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Law.Tax

CMS Guide to Hotel Real Estate Transaction Costs in Europe





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Comparing hotel investment values across Europe provides only part of the picture. For a true comparison, the investor will also take account of transaction costs and taxes, which can differ widely from one jurisdiction to another.

This CMS guide provides a pocket-sized comparison across the principal countries in Europe and beyond in which we have offices. The quotes assume a single investment property acquisition or disposal or single corporate acquisition or disposal as appropriate.

This is a rough guide only; for more definite information about a particular investment or transaction, please contact the relevant person at the end of this guide.

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1. Due diligence costs for the purchase of real estate diligence

	MUNICIPAL SEARCH		UTILITY SEARCH (EACH SERVICE)		LAND REGISTRY SEARCH (PER SEARCH)	
	COST	VAT	COST	VAT	COST	VAT
AUSTRIA	EUR 13	Nil	EUR 13	Nil	Usually EUR 10–50 (available online)	20%
BELGIUM	EUR 50	Nil	N/A	N/A	Minimum EUR 43.56	Nil
BULGARIA	Copies of certain documents could be requested from the municipality in the due diligence process such as excerpts of documents, concerning the zoning of the property or a drawing. For each of the services provided by the municipality a separate fee could be collected. For example the fee for issuance of a drawing is EUR 15; for issuance of a certificate concerning the zoning EUR 2.5; or for a certified copy of the detailed development plan EUR 5.	Nil	N/A	Nil	EUR 2.5 for the first page and EUR 0.25 for each subsequent page or EUR 0.5 for online search. EUR 5 per encumbrance certificate.	Nil
CROATIA	Cadastral excerpt (showing registered possessor) around EUR 10.00 per page Map/zoning plan – depending from the size of the plot, starting from EUR 10.00	Nil	Variable	Nil	No charge if made via internet (only unofficial data); Excerpt showing actual state: app. EUR3; Excerpt showing historical order: app. EUR 7 + Ct. 50 per page	Nil
CZECH REPUBLIC	No charge	N/A	N/A (usually carried out as part of survey/valuation)	N/A	Approximately EUR 2 per page	Nil
DENMARK	EUR 52	N/A	N/A	N/A	EUR 23 (available online); no charge if made in person	Nil
ENGLAND/ WALES	EUR 320–800	Nil	EUR 0–200	17.5%	EUR 6 (available online) EUR 8 for copy documents EUR 7 per title for a map search (usually EUR 60 in total)	Nil
FRANCE	Free or EUR 300–800	19.6%	N/A	N/A	EUR 20–30	Nil

	MUNICIPAL SEARCH		UTILITY SEARCH (EACH SERVICE)		LAND REGISTRY SEARCH (PER SEARCH)	
	COST	VAT	COST	VAT	COST	VAT
GERMANY	Administrative fees for copies etc. EUR 10–50	Nil	Administrative fee EUR 10–100	Nil	EUR 18 (certified)/ EUR 10 (uncertified) per extract, EUR 8 for electronic excerpt (notary)	Nil
HUNGARY	N/A	N/A	N/A	N/A	EUR 17	Nil
ITALY	Time-based cost plus out-of-pocket expenses (e.g. for copies)	20%	Time-based cost plus out-of-pocket expenses (e.g. for copies)	20%	EUR 20–25 for basic online cadastral and land registry searches. Actual cost depends on number of entries	20%
THE NETHERLANDS	Maximum EUR 100	Nil	N/A	N/A	Minimum EUR 23 for each transaction per building	19%
POLAND	Administrative fees for excerpts, maps, copies, etc.: EUR 20–600	N/A	N/A	N/A	EUR 15 (for full excerpt from the land and mortgage register)	Nil
ROMANIA	EUR 1	Nil	N/A	N/A	EUR 1	Nil
RUSSIA	N/A	N/A	N/A	N/A	EUR 3	Nil
SCOTLAND	From EUR 110–165	(VAT treatment may vary)	Water and Sewage Search = EUR 55 plus VAT Gas and Electricity searches vary with supplier	17.5%	From EUR 42–70 plus VAT	17.5%
SLOVAKIA	Variable	Nil	Variable	Nil	EUR 8 (online register is for no charge)	Nil
SLOVENIA	a) attestation of data relating to a building: EUR 1.06; b) cadastre: 0	Nil N/A	Variable	Nil	a) land register: EUR 1.31 for each lot (available online), b) certified excerpt EUR 9.84 for all three record sheets	Nil
SPAIN	Cadastral certificate approx. EUR 4.28–50	Nil ¹	N/A	N/A ¹	Depends on the number of entries or inscriptions of the plot and on the type of search (binding or not binding): EUR 9.02 online search. EUR 3.49 non-binding search. Binding search: EUR 6 or EUR 7 per entry	16% ¹
SWITZERLAND	Map/zoning plan: EUR 10–70	7.6%	N/A	N/A	EUR 2,025 (excerpt land register)	Nil
UKRAINE	N/A	N/A	N/A	N/A	EUR 240–30	Included

¹VAT rates would be increased as of 1 July 2010: from 16% to 18%; from 7% to 8%; no changes on the reduced 4% rate.

	COMPANY SEARCH, PER COMPANY		SURVEY/VALUATION FEE, APPROX.		PHASE 1 ENVIRONMENTAL SURVEY	
	COST	VAT	COST	VAT	COST	VAT
AUSTRIA	Usually EUR 10–50 (available online)	20%	Survey: hourly rates from EUR 100–300 Valuation fee: normally from EUR 1,500–3,000	20%	Hourly rates from EUR 100–300	20%
BELGIUM	EUR 5	21%	EUR 1,500 and EUR 15,000	21%	EUR 5,000–10,000	21%
BULGARIA	No charge is collected for online search. An official excerpt of the Commercial Registry is EUR 2.5 for the first page and EUR 1 per each subsequent page.	Nil	Survey: negotiable. Valuation: negotiable, usually approx. EUR 50 for apartment; EUR 80 for office up to 800m2. Commercial area from EUR 130 (depending on the area).	20%	Negotiable	20%
CROATIA	No charge if made via internet (only unofficial data); Registry files insight: app. EUR 14; Excerpt: app. Ct. 70 per page	Nil	Negotiable	23%	Negotiable	23%
CZECH REPUBLIC	No charge for unofficial online search, official extracts approx. EUR 2 per page	N/A	Negotiable	20%	Depends on locality (e.g. Prague more expensive) and proposed use of land and is not always necessary. Average cost: EUR 3.125	20%
DENMARK	EUR 5	EUR 1	Depends on time spent	25%	Depends on time spent	25%
ENGLAND/WALES	From EUR 46–57 plus VAT	Nil	1–2% of purchase price	17.5%	EUR 1,280–2,400	17.5%
FRANCE	EUR 70	19.6%	EUR 3,800–14,000	19.6%	Variable	19.6%
GERMANY	EUR 18 (certified)/ EUR 10 (uncertified) per extract; EUR 4.50 for electronic excerpt/online, EUR 1.50 for other electronic documents/online	Nil	Survey: hourly rates starting at EUR 40. Valuation fee: depends on value/difficulty, e.g. value EUR 1 million: EUR 1,850–3,800; value EUR 20 million: EUR 7,500–19,500	19%	EUR 3,000–6,000	19%
HUNGARY	EUR 18–26	Nil	EUR 4,000–4,800	20%	Average fee is EUR 4,000	20%
ITALY	Approx. EUR 10 (basic company search)	20%	Negotiable, depends also on value of property	20%	Variable: depends on time spent	20%
THE NETHERLANDS	Minimum EUR 12	In case of services	1–2% of purchase price	19%	N/A	N/A
POLAND	EUR 15 (for full excerpt from the companies register)	Nil	Depends on time spent	22% Polish entity. 0% Foreign entity (if conditions met)	Depends on time spent and location of the land	22%
ROMANIA	EUR 6.25	Nil	1–3% of purchase price	19%	N/A	N/A
RUSSIA	N/A	N/A	Negotiable	18%	N/A	N/A
SCOTLAND	From EUR 58–84	17.5%	1–2% of purchase price	17.5%	EUR 205 plus VAT	17.5%
SLOVAKIA	EUR 6.50 per extract (paper form) EUR 0.33 per extract (electronic form)	N/A	Depends on time spent and value of the subject	19% if company is VAT-registered	Depends on time spent and value of the subject	19% if company is VAT-registered
SLOVENIA	No charge for online search and uncertified extract are free of charge; certified extract EUR 9 plus VAT	20%	depends on time spent and value of the subject	20%	depends on time spent and location of the land	20%
SPAIN	Non-binding search: EUR 3.49. Binding search: EUR 6 per entry or inscription	16% ¹	0.2–0.4% of the purchase price, depending on the nature of the property	16% ¹	EUR 12,000–48,000	16% ¹
SWITZERLAND	EUR 30 (online register is at no charge)	Nil	Hourly rates starting at EUR 110 (as a rule: 0.05–0.2% of valuation price)	7.6%	Depends on time spent and size of the land.	7.6%
UKRAINE	EUR 72	Included	Negotiable	Included	Negotiable	Included

¹VAT rates would be increased as of 1 July 2010: from 16% to 18%; from 7% to 8%; no changes on the reduced 4% rate.

2. Costs associated with a contract for purchase of real estate and registering title

	VAT ON PRICE		TRANSFER DUTY	
	COST	VAT	COST	VAT
AUSTRIA	No VAT unless option for taxation	Nil or 20% (in case of option for taxation)	3.5% of purchase price EUR (real estate transaction or purchase of 100% of shares of property holding company) [EUR incl. VAT in case of option for taxation]	Nil
BELGIUM	If building is 'new' for tax purposes and election is made, VAT applies on building (vs. land) portion of purchase price	21%	1. 12.5% on purchase price in Brussels and Wallonia; 10% on purchase price in Flanders 2. If building is 'new' for tax purposes and election is made, transfer duty applies on land (vs. building) portion of purchase price	Nil
BULGARIA	General rule: the VAT is 20%. VAT exempt are all supplies related to land such as transfer of ownership of and in rem rights over land, as well as lease of land. There are certain exceptions to the above rules, where VAT is due, such as: (i) transfer of newly built buildings (within five years as of putting into operation of the building); (ii) transfer of regulated land plots and newly built buildings thereon; (iii) in case of commercial lease, etc. Before completion of the building as a rough construction, subject to transfer can be only the building right, which transfer is VAT exempt.	20%	Each municipality determines the amount of the transfer tax in the beginning of each calendar year. The amount of the transfer tax could be between 0.1–3 % of the property's purchase price or tax assessment whichever is higher. When the real estate is subject to donation, transfer tax is due only in case of donation between brothers and sisters from 0.4–0.8% of the value of the real estate and in the case of donation between unrelated parties from 3.3–6.6%. The tax liability shall be borne by both parties upon mutual consent.	Nil
CROATIA	VAT applies only on transfer of buildings built, supplied or paid after 31 December 1997 (the value of the land plot is excluded)	23%	5% of market value of the real estate at the time of its acquisition (land plot value)	Nil
CZECH REPUBLIC	General rule is that: 1. Sale of land for which the construction permit has been issued (but no structure yet constructed on it) is subject to VAT; transfer of other land is VAT-exempted 2. Sale of structures within first three years from their acquisition or first three years after issuing occupancy permit is subject to VAT; transfer of structures after the three-year period is VAT-exempted 3. In-kind contributions to companies are VAT-exempted only if the company is a registered VAT payer	19% (5% for transfer of residential properties; to be changed to 9% from 2008)	3% transfer tax on purchase price or valuation of real estate asset Normally payable by seller, but by buyer in certain circumstances. No duty on first ever transfer where building not yet used in-kind contributions to companies are transfer tax-exempted if the contributor remains company's shareholder for at least five years	Nil
DENMARK	No VAT on the price itself. With regards to commercial property, the property may be registered by the vendor for VAT purposes, and thus, the purchaser may need to take over the contingent liability to adjust for VAT		N/A	Nil
ENGLAND/ WALES	On full price if new building or tax exemption waived by the seller (unless transfer of a business, e.g. an investment)	17.5%	Up to 4% of total purchase consideration (including any VAT)	Nil
FRANCE	On first sale within five years of building completion: VAT on whole purchase price. Otherwise: transfer duty	19.6%	5.09% if no VAT is due	Nil
GERMANY	No VAT unless tax election made and preconditions met (commercial sale, not transfer of business)	19%	3.5% of purchase price in most federal States; 4.5% in Berlin and Hamburg (other federal States may follow to increase tax rates)	Nil
HUNGARY	On full price, but sale of agricultural land and residential building (except for first sale of residential building) or sale before the completement of construction are tax-exempt	20%	1. General rate: 10% of purchase price (of the gross (VAT added) price) 2. Residential property (apartments): 2% up to a value of EUR 15.000 and 6% of value exceeding EUR 15.000 (though in certain cases preferential rate or exemption is available)	Nil

	VAT ON PRICE		TRANSFER DUTY	
	COST	VAT	COST	VAT
ITALY	<p>1. Sale of commercial property by VAT-registered individual or entity: VAT-exempt unless seller opts for VAT or certain specific conditions requiring the application of VAT occur</p> <p>2. Sale of non-commercial property by VAT-registered individual/entity: VAT-exempt, exception applies for construction companies under certain circumstances</p> <p>3. Sale of commercial or non-commercial property by non-VAT-registered individual or entity: not subject to VAT</p>	<p>1. If not VAT-exempt, VAT at a 20% or 10% rate</p> <p>2. If not VAT-exempt, VAT at a 20% or 10% rate</p> <p>3. Nil</p>	<p>1. Sale of commercial property by VAT-registered individual or entity: fixed amount of EUR 168 regardless of whether or not VAT applies</p> <p>2. Sale of non-commercial property by VAT-registered individual or entity: if sale is VAT-exempt 7% of value of the property; if sale is subject to VAT, fixed amount of EUR 168</p> <p>3. Sale of commercial or non-commercial property by non-VAT-registered individual or entity: 7% of value of the property</p>	<p>1. Nil</p> <p>2. Nil</p> <p>3. Nil</p>
THE NETHERLANDS	On full price if new building land, new building or tax election made	19%	Legal and economic transfer of ownership or transfer of shares of a real estate company	Nil
POLAND	On full purchase price unless a transfer of a business (excluded from VAT) or shares (VAT exempt)	<ul style="list-style-type: none"> - Industrial land: 22% - Residential houses being sold for the first time: 7% - Other buildings/agricultural land/share deal: VAT exempt 	Transaction tax: 2% of the purchase price	N/A
ROMANIA	On full price (unless the transferee is an individual, or transfer from a VAT payer to another VAT payer, or transfer of business by way of a share sale)	19%	On a value sliding scale. For transactions of more than EUR 120,000, approx. 0.5% of the purchase price	Nil
RUSSIA	On whole purchase price of buildings (premises). Sale of land plots is exempt	18%	Nil	Nil
SCOTLAND	On full price if new building or tax exemption waived by the seller (unless transfer of a business, e.g. an investment)	17.5%	Up to 4% of total purchase consideration (including any VAT). 0.5% if shares	Nil
SLOVAKIA	The supply of a land with exception of the supply of building plot is exempt from VAT. If the VAT payer supplies the building plot with or without a building constructed on it, this supply is subject to VAT. The sale of a building and related building plot may be exempt from VAT after five years following the start of the use of the building	19%	No transfer tax applicable	N/A
SLOVENIA	VAT applies only on sales of new buildings built after 1 July 1999: VAT on purchase price	8.5% for residential buildings and 20% for non-residential buildings	2% of purchase price	Nil
SPAIN	<p>1. On first transfer of new buildings</p> <p>2. On second and subsequent transfer of buildings</p>	<p>1. 16% non-residential buildings, 7% residential buildings, 4% housing partly financed by government.</p> <p>2. Exempt (but election for VAT may be made) ¹</p>	<p>On first transfer 1%.</p> <p>Second and subsequent transfers: generally 6% but in some regions 7%. When the price has been subjected to VAT 1-1.5%</p>	Nil ¹
SWITZERLAND	No VAT unless tax election is made (option for tax) and respective preconditions are met	Nil or 7.6%	0% – approx. 3.3% of purchase price *	Nil
UKRAINE	On purchase price or market value of buildings (premises), if higher. Payable by the seller, but financed by the purchaser. Sale of land plots is exempt, except for land plots purchased together with, and composing a value of, real estate located thereon. Sale of residential premises at the secondary market is exempt.	20%	Transfer duty is not applicable; 1% pension fund fee of purchase price paid by the purchaser	N/A

¹VAT rates would be increased as of 1 July 2010: from 16% to 18%; from 7% to 8%; no changes on the reduced 4% rate.

	LAND REGISTRY REGISTRATION FEES		NOTARY FEES		LEGAL FEES	
	COST	VAT	COST	VAT	COST	VAT
AUSTRIA	1%	Nil	According to the statutory fee schedule: affirmation of signature – max. EUR 120 (each)	20%	Usually from 1–3% (incl. precontractual research and advice, contract drafting, etc.). Negotiable	20%
BELGIUM	EUR 10 per page for the transcription of the notary deed into the Land Registry	Nil	According to a statutory fee: between 0.3–1% of the purchase price	Nil	Normal rate per hour	Nil
BULGARIA	The fee for registration of agreements for transfer or establishment of right of ownership or right in rem amounts to 0.1% of the real estate's value or tax assessment, whichever is higher.	Nil	Proportional system for calculation based on real estate's purchase price or tax assessment whichever is higher. Up to EUR 3,000 per transaction.	Nil	Negotiable	20%
CROATIA	Approximately EUR 35	Nil	Purchase of a real estate itself: approx. EUR 7 (notarisation of the seller's signature); Purchase of shares in a company owning real estate: private limited company ('d.o.o.') – requires notarisation of the agreement; notary fees depend on the purchase price (shares value) and amount to approx. 1% of purchase price, but not higher than EUR 5,480 plus VAT; public limited company ('d.d.') – approx. EUR 7 (notarisation of the seller's signature)	23%	Hourly rates	23% but only for Croatian residents
CZECH REPUBLIC	EUR 20 per contract	Nil	EUR 1 for verification of each signature on real estate purchase contract	19%	Negotiable	19%
DENMARK	Stamp duty comprises a fixed part of EUR 185 and a variable part of 0.6% of the agreed purchaser price	Nil	N/A	N/A	Depends on time spent	25%
ENGLAND/ WALES	On a scale according to purchase price: maximum EUR 1,200 per registration	Nil	N/A	N/A	Negotiated scale: say 1% on EUR 1 million value to 0.15% on EUR 20 million value	17.5%
FRANCE	Where VAT is due, 0.715% real estate property tax applies (or EUR 125 for building land)	Nil	0.825% of value	19.6%	By reference to time spent	19.6%
GERMANY	Scale, e.g. value EUR 1 million: EUR 1,557; value EUR 20 million: EUR 17,157	Nil	On contract, e.g. value EUR 1 million: approx. EUR 3,117–4,671; value EUR 20 million: approx. EUR 34,300–51,000; On conveyance, e.g. value EUR 1 million: approx. EUR 800; value EUR 20 million: approx. EUR 8,600. Confirmation of signature: EUR 130	19%	Negotiated scale if lawyers' fee schedule is not applicable. Scale according to schedule, e.g. value EUR 1 million: EUR 6,750; value EUR 20 million: EUR 92,250	19%
HUNGARY	EUR 19–45 (per real estate)	Nil	N/A	N/A	Negotiable	20%
ITALY	1. Sale of commercial property by VAT-registered individual or entity: cadastral and so-called 'mortgage' charges are due at a rate of 4% of value of the property 2. Sale of non-commercial property by VAT-registered individual or entity: if sale is VAT-exempt cadastral and 'mortgage' charges are due at a rate of 3% of value of the property; if sale is subject to VAT, fixed amount of EUR 336 3. Sale of commercial or non-commercial property by non-VAT-registered individual or entity: cadastral and 'mortgage' charges are due at a rate of 3% of value	Nil	Scale fees (approx. 2–0.15% of the value of the transaction) according to value of the transaction	20%	Depends on time spent and value/complexity of the transaction	20%

	LAND REGISTRY REGISTRATION FEES		NOTARY FEES		LEGAL FEES	
	COST	VAT	COST	VAT	COST	VAT
THE NETHERLANDS	Maximum EUR 455	Nil	Contract sale: e.g. EUR 1 million (min. EUR 1,131 – max. EUR 3,678), EUR 20 million (min. EUR 4,350, but there is no max. set) NB. Different rates apply for mortgage deeds	19%	Normal rate per hour	19%
POLAND	EUR 50 per land and mortgage book	Nil	Maximum approx. EUR 4,000 per transaction (includes fees for establishing a mortgage)	22%	Negotiable	22% Polish entity; 0% Foreign entity (if conditions met)
ROMANIA	Maximum EUR 10 per registration	Nil	Depends on value – approx. similar to the transfer duty	Nil	Negotiable	19% Romanian entity; 0% Foreign entity
RUSSIA	EUR 3–10 for each entry (a transaction may require several entries)	Nil	Optional	Nil	Sliding scale according to price	18%
SCOTLAND	Maximum of EUR 8,590 (GBP 7,500) on a sliding scale according to purchase price.	N/A	N/A	N/A	Negotiated scale: say 1% on EUR 1 million value to 0.15% on EUR 20 million value	17.5%
SLOVAKIA	EUR 66 (standard proceeding) EUR 33 (standard proceeding initiated by electronic petition) EUR 265.50 (expedited proceeding) EUR 130 (expedited proceeding initiated by electronic petition)	Nil	EUR 1.99 per signature, EUR 1.33 per page verified, EUR 2.66 per page verified if document related to foreign country	19% if VAT payer	Negotiable	19% if registered VAT payer
SLOVENIA	Scale: value EUR 1 million = EUR 460, for every further EUR 250,000, additional EUR 1.5	Nil	Contract sale: maximum EUR 689; land registration proposal: EUR 92, if value exceeds EUR 137,700; affirmation of a signature: EUR 69, when the contract value exceeds EUR 84,915	20%	Negotiable	20%
SPAIN	Depends on value. For an amount exceeding EUR 601,012.10: 0.20 per 1,000. Maximum EUR 2,181.67	16% ¹	Depends on value. From EUR 601,012.10–6,010,121.04: 0.3 per 1,000. For an amount exceeding EUR 6,010,121.04, the notary receives an amount agreed by the parties	16% ¹	Negotiable	16% ¹
SWITZERLAND	Approximately 0.1–0.5% of purchase price	Nil	Approx. 0.02% – approx. 1% of purchase price, partly with fixed maximum fee	7.6%	Lawyers rate per hour (EUR 175–400)	7.6%
UKRAINE	Up to EUR 100 dependant on the transaction	N/A	1% of sale price or state valuation of land, if higher, or 1% of sale price or inventory registration value, if higher, of building (premises)	N/A	Negotiable	N/A to non-resident company (provided that it does not have PE in Ukraine); 20% to Ukrainian resident company

¹VAT rates would be increased as of 1 July 2010: from 16% to 18%; from 7% to 8%; no changes on the reduced 4% rate.

3. Tax or duty on the acquisition of shares in a company owning real estate

TRANSFER DUTY, TRANSFER TAX OR STAMP DUTY		VAT
	AMOUNT	
AUSTRIA	In the event of 100% purchase of shares: 3.5% of the lower of triple Standard Value or market value. Standard Value is a standardised value which is usually substantially lower than (as a rule of thumb 10% of market value)	Nil
BELGIUM	Nil	Nil
BULGARIA	N/A	Nil
CROATIA	Depending on the formal requirements for the transfer of ownership. The transfer of shares in a private limited company ('d.o.o.') requires notarisation of the agreement. In this case, notary fees of approx. 1% of the shares' value apply; the notary's fees are capped at EUR 5,480. No other transfer taxes or stamp duties are triggered. The transfer of shares in a public limited company ('d.d.') require only notarisation of the seller's signature, approx. EUR 7, and do not trigger transfer duties, transfer taxes or stamp duties. Further costs arise from the application for registration of the acquisition of shares with the commercial court registry: notary fees – notarisation of the application: approx. EUR 27; draft and notarisation of the application: approx. EUR 410; court fees – approx. EUR 35; costs of public advertisement in the official gazette – approx. EUR 14	Nil
CZECH REPUBLIC	Nil	N/A
DENMARK	N/A	N/A
ENGLAND/ WALES	0.5% (if UK company); 0% (if non-UK company)	Nil
FRANCE	If the company owning real estate is a SAS, a SCA or a SA: if more than 50% of the company's assets is composed of real estate, transfer tax is 5%; otherwise transfer tax of 1.1% capped at EUR 4,000 apply to each acquisition (with a possibility of zero tax if company is listed). For other companies (SARL, SCI, SNC): 5% transfer tax apply	Nil
GERMANY	If – after the acquisition of the shares – 95% (or more) of the shares in the company (corporation or partnership) are held by the purchaser (or – under some additional preconditions – by an affiliated company): 3.5% (Berlin and Hamburg: 4.5%). Real Estate Transfer Tax on tax value of the property owned by the company becomes due. In case of an acquisition of interest in a partnership, 3.5% (Berlin and Hamburg: 4.5%). Real Estate Transfer Tax can also be triggered if 95% (or more) of the interest have been transferred to one or several partners within a period of five years. 3.5% Real Estate Transfer Tax applies in most federal States; in Berlin and Hamburg: 4.5% (other federal States may follow to increase the tax rates)	Nil
HUNGARY	N/A	N/A
ITALY	Registration tax at fixed rate of EUR 168.	Nil
THE NETHERLANDS	6%	Nil
POLAND	Transaction tax: 1% of the purchase price	Nil
ROMANIA	For a notarised assignment agreement: 0.5% of the value declared by the parties (however it is not compulsory to notarise the assignment agreement)	Nil
RUSSIA	Nil	Nil
SCOTLAND	0.5% (if UK company); 0% (if non-UK company)	Nil
SLOVAKIA	No transfer tax applicable	N/A
SLOVENIA	The share transfer agreement shall be concluded in the form of a notary deed. In this case, notary fee depends on purchase price (maximum EUR 689). No transfer tax is applicable.	Nil
SPAIN	Exempt except when (I) more than a 50% of the share capital of the company is constituted by real estate in Spain (II) and the acquirer obtains entitlement to the whole capital or at least a control position in the company. If paragraphs (I) and (II) are satisfied, the price will be subjected to a 6–7%	Nil ¹
SWITZERLAND	No notarisation required for the acquisition of shares in a stock corporation (Ltd.) and for the acquisition of capital contributions in a limited liability company. If a sharehold-ing of a real estate company is sold, a transfer tax can be due. ²	Nil or 7.6%
UKRAINE	No transfer duty, transfer tax or stamp duty is applicable. 1% State duty (notary fees) of sale price, if sale agreement is notarised.	N/A

¹VAT rates would be increased as of 1 July 2010: from 16% to 18%; from 7% to 8%; no changes on the reduced 4% rate.

²Notary fees and transfer tax are regulated by Cantonal or Communal law and vary accordingly.

4. Tax on future disposal of real estate or shares in a company owning real estate

TAX ON CAPITAL GAINS ON THE DISPOSAL OF THE REAL ESTATE ITSELF		
	COST	VAT
AUSTRIA	If disposal within ten years of an acquisition by private individual or business: progressive tax rate of up to 50% (for income exceeding approx. EUR 50,000) for individuals and a flat tax rate of 25% for corporations. Tax-exempt if disposal occurs after more than ten years of acquisition by private individual	Nil
BELGIUM	Belgian resident company: capital gains are considered profits and are subject to corporation tax at normal rates (up to 33.99%) Foreign company: as for Belgian resident company	Nil Nil
BULGARIA	The incomes or profit accrued by the sale of real estate is taxable with either a corporate tax (15%) or a progressive income tax for private persons. The progressive income tax can be up to 24%	Nil
CROATIA	Commercial entities: no capital gains tax, but proceeds treated as income are subject to corporate profit tax of 20% Private persons: no taxation if the real estate is used for living or if ownership has been kept for more than three years; however, if more than three transactions within a five-year period are made, the personal income tax applies (rates between 15% and 45%) but only for the difference between the prices (price for which the seller purchased property and price which seller received by selling the same property) and do not trigger transfer duties, transfer taxes or stamp duties	Nil Nil
CZECH REPUBLIC	No capital gains tax, but proceeds treated as income, so sales by corporations are subject to corporate income tax (19% in 2010)	Nil
DENMARK	Sale by a company: corporation tax 25% assuming that it is the company's business to invest in real property. Special rules apply if the sale is made by an individual.	Nil
ENGLAND/ WALES	Sale by a company: corporation tax of up to 30% with reliefs Sale by an individual: capital gains tax of up to 40% with reliefs From 2008/09 flat rate of 18% (with limited relief)	Nil Nil
FRANCE	French resident company: capital gains are taxed at standard Corporate Income Tax (CIT) rate of 33.33% + 3.3% social contribution on the portion of corporate income tax exceeding EUR 760,000 i.e. taxed at a maximum effective rate of 34.43% (NB: special rules apply to real estate investment companies opting for the 'SIIC' regime and fulfilling all requirements). For real estate sold to a 'SIIC' company, a special rate of 16.5% applies until 31 December 2008. Foreign company: subject to relevant tax treaty, whether or not the company is subject to CIT in France (on this gain), a withholding tax is levied at a rate of 33.33% (but this withholding tax should be credited against CIT if due, and excess compared to CIT due or, otherwise, to CIT that would be due by a French resident, can be refunded). Special rate of 50% would apply to disposal by real estate dealer or developer with no PE in France. Special rules apply to sales by individuals	Nil
GERMANY	– Sale by a corporation: capital gains derived from the sale of real estate are treated as the taxable income of the corporation and are subject to general corporate tax of 15.8% and trade tax (approx. 14–17%). – Sale by an individual: 0–47.5%; tax exempt if disposal occurs after more than ten years after acquisitions	Nil
HUNGARY	Capital gains are treated as the taxable income of the corporation in the given the fiscal year and are subject to general corporate tax of 16% + 4% solidarity tax. Exemption may be applied for within 30 days of the acquisition of the shares, if the acquired shares represent more than 30% of all shares in the company and the shares are to be kept for at least two years. Sale by an individual: 25% personal income tax (subject to exemptions)	Nil Nil

TAX ON CAPITAL GAINS ON THE DISPOSAL OF THE REAL ESTATE ITSELF

	COST	VAT
ITALY	1. If the seller is a resident company: 27.5% + 3.9% 2. If the seller is a non-resident company without a permanent establishment in Italy or a non-resident individual: – within five years from the acquisition 27.5% (company) and 23–43% (individual) or 20% (company/individual if option is elected in the deed of sale) – after five years from the acquisition: not taxable	Nil Nil
THE NETHERLANDS	Sale by a company: 25.5% Sale by an individual: max. of 52% on capital gains. If the property is an investment without the use of labour, annually 1.2% of the value of the property	Nil Nil
POLAND	– Polish resident company: company gains are considered profits and are subject to CIT at 19% – Foreign company: subject to relevant tax treaty	Nil
ROMANIA	Sale by a company of real estate or shares in a property holding company: (a) 10% (if the disposal occurs after more than two years of acquisition) (b) 16% (otherwise) Sale by an individual: (a) sale of the real estate itself – no tax (b) sale of shares in a property holding company -1%	Nil Nil
RUSSIA	Sale by a company: 20% profits tax Sale by an individual: Russian resident -13%, non-Russian resident -30%. Exemption (for Russian tax resident individuals) – residential property and land plots if disposal occurs more than three years after acquisition	Nil Nil
SCOTLAND	Sale by a company up to 30% with reliefs Sale by an individual up to 40% with reliefs From 2008/09 flat rate of 18% (with limited relief)	Nil
SLOVAKIA	No special tax on capital gains, but income tax in amount of 19% flat rate is applicable for general tax basis of the corporation or individual	Nil
SLOVENIA	Sale by a company: no capital gains tax, proceeds are treated as an income and are subject to corporate profit tax of 20%. Sale by an individual: a capital gains tax is 20% for the first five years after the acquisition, for every next five years the capital gains tax is reduced by 5%. The tax base is the difference between the purchase and sale price. Exemption: the acquisition of the real estate prior to 1 January 2002.	Nil
SPAIN	In Spain is also applicable a tax over the increase of value of urban plots in which the party oblige is the seller except when the seller is an individual non-resident in Spain	Nil ¹
SWITZERLAND	Approx. 15% – approx. 60% depending on the Canton where the real estate is situated, the legal status of seller (e.g. individual, legal entity etc.), the holding period and other criteria.	N/A
UKRAINE	Sale by a Ukrainian resident company: 25% corporate profits tax; Sale by a non-resident company: 15% Ukrainian withholding tax, unless the applicable double tax treaty provides otherwise; Sale by a Ukrainian resident individual: sale proceeds rather than capital gain are subject to 0 or 1 or 5% personal income tax; Sale by a non-resident individual: sale proceeds are subject to 0 or 30% personal income tax, unless the applicable double tax treaty provides otherwise	20% VAT ² N/A in the rest of instances.

¹VAT rates would be increased as of 1 July 2010: from 16% to 18%; from 7% to 8%; no changes on the reduced 4% rate.

²applies when a legal entity sells a building itself or along with a landplot constituting a single object.

TAX ON CAPITAL GAINS ON DISPOSAL OF SHARES IN A COMPANY OWNING REAL ESTATE		
	COST	VAT
AUSTRIA	If disposal within one year of acquisition by private individual/business: progressive tax rate of up to 50% (for income exceeding approx. EUR 50,000) for individuals and flat tax rate of 25% for corporations. If disposal occurs after more than one year from acquisition by a private individual: half of average tax rate. Tax-exempt if disposal occurs after more than one year from acquisition by a private individual who has not held 1% or above during five years preceding disposal.	Nil
BELGIUM	Belgian resident company: gain is tax-exempt Foreign company: as for Belgian resident company	Nil
BULGARIA	For both companies and individuals, the incomes or profit accrued by the sale of a real estate is taxable with a flat rate of 10%. The individuals are tax exempt when they transfer up to two real estate assets or real estate assets that are agricultural lands or forests after the expiration of five years as of the date of acquisition. In addition, tax exempt is the transfer or donation of a real estate asset used as residential by the individual, if the transfer has occurred at least three years as of acquisition.	Nil
CROATIA	Commercial entities: no capital gains tax applies to shares/business quotas transfer. However, proceeds (including received purchase price) shall be treated as income and shall be subject to corporate profit tax of 20%. Capital gains are calculated as the difference between book value and purchase price; adjustments to the book value are in some cases tax-free. Private persons: generally transfer of shares/business quotas is not taxable. However, if transactions of that kind are performed 'regularly' (more than three transfers within a five-year period), personal income tax applies (rates between 15% and 45%).	Nil Nil
CZECH REPUBLIC	No capital gains tax, but proceeds treated as income, so sales by corporations are subject to corporate income tax (19% in 2010)	Nil
DENMARK	Sale by a company: where the shareholding constitutes 10% or more of the share capital ("Subsidiary Investments"), tax exemption is granted for capital gains irrespective of the ownership period. Where the shareholding constitutes less than 10% of the share capital ("Portfolio Investments"), capital gains are subject to 25% corporate tax irrespective of the ownership period. Certain anti-avoidance rules are introduced to prevent investors from pooling their shareholdings in holding companies. Special rules apply if the sale is made by an individual.	Nil
ENGLAND/WALES	Sale by a company: corporation tax of up to 28% with reliefs Sale by an individual: capital gains tax of flat rate of 18% (with limited reliefs/rate deduction. Usually no tax for foreign sellers. NB anti-avoidance provisions.)	Nil Nil
FRANCE	French resident company: CIT rate of up to 34.43% unless the shares constitute a participation: in this case (5% min. of the shares, holding period of min. two years), rate is 15%. If the company is a predominant real estate company, and 1.72% max. otherwise (as regards this tax, a predominant real estate company has, on the day the shares are disposed of or at the end of the previous fiscal period, 50% of its assets composed of real estate that the company does not use to carry out a business activity). Foreign company: subject to relevant tax treaty, whether or not the company is subject to CIT in France (on this gain), a withholding tax at a rate of 33.33% applies to the gain from a disposal of shares in an unlisted predominant real estate company (but this tax should be credited against CIT if due, and excess compared to CIT due or, otherwise, to CIT that would be due by a French resident, can be refunded/as regards this tax, a predominant real estate company has, at the end of the three tax periods preceding the sale, 50% of its assets composed of French real estate that the company does not use to carry out a business activity).	Nil
GERMANY	Capital gains from the disposal of shares in a company owning real estate are part of the ordinary taxable income of the seller and are taxed at the following tax rates (tax rates effective as of fiscal year 2008): – If the property company is a corporation and if the shares are held by a corporation, only 5% of the capital gains are taxable at the standard tax rates: (corporate income tax: 15.8% plus trade tax of approx. 14–17%). – If an individual holds at least 1% of the shares in the property company in the legal form of a corporation, 60% of the capital gains from the disposal of the shares are taxable at standard tax rates (income tax 0–47.5%). – If shares in a property company are sold by a private individual holding less than 1% of the share capital, a flat tax rate of 26.38% applies irrespective of the holding period. – In case of foreign shareholders exemptions under double tax treaties may apply.	Nil

TAX ON CAPITAL GAINS ON DISPOSAL OF SHARES IN A COMPANY OWNING REAL ESTATE		VAT
	COST	
HUNGARY	Sale by a company: 16% corporation tax Sale by an individual: 25% personal income tax (subject to exceptions)	Nil Nil
ITALY	1. If the seller is a resident company: 27.5% (95% exemption may apply only if certain conditions are satisfied) 2. If the seller is a non-resident company without a permanent establishment in Italy or a non-resident individual: – disposal of a 'qualified' participation; 27.5% calculated on 49.72% of capital gain (company); 23–43% calculated on 49.72% of capital gain (individual) – disposal of a 'non-qualified' participation: 12.5% – tax exempt if seller is resident of a country that allows exchange of information with Italy – disposal of 'non-qualified' participation in a resident listed company: not-taxable	Nil Nil
THE NETHERLANDS	Sale by a company: 25.5%. If the participation exemption applies; no liability for tax Sale by an individual: shareholders holding 5% or more are taxed at 25%. In other cases, an annual tax of 1.2% on value of shares applies.	Nil Nil
POLAND	– Polish resident company: company gains are considered profits and are subject to CIT at 19% – Foreign company: exempt, unless the relevant tax treaty states otherwise	Nil
ROMANIA	Sale by a company: 25% corporation tax Sale by an individual: 1%	Nil Nil
RUSSIA	Sale by a company: 20% profits tax Sale by an individual: Russian resident -13%, non-Russian resident -30%	Nil
SCOTLAND	Sale by a company: corporation tax of up to 28% with reliefs Sale by an individual: capital gains tax of flat rate of 18% (with limited reliefs/rate deduction. Usually no tax for foreign sellers. NB anti-avoidance provisions.)	Nil
SLOVAKIA	No special tax on capital gains, but income tax in amount of 19% flat rate is applicable for general tax basis of the corporation or individual	Nil
SLOVENIA	Sale by a company: no capital gains tax, proceeds are treated as an income and are subject to corporate profit tax of 20%. Sale by an individual: a capital gains tax is 20% for the first five years after the acquisition, for every next five years the capital gains tax is reduced by 5%. Exemption: the capital gains tax is not paid from profits, achieved with the first transfer of shares.	Nil
SPAIN	If seller is an individual: 19% on the first EUR 6,000 and 21% on the amount exceeding EUR 6,000.01 If seller is a company: 30% tax rate on the capital gain	Nil ¹ Nil
SWITZERLAND	0% – approx. 60% depending on the Canton where the real estate is located, the legal status of seller (e.g. individual, legal entity etc.), the holding period and other criteria.	N/A
UKRAINE	Sale by a Ukrainian resident company: 25% corporate profits tax; Sale by a non-resident company: 15%; Ukrainian withholding tax, unless the applicable double tax treaty provides otherwise; Sale by a Ukrainian resident individual: 15% personal income tax; Sale by a non-resident individual: 30% personal income tax, unless the applicable double tax treaty provides otherwise	N/A

¹VAT rates would be increased as of 1 July 2010: from 16% to 18%; from 7% to 8%; no changes on the reduced 4% rate.

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