETT)

**An international overview
17 countries at a glance**

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Introduction

This publication covers the real estate transfer tax (RETT) regimes in 17 territories. As there is no harmonization of the RETT regimes, the tax basis, rates and exemptions are diverse and sometimes complicated. Please feel free to contact one of our experts within PwC's real estate tax network to answer any questions you may have.

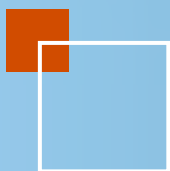
Jeroen Elink Schuurman
Global Real Estate Tax Leader

Ilona McElroy
EMEA Real Estate Tax Leader



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Examined Jurisdictions



Facts & stats on RETT in 17 countries

In six examined jurisdictions, modified rules may apply if the transaction is subject to VAT.

Germany has by far the most stringent regime whereby numerous constellations of transactions and transfers involving direct and indirect ownership of real estate are caught.

In certain jurisdictions, additional charges (i.e., VAT and/or stamp duty) related to RETT may apply.

In three examined jurisdictions, transactions subject to VAT are not taxed with RETT also.

Specific rules for real estate share transfers exist only in eight examined jurisdictions.

In two jurisdictions, the paid RETT may be partially or fully recovered.

In all examined jurisdictions asset transfers may be taxed unless specific circumstances apply.

The assessment basis for RETT is typically the purchase price or the higher market value.

Country-by-country summary

Country	Asset transfer		Share Transfer	
	Assessment basis	Tax rate	Assessment basis	Tax rate
<u>Austria</u>	Purchase price or real estate value	0.5 – 3.5%	Real estate value	0.5%
<u>Belgium</u>	Contractual price or higher market value	12 – 12.5%	N/A	-
<u>Denmark</u>	Purchase price or at least the latest public tax valuation	0.6%	N/A	-
<u>Finland</u>	Purchase price and other consideration	4%	Purchase price and other consideration	2%*
<u>France</u>	Purchase price	5.8%	Real estate asset market value	5%**
<u>Germany</u>	Purchase price or real estate value	3.5 – 6.5%	Tax real estate asset value	3.5 – 6.5%
<u>Ireland</u>	Purchase price or higher market value	1 – 7.5%	Fair market value	1 – 7.5%
<u>Italy</u>	Purchase price or higher market value	4 – 9%	Purchase price or higher market value	2 – 4%
<u>Luxembourg</u>	Sales price or higher market value	1.1 – 10%	N/A	-
<u>the Netherlands</u>	Fair market value or purchase price (if higher)	2 – 10.4%	Real estate asset fair market value (pro rata)	2 – 10.4%*
<u>Norway</u>	Sales value	2.5%	N/A	-
<u>Poland</u>	Market value	2%	Market value	1%*
<u>Portugal</u>	Purchase price or higher tax registration value	5 – 10%	Purchase price or higher tax registration value	5 – 10%*
<u>Spain</u>	Purchase price or higher market value	6 – 11%	Purchase price or higher market value	6 – 11%
<u>Sweden</u>	Purchase price or higher market value	1.5 – 4.25%	N/A	-
<u>Switzerland</u>	Purchase price or higher market value	0 – 3.3%	Fair market value	0 – 3.3%
<u>United Kingdom</u>	Purchase price	0 – 15%	Purchase price	0.5%

* only certain transaction types

** debt deductible from basis

Austria

Asset transfer

Assessment basis

- Purchase price (general rule)
or
- Real estate value (comparable to approximately 70% to 80% of the market value) if no purchase price available (e.g., gifts, inheritance, certain reorganisations)

Tax rate

- 3.5% RETT (if purchase price is applicable)
or
- 0.5% to 3.5% RETT (if based on real estate value)

Additional regulations/remarks

N/A

Purchase of apartments/buildings for own use

Tax exemption

N/A

Tax rate

3.5% RETT

Tax basis

Purchase price

Share transfer

Assessment basis

Real estate value (comparable to approximately 70% to 80% of the market value)

Tax rate

0.5% RETT

Additional regulations/remarks

- Registration duty: 1.1%;
- Taxable when 95% or more of the shares in a company, holding an Austrian real estate asset, are transferred or assembled in the hands of one shareholder, or within one Austrian corporate income tax group (0.5% tax rate); and
- On changes in the ownership of a partnership, where 95% or more of the partnership capital is transferred to new partners within a five-year period (0.5% tax rate).

Belgium

Asset transfer

Assessment basis

- Contractual price
or
- Market value (if higher)

Tax rate

- 12% RETT (Flemish region);
- 12.5% RETT (Brussels capital & Walloon region);
- 21% VAT in case of a new building
- Reduced rates (compared to rates above) are applicable in case of an acquisition of a right in rem (long lease or building right) or when the real estate asset is sold to a 'professional trader'

Reduced rates are also applicable in various specific situations (i.e., for example acquisition in compliance with the specific framework of social housing, acquisition of protected monuments etc.);

- Additional notary's fee: 0.057% - 4.56%.

Under certain circumstances (e.g., resale within two years), registration duties can be recovered on a partial basis (i.e., recovery/ offsetable amount (either 3/5th or 36%) depends on the real estate's geographic location).

Purchase of apartments/buildings for own use

Tax exemption

N/A

Tax rate

- Walloon Region: reduced rate of 6% RETT on the first instalment of €150,000 – €160,000 (subject to indexation) of the sales price in case of an acquisition of a "modest house" or "small rural estates";

- Flemish Region: reduced rate of 3% RETT in case of acquisition by individual for own residential use (or 1% in case of radical energy renovation); or
- Brussels region: standard rate of 12.5% RETT.

Tax basis

Provided that all conditions are met (a.o., acquisition by private individuals, own residential use, first acquisition, etc):

- Brussels region: taxable basis is reduced by €175,000 if sales price is less than €500,000 (for building lot: reduction by €87,500 if sales price is less than €250,000);
- Walloon region: taxable basis is reduced by €20,000; or
- Flemish Region: Not applicable.

Share transfer

Assessment basis

The sale of shares is generally not subject to RETT/VAT unless the transaction is considered to be tax abuse (general anti-abuse measure).

Tax rate

N/A

Additional regulations/remarks

N/A

Denmark

Asset transfer

Assessment basis

Purchase price (or at least the latest public tax valuation ('*offentlig ejendomsvurdering*'))

Tax rate

0.6% stamp tax

Additional regulations/remarks

N/A

Purchase of apartments/buildings for own use

Tax exemption

N/A

Tax rate

See above.

Tax basis

See above.

Share transfer

Assessment basis

The transfer of shares is not subject to stamp tax.

Tax rate

N/A

Additional regulations/remarks

Registration fee: DKK 1,850

Finland

Asset transfer

Assessment basis

Purchase price and any other consideration made by the purchaser or liability the purchaser assumes for the benefit of the seller that is a prerequisite for the transfer.

Tax rate

4% RETT

Additional regulations/remarks

N/A

Purchase of apartments/buildings for own use

Tax exemption

Exempt for individuals of ages 18-39 for the first purchase of shares in a housing company/ or real estate which entitle such individual to at least 50% ownership in the apartment/building that is used as a permanent residence.

Tax rate

- 2% RETT for shares in a housing company which give entitlement to the ownership of an apartment and
- 4% RETT for a building/real estate asset.

Tax basis

See above.

Share transfer

Assessment basis

(i) Share purchase price and (ii) company loan related to the transferred shares, and any other consideration made by the purchaser or liability the purchaser assumes for the benefit of the seller that is a prerequisite for the transfer.

Tax rate

2% RETT for shares in a company whose activity mainly consists of owning Finnish real estate directly or indirectly.

Additional regulations/remarks

The transfer of shares in a foreign company whose activities consists mainly of direct or indirect ownership of real estate is subject to transfer tax if more than 50% of the company's total assets consist directly or indirectly of Finnish real estate and either the vendor or the purchaser is Finnish tax resident or a Finnish branch of a financial institution.

The real estate transfer tax is not payable, when the shares or real estate is transferred in a tax neutral merger/demerger or change of business form in accordance with the company law. Real estate transfer tax is not payable when the shareholder of the merging/demergering company receives newly issued shares as consideration.

A tax neutral transfer of business to a newly established company that continues the operations of the transferring company is also exempt from real estate transfer tax (subject to conditions).

Only general comments related to transfers of real estate or shares in real estate companies for real estate transfer tax purposes have been addressed above. In addition, certain exemptions and additional requirements may be applicable (regarding e.g., municipality as a purchaser, shares of listed companies).

France

Asset transfer

Assessment basis

- Purchase price increased with any other consideration provided to the seller or
- Market value (if higher)

Tax rate

The purchase of real estate assets built more than five years ago:

- 5.8% registration duty;
- 0.1% land registry duty;
- 0.6% transfer tax for purchase of office, business and storage premises located in the Paris area; and
- 0.799% (plus 20% VAT) notary fees.
- Specific regimes apply when the purchaser makes the commitment either to erect a “new real estate asset” within a four year period or to resell the real estate asset within a five-year period.

The purchase of real estate assets built less than five years ago:

- 20% VAT;
- 0.71498% registration duty;
- 0.1% land registry duty; and
- 0.799% (plus VAT) notary fees

Additional regulations/remarks

N/A

Purchase of apartments/buildings for own use

Tax exemption

No specific tax regime in France.

Tax rate

See above.

Tax basis

See above.

Share transfer

Assessment basis

Market value of all assets (including real estate properties) held by the company reduced by debt.

Tax rate

5% transfer duty if the company (French or non-French) the shares are disposed of qualifies as a French land rich company meaning more than 50% of its assets (appraised at fair market value) are represented by French properties at the time of disposal or at any time during the year preceding the disposal.

However, no transfer duty applies in the 2 following situations:

- the shares of the company are listed; and
- the purchaser takes the commitment to resell the shares within a 5-year delay.

Additional regulations/remarks

The registration duty is borne by the buyer (if no specific agreement) and is fully tax deductible for companies or branch offices in France (expense or via depreciation). The seller and the purchaser are jointly and severally liable for the payment of the transfer duties vis-à-vis the French tax authorities.

Germany

Asset transfer

Assessment basis

The consideration, the purchase price (without VAT) or in case of lack of assessable consideration the real estate asset value ('Grundbesitzwert').

Tax rate

- 3.5% RETT (Bavaria, Saxony);
- 5.5% RETT (Hamburg);
- 5% RETT (Baden-Württemberg, Bremen, Lower Saxony, Rhineland-Palatinate, Saxony-Anhalt);
- 6% RETT (Berlin, Hesse, Mecklenburg-Western Pomerania); or
- 6.5% RETT (Brandenburg, North Rhine-Westphalia, Saarland, Schleswig-Holstein, Thuringia).

Additional regulations/remarks

N/A

Purchase of apartments/buildings for own use

Tax exemption

N/A

Tax rate

See above.

Tax basis

See above.

Share transfer

Assessment basis

The consideration, the purchase price (without VAT) or in case of lack of assessable consideration the real estate asset value ('Grundbesitzwert').

Tax rate

See above.

Additional regulations/remarks

The direct or indirect transfer of at least 90% or more of the shares in a company (i.e., partnerships/corporations) that owns German real estate within a 10 year period or which shares are legally or economically, directly or indirectly, unified in the hands of one shareholder is subject to real estate transfer tax.

Rules apply to any German or foreign entity owning German real estate regardless of its business, real estate value or residence.

Due to complex rules, and lack of a wider group relief, RETT may – e.g., in a group structure – under certain circumstances be triggered twice, or even more often, in connection with the acquisition of one item of real estate or shares in a company owning German real estate.

Subject to certain conditions, German RETT is not levied on direct or indirect transfers (without the payment of consideration) in the course of a corporate reorganisation under the laws of a member state of the European Economic Area (EEA), provided at least 95% of the interest of the controlling entity in the parties involved in the reorganisation remains unchanged for five years before and after the transaction (group privilege).

Ireland

Asset transfer

Assessment basis

- Consideration paid or purchase price (excl. VAT);
- or
- Fair market value (if higher).

Tax rate

Residential real estate assets:

- Up to €1,000,000: 1% stamp duty; or
- Exceeding €1,000,000: 2% stamp duty.

Non-residential real estate assets: 7.5% stamp duty*

Bulk purchase of residential units that are not apartments within an “apartment block” (houses/duplexes): 10% stamp duty*

* Irish stamp duty legislation provides for an exemption from stamp duty where real estate asset and land is acquired by an Approved Housing Body.

Additional regulations/remarks

N/A

Purchase of apartments/buildings for own use

Tax exemption

N/A

Tax rate

1% - 10% stamp duty

Tax basis

See above.

Share transfer

Assessment basis

Consideration paid or fair market value of the Irish real estate (if higher).

Tax rate

- Shares deriving their value, or greater part of their value, from non-residential Irish real estate assets:
- 7.5% stamp duty where there is a change in direct/indirect ownership of the shares and the real estate assets are (i) held as trading stock, or (ii) acquired/developed for a gain motive (i.e., where real estate assets were acquired/developed for the purposes of realizing a gain on disposal rather than the purposes of long-term income generation);
- Shares deriving their value, or greater part of their value, from 10 or more residential units that are not apartments within an apartment block: 10% stamp duty;
- Shares or other marketable securities: 1% stamp duty where the circumstances above do not apply.

Additional regulations/remarks

- The stamp duty is borne by the purchaser.
- Partial refund of the 6% stamp duty rate available in certain circumstances.
- In certain scenarios, Irish stamp duty applies to the transfer of shares (including non-Irish shares) deriving the greater part of their value from Irish non-residential real estate asset or shares which derive their value from 10 or more residential units that are not apartments within an “apartment block”.

Asset transfer

Assessment basis

- Purchase price or higher commercial value (unless VATable transfers of residential assets)
- or
- Individuals may opt to apply a multiplier of the cadastral value for residential buildings (except VATable transfers)

Tax rate

Non-residential real estate assets:

- 4% registration tax if subject to VAT (total of 3% mortgage tax, 1% cadastral tax and €200 registration tax); reduced to 2% registration tax for Italian REIF, SICAF or SIIQ;
- 9% registration tax (minimum €1,000) and €100 as total of mortgage/cadastral taxes, if out of scope of VAT.

Residential real estate assets:

- €600 total of registration/mortgage/cadastral taxes if subject to VAT (sale by builder (or refurbisher) within five years or its option);
- 9% registration tax (minimum €1,000) if no VAT applies (i.e., out of scope or VAT exempt), reduced to 2% registration tax for “first home” (minimum €1,000), and €100 as total of mortgage/cadastral taxes.

Land:

- Special rules for building lands and agricultural lands

Additional regulations/remarks

N/A

Purchase of apartments/buildings for own use

Tax exemption

No tax exemption, but preferential rates (see above).

Tax rate

See above.

Tax basis

See above.

Share transfer

Assessment basis

N/A (a fixed registration tax of €200 does apply)

Tax rate

N/A

Additional regulations/remarks

N/A

Luxembourg

Asset transfer

Assessment basis

- Sales price
- or
- Fair market value (if higher).

Purchase of real estate asset in a future state of completion: duties apply on the value of existing land and constructions/ VAT applies on the portion “to be built”.

Tax rate

Tax rate on sale:

- 7% transfer tax (6% registration tax and 1% transcription tax); or
- 10% transfer tax if the real estate asset is located in Luxembourg City (1.5 x 6% registration tax + 1% transcription tax) (exemptions are available).

Tax rate on contribution:

If an immovable real estate asset is contributed to a company in exchange for shares:

- 1.1% transfer tax (0.6% registration tax and 0.5% transcription tax)
- 1.4% transfer tax if the real estate asset is located in Luxembourg City (1.5 x 0.6% registration tax + 0.5% transcription tax)

Lower rates/tax credit:

- Possible lower rates (upon specific procedure) if real estate asset is purchased with the purpose of being re-sold
- Tax credit of €20,000 per individual taxpayer (with minimum tax of €100), under conditions, on purchase of dwelling for own use

Additional regulations/remarks

A separate real estate levy (*‘prélèvement immobilier’*) applies only to Luxembourg investment fund vehicles holding Luxembourg real estate. The real estate levy applies to:

- the gross (but VAT-exclusive) amount of rental income deriving (directly or through tax transparent entities) from Luxembourg real estate assets, and

- the net amount of gains on disposal deriving from such assets (directly or through tax transparent entities, either on disposal of the real asset by a transparent entity or disposal of the interest in the tax transparent entity owning the Luxembourg real estate). The tax is charged at a rate of 20% on both gross rental income and disposal gains.

Purchase of apartments/buildings for own use

Tax exemption

See above.

Tax rate

See above.

Tax basis

See above.

Share transfer

Assessment basis

No transfer tax on the transfer of shares (except a contribution as mentioned above).

The transfer of units in a partnership is assimilated to the transfer of the real estate asset owned through it (i.e., subject to transfer tax).

Tax rate

N/A

Additional regulations/remarks

Assessment basis includes VAT (if VAT is applicable)

Asset transfer

Assessment basis

Fair market value or purchase price (if higher)

Tax rate

- 10.4% RETT; or
- 2% RETT (residential real estate asset acquired by an individual that uses the real estate asset as its primary residence).

Additional regulations/remarks

The tax is due by the purchaser of the real estate asset. Both the acquisition of legal and economic ownership is taxed with RETT. In addition, RETT also applies when acquiring limited user rights such as leasehold. The tax basis in such case is the value of the real estate asset increased with the value of the ground rent. The value is calculated in accordance with a legally described method.

A decrease of the assessment basis is possible in case of a subsequent transfer of the same real estate asset within six months. The assessment basis of the subsequent acquisition is reduced by the amount of RETT or non-deductible VAT that was due in respect of the previous acquisition.

Under conditions various exemptions may apply, including the acquisition of real estate that is subject to VAT by law, or ultimately six months after first use of the real estate asset.

Purchase of apartments/buildings for own use

Tax exemption

Under certain conditions, an exemption may apply to a first-time homeowner under the age of 35 that uses the real estate asset as its primary residence and the total real estate asset value, including appurtenances, does not exceed €440,000 (2023).

Tax rate

See above.

Tax basis

See above.

Share transfer

Assessment basis

The pro rata part of the fair market value of the Dutch real estate asset represented by the shares acquired.

Tax rate

10.4% RETT

Additional regulations/remarks

The acquisition of units in real estate funds without legal personality is considered the acquisition of the proportional part of the economic ownership and therefore subject to RETT. However, under circumstances no RETT is due if the interest acquired, including the interest already held, remains below one-third.

The acquisition or expansion of an interest of at least one-third in a real estate company is subject to RETT. A real estate company is a company of which the assets consist for at least 50% of real estate assets and for at least 30% of real estate assets located in the Netherlands.

A decrease of the assessment basis is possible in case of a sub-subsequent transfer of the same real estate asset within six months (see above). The assessment basis of the subsequent acquisition is reduced by the amount of RETT or non-deductible VAT that was due in respect of the previous acquisition. A decrease of the assessment basis is also possible in case of a subsequent share transfer within six months.

Under conditions various exemptions may apply, including:

- a legal (de)merger or internal reorganization;
- acquisition of real estate that is subject to VAT by law and transfer takes place ultimately six months after first use of the real estate asset (this exemption can also be applied if shares are transferred and only for that reason no VAT is due, if the acquisition of the shares takes place ultimately six months after first use of the real estate asset*).

*Note that at the time of the publication of this document a consultation is pending which could change this RETT exemption when it relates to the acquisition of shares.

Norway

Asset transfer

Assessment basis

Sales value (i.e., fair market value). The tax is levied on the registration of a change of ownership of real estate.

Tax rate

2.5% stamp duty (applies upon registration)

Additional regulations/remarks

N/A

Purchase of apartments/buildings for own use

Tax exemption

N/A

Tax rate

See above.

Tax basis

See above.

Share transfer

Assessment basis

N/A

Tax rate

N/A

Additional regulations/remarks

There is no stamp duty on the sublease of real estate asset, or on the transfer of shares or parts in limited liability companies or partnerships holding real estate asset.

Poland

Asset transfer

Assessment basis

For both VAT and Civil Law Activities Tax (CLAT)
- in practice: purchase price which should correspond to the fair market value (FMV).

Tax rate

- VAT: 23% (standard rate);
- or
- CLAT: 2%

Additional regulations/remarks

RETT (VAT/ CLAT) implications of the sale of commercial real estate asset depend on whether the object of the transaction may be classified as a going concern (an enterprise or an organised part thereof) or assets on a piecemeal basis.

Based on current practice of the tax authorities (including the guidelines issued by the Ministry of Finance in December 2018), transactions concerning developed commercial real estate asset should typically be classified as an asset deal on a piecemeal basis subject to VAT at 23% (either obligatory or based on election of parties to a transaction), in most cases recoverable. However, in rare cases, CLAT may apply (to the full transaction or the part thereof).

In line with standard market practice, the VAT treatment of the transaction (including recoverability of input VAT) should be secured via an individual tax ruling (with a standard waiting period of approx. three months).

Depending on the timing of the deal and commercial preference, other instruments for securing the VAT position of the purchaser may be considered, including i.a. a tax side letter concluded with the seller or VAT insurance.

Purchase of apartments/buildings for own use

Tax rate

- 8% VAT for new apartments within social housing programme (generally, houses up to 300m², apartments up to 150m²);
- 23% VAT for new apartments outside of the social housing programme;
- 2% CLAT for used apartments (secondary consumer-to-consumer market)
In case of VAT taxation, the recoverability of input VAT may depend i.a. on the post-acquisition usage of the apartments.

Tax basis

For both VAT and CLAT - in practice: purchase price which should correspond to the FMV of the real estate asset.

Share transfer

Assessment basis

Purchase price, which should correspond to the FMV of the shares.

Tax rate

CLAT: 1%

Additional regulations/remarks

The tax basis may be subject to revaluation by the tax authorities if the value thereof used by the parties of a transaction differs significantly from the FMV. CLAT is payable by the purchaser.

Portugal

Asset transfer

Assessment basis

As a rule, the higher amount of:

- Purchase price; or
- Tax Registration Value (TRV) determined in accordance with the tax legislation.

RETT is born by the purchaser. Additional 0.8% stamp duty is due, unless VAT is charged on the sale (it is not possible to charge VAT on the sale of residential real estate)

Tax rate

- Urban real estate asset or autonomous fraction of urban real estate asset exclusively intended to residential purposes – up to 7.5% RETT;
- Rural real estate asset - 5% RETT;
- Urban real estate asset (except residential) and other acquisitions for consideration - 6.5% RETT;
- Urban and rural real estate asset acquired by a tax resident in a black-listed jurisdiction or is in a direct or indirect domain or control relation with an entity domiciled in a tax haven (except individuals) - 10% RETT.

Additional regulations/remarks

- RETT is also due on other actions/ operations, among others:
- Promissory sale and purchase or exchange of real estate agreements in which the economic ownership transfer of the real estate assets occurs;
- Letting of real estate for more than 30 years;
- Transfer of contractual position foreseen in promissory sale agreement;
- Entering into a promissory sale and purchase of real estate agreement allowing the promissory purchaser to assign its position in this agreement to a third party.

Main tax exemptions are:

- Acquisition of real estate assets by real estate trading companies for resale;
- Acquisition of real estate assets that have been subject to urban rehabilitation;
- Business restructuring or cooperation arrangements;
- Acquisition of buildings classified as national/public/municipal interest;
- Acquisition of real estate assets regarded as eligible investment under the Tax Regime for Investment Support (RFAI).

Purchase of apartments/buildings for own use

Tax exemption

N/A

Tax rate

See above.

Tax basis

See above.

Share transfer

Assessment basis

Purchase price or higher TRV of, at least, 75% of shares in a Portuguese company (either an Lda or SA) or 75% of units in of close ended real estate investment funds, whose assets consist directly or indirectly for more than 50% of real estate located in Portugal.

Tax rate

5 - 10% RETT (see above).

Additional regulations/remarks

No RETT is due if the real estate assets are directly allocated to a commercial, industrial or farming activity (except real estate buy-sell activity).

Tax exemptions may apply (see above).

Spain

Asset transfer

Assessment basis

- Purchase price (if subject to VAT); or
- Real value of the real estate asset (if subject to RETT). This value should be the agreed purchase price, but due to an amendment in the law, this value cannot be lower than the reference value (specific value to be assigned for each real estate asset by the Spanish administration). When the reference value is not available, the taxable base should not be lower than the fair market value of the real estate asset.

Tax rate

- 4% - 21% VAT
- 6% - 11% RETT (depending on location)

Additional regulations/remarks

N/A

Purchase of apartments/buildings for own use

Tax exemption

N/A

Tax rate

See above.

A reduced RETT rate may be applicable, depending on the location and under very particular circumstances.

Tax basis

See above.

Share transfer

Assessment basis

The transfer of shares in a real estate rich company should be exempt from RETT, unless the transaction is aimed to avoid RETT or VAT which would have been due if the transaction had been structured as an asset deal.

Tax rate

6 - 11% RETT (depending on location)

Additional regulations/remarks

N/A

Sweden

Asset transfer

Assessment basis

The higher amount of the:

- Purchase price; or
- or
- Real estate asset tax assessment value of the real estate asset in the year prior to the year the acquisition is registered.

Tax rate

- 1.5% stamp duty for individuals
- 4.25% stamp duty for corporate purchasers

Additional regulations/remarks

N/A

Purchase of apartments/buildings for own use

Tax exemption

N/A

Tax rate

1.5% stamp duty for individuals

Tax basis

See above.

Additional regulations/remarks

Apartments are normally owned by a cooperative in which a person acquires a share instead of the actual real estate. Such transactions are not subject to transfer tax.

Share transfer

Assessment basis

N/A

Tax rate

N/A

Additional regulations/remarks

The sale of shares in a company/partnership owning real estate is not subject to transfer tax.

Switzerland

Asset transfer

Assessment basis

- Purchase price; or
- or
- Market value (if no purchase price or purchase price is unusually low).

Tax rate

- Range of linear tax rates between 0% up to 3.3% RETT (depending on canton/commune), e.g.:
- 0%, i.e., no RETT (Schwyz, Zug, Zurich);
- 1.8% RETT (Berne);
- 3% RETT (Geneva);
- 3% RETT (Basel-City); or
- 3.3% RETT (Vaud).

Additional regulations/remarks

N/A

Purchase of apartments/buildings for own use

Tax exemption

May be available in certain cantons/communes, e.g.:

- Subjective exemption (e.g., federation, cantons, communes and churches)
- Objective exemption (e.g., inheritance, replacement purchase)

Tax rate

See above.

Tax basis

Purchase price or market value (see above)

Share transfer

Assessment basis

The transfer of shares in a real estate company (definition depending on cantonal practice/law) may be subject to RETT at the cantonal and communal level. The RETT is computed on the price of the real estate asset, respectively the market value of the real estate asset.

Tax rate

Ranges between 0% up to 3.3% RETT (depending on canton/commune)

Additional regulations/remarks

- In most cantons the RETT is borne by the purchaser.
- Although some cantons have a legal basis for the split of the tax between the purchaser and the seller, there are some cantons where the practice foresees a different split (e.g. Basel-City, always subject to contractual agreement despite rules in the tax law).
- Certain cases of intra-group restructurings are exempt from RETT.
- In addition, land register fees and land public fees may be due at cantonal and communal level on the transfer of immovable real estate assets.

Asset transfer

Assessment basis

- Purchase price; or
- Consideration provided

Tax rate

Stamp Duty Land Tax (SDLT) for residential real estate asset in England and Northern Ireland:

- Up to £250,000: 0% SDLT
- £250,001 - £925,000: 5% SDLT
- £925,001 - £1.5m: 10% SDLT
- Above £1.5m: 12% SDLT

In addition to rates above:

- 3% surcharge for second homes/dwellings acquired by companies (see below)
- 2% surcharge for non-UK resident purchasers (see below)

There are also rules which mean that the acquisition of individual residential dwellings priced over £500,000 by a company or other non-natural person will be subject to a flat rate of SDLT at 15%, subject to certain reliefs if the dwelling is to be used commercially.

SDLT for non-residential real estate asset in England and Northern Ireland:

- Up to £150,000 0% SDLT
- £150,001 - £250,000 2% SDLT
- Above £250,000 5% SDLT

Scotland and Wales have separate regimes: Scottish Land and Buildings Transaction Tax (LBTT) and Welsh Land Transaction Tax (LTT).

Scottish LBTT rates are graduated up to 12%, which applies to a transaction value for residential real estate assets in excess of £750,000 (or up to 16% where the additional 4% for second homes or buy-to-lets applies), and up to 5% for non-residential real estate assets. Welsh LTT rates are graduated up to 12%, which applies to a transaction value for residential real estate assets in excess of £1.5 million (or up to 16% where the additional 4% for second homes or buy-to-lets applies), and up to 6% for non-residential real estate assets.

Additional regulations/remarks

Reliefs for intra-group transactions and certain other transactions are available.

Residential real estate asset:

Where the land transaction comprises six or more separate dwellings in England and Northern Ireland, this will be treated as a non-residential real estate asset transaction.

However, where more than one residential real estate asset is purchased from the same vendor, the purchaser can choose to pay SDLT at a rate determined by the mean value of the real estate assets purchased (subject to a minimum rate of 3% for corporate purchasers or 5% for non-UK resident corporate purchasers), rather than their aggregate value (multiple dwellings relief).

Additional dwellings surcharge for residential real estate asset

- Applies to the acquisition of the second and next residential real estate asset by natural persons or any residential real estate asset by non-natural persons.
- Residential real estate asset anywhere in the world owned by the individual purchaser or their spouse or civil partner is counted for this purpose.
- If the previous residential real estate asset is sold within 36 months of the acquisition of the new one (replacement of main home), possible refund of 3% additional charge.

Purchase of apartments/buildings for own use

Tax rate

See above.

Tax basis

See above.

Share transfer

Assessment basis

Purchase price (cash, shares or debt consideration); some limited market value rules for share for share transactions and for listed shares.

Tax rate

0.5% stamp duty on all share transfers (whether company holds real estate or not); higher rates may apply to transfers into depositary receipt or clearance systems.

Additional regulations/remarks

No specific tax rule in respect of real estate owning entities; stamp duty/stamp duty reserve tax (SDRT) applies to all UK share transfers.

- Stamp duty or SDRT on each transaction. The SDRT charge is cancelled where a document of transfer is executed and stamp duty is paid.
- Sale of shares in a UK incorporated company (and non-UK company where the documents are executed in the UK or relate to any matter or thing done in the UK.)

Reliefs for intra-group transactions and certain other transactions are available.

PwC Contacts

Austria

Rudolf Krickl
rudolf.krickl@pwc.com

Belgium

Gregory Jurion
gregory.jurion@pwc.com

Denmark

Soren T.S. Keller
soren.keller@pwc.com

Finland

Mikko Leinola
mikko.leinola@pwc.com

France

Sandra Aron
sandra.aron@avocats.pwc.com

Germany

Sven Behrends
sven.behrends@pwc.com

Ireland

Ilona McElroy
ilona.mcelroy@pwc.com

Italy

Daniele di Michele
daniele.di.michele@pwc.com

Luxembourg

Thierry Braem
thierry.braem@pwc.com

the Netherlands

Jeroen Elink Schuurman
jeroen.elink.schuurman@pwc.com

Norway

Lars Helge Aasen
lars.helge.aasen@pwc.com

Poland

Slawomir Krempa
slawomir.krempa@pwc.com

Portugal

Jorge Figueiredo
jorge.figueiredo@pwc.com

Spain

Antonio Sanchez Recio
antonio.sanchez.recio@pwc.com

Sweden

Thomas Almendal
thomas.almendal@pwc.com

Switzerland

Anita Mikkonen
anita.mikkonen@pwc.ch

United Kingdom

Robert J. Walker
robert.j.walker@pwc.com

Further information

For further information check out our publication **Real Estate Going Global** at www.pwc.com/goingglobal





Contact

PricewaterhouseCoopers Advisory N.V.
Thomas R. Malthusstraat 5
1066 JR Amsterdam
P.O. Box 9616
1006 GC Amsterdam
The Netherlands


Telephone: +31 (0)88 792 00 20
Fax: +31 (0)88 792 96 40
www.pwc.nl

Jeroen Elink Schuurman

Global Real Estate Tax Leader
jeroen.elink.schuurman@pwc.com

Ilona McElroy

EMEA Real Estate Tax Leader
ilona.mcelroy@pwc.com



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