

# Tax Brochure

## Gift & Inheritance Tax | 2016



### A European Comparison

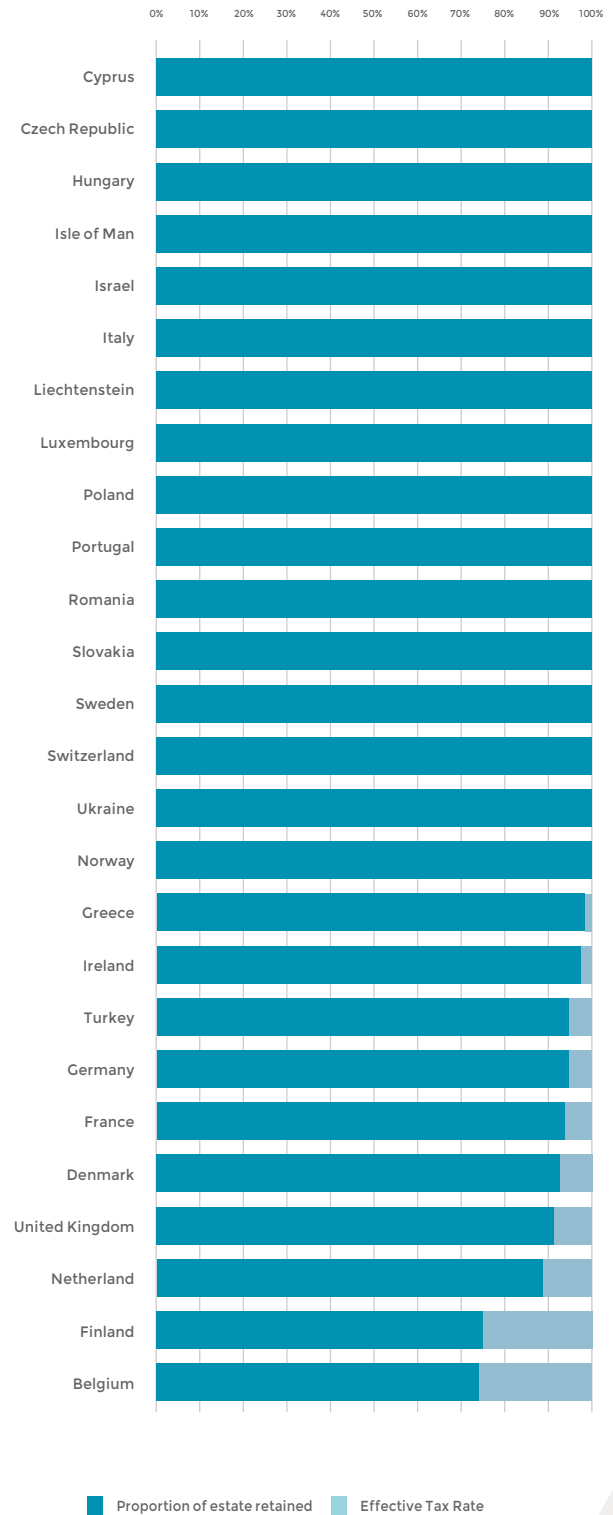
**Introduction:** Many people face the burden of inheritance and gift taxes, particularly as rising property prices take more people out of the exempt thresholds or into higher tax brackets.

Nationals of the European Union have the freedom to live and work in any member state and increasing numbers are choosing to emigrate with reasons for moving varying from wishing to enjoy a sunnier climate on retirement, realising capital tied up in real estate or simply taking advantage of lower living costs.

**Inheritance and Gift taxes** are often overlooked when deciding which jurisdiction to relocate to, so those individuals who do not want a considerable part of their savings to be left to the State must consider the impact of these taxes and any related tax planning opportunities that may arise.

**The objective** of the survey was to compare levels of inheritance tax payable based on a married individual who died without a valid Will on January 1, 2016, leaving a surviving spouse and two children. The assets owned at death were: a house worth €600,000, cash of €1,000,000, quoted company shares valued at €300,000 and unquoted company shares valued at €700,000 (total asset value €2,600,000).

**Jurisdictions Covered:** 26 jurisdictions took part in the inheritance and gift tax 2016 survey. Of these jurisdictions Cyprus, Isle of Man, Israel, Liechtenstein, Norway, Slovakia and Sweden have neither gift tax nor inheritance tax; The Czech Republic has no formal gift or inheritance tax but does have a form of these taxes incorporated into their income tax regime. The United Kingdom only has inheritance tax but gifts made in certain limited circumstances are also subject to the regime. The remaining jurisdictions covered were: Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Poland, Portugal, Romania, Switzerland, Ukraine and Turkey.



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| Country        | Gift tax | Inheritance tax | Tax rate is fixed | Tax rate is based on: |   | Assets are exempt from the tax if |                             | Proportion of market value: |               |                        |                          |
|----------------|----------|-----------------|-------------------|-----------------------|---|-----------------------------------|-----------------------------|-----------------------------|---------------|------------------------|--------------------------|
|                |          |                 |                   | total value of assets | Tax rate is based on the relationship between parties | transferred to the spouse         | transferred to the children | used for family house       | used for cash | used for quoted shares | used for unquoted shares |
| Belgium        | Y        | Y               | Y                 | Y                     | Y   | N                                 | N                           | 100.00%                     | 100.00%       | 100.00%                | 100.00%                  |
| Cyprus         | N        | N               | N/A               | N/A                   | N/A   | N/A                               | N/A                         | 100.00%                     | 100.00%       | 100.00%                | 100.00%                  |
| Czech Republic | N        | N               | Y                 | N                     | Y   | N/A                               | N/A                         | 100.00%                     | 100.00%       | 100.00%                | 100.00%                  |
| Denmark        | Y        | Y               | Y                 | N                     | Y   | Y                                 | N                           | 100.00%                     | 100.00%       | 100.00%                | 100.00%                  |
| Finland        | Y        | Y               | N                 | N                     | Y   | N                                 | N                           | 100.00%                     | 100.00%       | 100.00%                | 100.00%                  |
| France         | Y        | Y               | N                 | Y                     | Y   | Y                                 | N                           | 80.00%                      | 100.00%       | 100.00%                | 100.00%                  |
| Germany        | Y        | Y               | N                 | Y                     | Y   | Y                                 | Y                           | 100.00%                     | 100.00%       | 100.00%                | 100.00%                  |
| Greece         | Y        | Y               | N                 | Y                     | Y   | Y                                 | Y                           | 100.00%                     | 100.00%       | 100.00%                | 0.00%                    |
| Hungary        | Y        | Y               | N                 | Y                     | N   | Y                                 | Y                           | 100.00%                     | 100.00%       | 100.00%                | 100.00%                  |
| Ireland        | Y        | Y               | Y                 | Y                     | N   | Y                                 | N                           | 100.00%                     | 100.00%       | 100.00%                | 10.00%                   |
| Isle of Man    | N        | N               | N/A               | N/A                   | N/A   | N/A                               | N/A                         | 100.00%                     | 100.00%       | 100.00%                | 100.00%                  |
| Israel         | N        | N               | N/A               | N/A                   | N/A   | N/A                               | N/A                         | 100.00%                     | 100.00%       | 100.00%                | 100.00%                  |
| Italy          | Y        | Y               | N                 | Y                     | Y   | N                                 | N                           | 100.00%                     | 100.00%       | 100.00%                | 100.00%                  |
| Liechtenstein  | N        | N               | N/A               | N/A                   | N/A   | N/A                               | N/A                         | 50.00%                      | 100.00%       | 100.00%                | 70.00%                   |
| Luxembourg     | Y        | Y               | N                 | Y                     | Y   | Y                                 | Y                           | 100.00%                     | 100.00%       | 100.00%                | 100.00%                  |
| Netherlands    | Y        | Y               | Y                 | Y                     | Y   | Y                                 | Y                           | 100.00%                     | 100.00%       | 100.00%                | 0.00%                    |
| Norway         | N        | N               | N                 | N                     | N   | N/A                               | N/A                         | 25.00%                      | 100.00%       | 100.00%                | 100.00%                  |
| Poland         | N        | N               | N                 | N                     | N   | N/A                               | N/A                         | 25.00%                      | 100.00%       | 100.00%                | 100.00%                  |
| Portugal       | Y        | Y               | Y                 | Y                     | N   | Y                                 | Y                           | 100.00%                     | 100.00%       | 100.00%                | 100.00%                  |
| Romania        | Y        | Y               | N                 | Y                     | Y   | Y                                 | Y                           | 100.00%                     | 100.00%       | 100.00%                | 100.00%                  |
| Slovakia       | N        | N               | N                 | N                     | N   | N/A                               | N/A                         | 100.00%                     | 100.00%       | 100.00%                | 100.00%                  |
| Sweden         | N        | N               | N/A               | N/A                   | N/A   | N/A                               | N/A                         | 100.00%                     | 100.00%       | 100.00%                | 100.00%                  |
| Switzerland    | Y        | Y               | N                 | Y                     | Y   | Y                                 | Y                           | 100.00%                     | 100.00%       | 100.00%                | 100.00%                  |
| Turkey         | Y        | Y               | N                 | Y                     | Y   | N                                 | N                           | 100.00%                     | 100.00%       | 100.00%                | 100.00%                  |
| Ukraine        | Y        | Y               | N                 | N                     | Y   | Y                                 | Y                           | 100.00%                     | 100.00%       | 100.00%                | 100.00%                  |
| United Kingdom | N        | Y               | Y                 | Y                     | N   | Y                                 | N                           | 100.00%                     | 100.00%       | 100.00%                | 0.00%                    |