

UHY GLOBAL REAL ESTATE GUIDE

FEBRUARY 2024

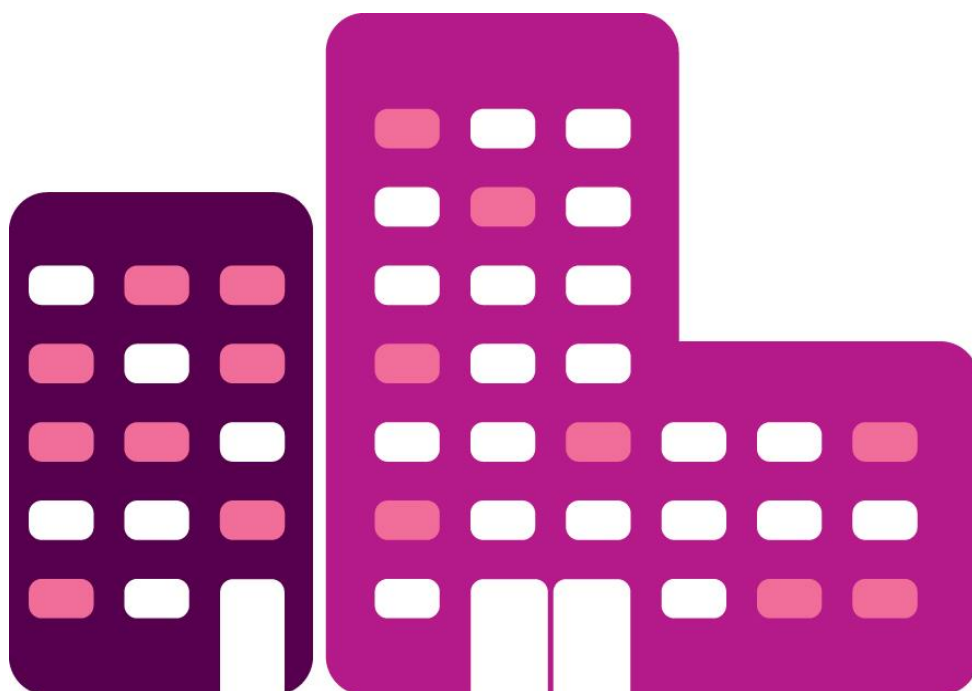


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FOREWORD

WELCOME TO THE 2024 UHY GLOBAL REAL ESTATE GUIDE



In a globalising world, many investors, both corporate and private, are looking for opportunities internationally. While real estate is one of many investment options, the venture is unique in that it cannot be physically moved as most other assets can. Consequently, investors must conform to the rules and regulations of the country where the property is situated.

Like other major investments, proper planning is needed to avoid any pitfalls that may lie along the way and to minimise tax exposure.

The purpose of this Guide is to identify regulations (for example, the deduction of expenses and interest) and tax rates (for example, *VAT, wealth tax and inheritance tax) found in various countries that may affect property investments.

The contents have been carefully compiled by UHY experts in over 50 countries included in this Guide but are intended for general guidance only. Since legislation changes, you should refer to the appropriate UHY source or professional advisor for the most up-to-date details, or for more specific information.

I hope you find the UHY Global Real Estate Guide a valuable tool and introduction. Our member firm advisors look forward to helping you with your real estate ambitions.

Subarna Banerjee
Chair, UHY International
February 2024

*Some countries will have an equivalent system to VAT (value added tax), others will have a sales tax subject to their own in-country legislation, and in some countries no equivalent exists.

Disclaimer: Every effort has been made to ensure the facts in this Guide are correct at the time of publication. However, no responsibility can be accepted for loss occasioned to any person acting, or refraining from acting, as a result of any material it contains.

ARGENTINA

	Property type	Requirements
Permissions required by a foreign investor		No permissions are required for foreign investors to invest in real estate in Argentina.
Types of tenure		Freehold and leasehold
Transfer taxes on acquisition		A 1.25% stamp duty is payable on the transfer by sale or exchange of real estate.
Value Added Tax on acquisition		VAT is chargeable (at 21%) only on building land and on the first sale of a building.
Capital allowances / tax depreciation	Commercial Residential	Capital allowances are available for both commercial and residential property at a rate of 2% per annum straight line. Machinery and equipment is depreciated at various rates, usually between 10% and 20% per annum.
Taxation of rents		Resident companies pay corporation tax at the rate of 35% on income from real property after deduction of expenses. Non-residents (companies and individuals) pay a withholding tax of 21% of the rental income. This represents a presumed profit of 60% taxed at 35%.
Deduction of expenses		Residents of Argentina (individuals and companies) are permitted to deduct expenses relating to the property. Expenses are not deductible for non-resident companies and individuals (see taxation of rents).
Deduction of interest		All interest on loans to acquire real estate is deductible whether the lender is resident or non-resident.
Wealth taxes		Wealth tax is charged on-resident and non-resident individuals. The rate for residents is up to 1.75%. For non-residents, the tax rate is 0.5% with no deductible amount.
Inheritance and gift taxes		There are no gift or inheritance taxes in Argentina.
Other taxes on property		There is a property tax, and the amount depends on the state where the building is located



Taxation of profit on disposal		<p>Companies are taxed at the regular 35% rate on profit from the disposal of real estate property.</p> <p>For individuals, whether the acquisition was before January 1, 2018, the tax rate on profit on disposal is 1.5% of the gross amount, which is withheld at the time of closing.</p> <p>If acquired after January 1, 2018, a 15% tax applies on the gross sale price less cost basis.</p>
Special companies for property investment		<p>There are no special companies for holding property investment. However, for liability purposes and tax planning purposes, corporations are commonly used by non-resident owners.</p>
Tax planning tips		<p>Investment in Argentina by a non-resident company or individual may lead to different alternative structures which are worth exploring specifically for each transaction. The structure used may result in tax inefficiencies that could be avoided.</p>
Any further information		
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AUSTRALIA

	Property type	Requirements
Permissions required by a foreign investor	Established residential real estate Commercial real estate >AUD 281 million Agricultural land > AUD 61 million	Foreign Investment Review Board (FIRB) approval may be required for non-citizens to buy Australian real estate. In general, non-citizens can only buy new residential property “off the plan”. Temporary residents can buy established dwellings for their occupation whilst in Australia. Commercial property acquisitions below the relevant threshold do not require approval.
Types of tenure		Freehold and leasehold
Transfer taxes on acquisition	Freehold/Long-term lease	Stamp duty is levied by each state and territory at progressive rates up to 7.0% of the purchase price. Surcharges of up to a further 8.0% apply to foreign purchasers of residential real estate in some states.
Value Added Tax on acquisition		There is a 10% GST (similar to VAT) in Australia. GST applies to new residential transactions and most commercial transactions. Established/old residential dwellings and sales of ‘going concerns’ are exempt from GST.
Capital allowances / tax depreciation	Commercial/Residential	Capital allowance deductions apply as follows to buildings constructed after February 1992: <ul style="list-style-type: none"> • General 2.5% • Short term accommodation 4% • Industrial 4% Similar rates apply for older buildings. Depreciation deductions for plant and equipment (internal fittings, etc.) are based on the effective life of the items involved.
Taxation of rents		Rents are taxed at normal rates for the particular taxpayer. Current rates are: <ul style="list-style-type: none"> • Investment company (domestic or foreign) 30% • Non-resident individuals 32.5% to 45% • Non-resident pension funds 45% Landlords pay income tax on assessment after lodging an income tax return.



		Commercial tenants must withhold 47% tax if the landlord does not quote an Australian Business Number.
Deduction of expenses	All investment property	Normal repairs and maintenance are deductible. Improvements are capitalised and depreciated.
Deduction of interest	All property	Interest is normally fully deductible on all income producing properties. Thin capitalisation restrictions may apply if interest expense exceeds AUD 2 million.
Wealth taxes	All property	Australia does not have a separate wealth tax.
Inheritance and gift taxes	All property	Australia does not have inheritance or gift taxes. Gifts may impact social security entitlements.
Other taxes on property	All property (Exceptions incl. family home, farming land)	Land tax is levied in all states and the Australian Capital Territory, but not the Northern Territory, at rates of up to 2.75% of the assessed land value. Surcharges apply to residential land owned by most non-citizens at rates up to 4% Local council rates are levied by each municipality. Absentee owner surcharges apply to residential land owned by non-citizens who are absent from Australia at rates up to 2%.
Taxation of profit on disposal	All property (Main exceptions: family home, small business real property)	Profits on disposal of Australian real estate are taxed at the following rates: <ul style="list-style-type: none"> • Small business companies – 25% • Other companies – 30% • Non-resident individuals – 32.5% to 45% A 50% CGT discount applies to resident individuals only.
Special companies for property investment		Managed Investment Trusts (MITs). 15% withholding tax applies on distributions to recipients of countries that have a tax information exchange agreement with Australia. This rate falls to 10% for a clean building MIT. 30% withholding tax applies in other cases.
Tax planning tips	All income-producing property	A quantity surveyor's report should be commissioned or requested when buying an existing property. This will maximise capital allowance and depreciation deductions.
Any further information		The National Rental Affordability Scheme offers annual offsets up to AUD 11,168 per



	property for investments in affordable housing.
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AUSTRIA

	Property type	Requirements
Permissions required by a foreign investor		Acquiring property as well as joint ownership of Austrian real estate by foreign investors have to be approved by public authorities, except for members of EU and EEA member states. Consequently, an approval procedure has to be executed only with regard to third countries. Due to bilateral agreements however, exceptions from this regulation are possible for some third countries.
Types of tenure		Freehold, leasehold, and buildings on third-party land.
Transfer taxes on acquisition	All property	The real estate transfer tax is generally 3.5% on land of real property as well as agricultural and forestry properties. Some particular transfers of real estate are excluded from this regulation and are not subject to the general tax rate. In addition, the tax burden may be reduced under certain conditions (e.g. gratuitous transfer).
Value Added Tax on acquisition	All property	The transfer of real estate is generally exempt from sales tax. However, the seller may opt for VAT under certain conditions. The VAT is then 20%. Moreover, a registration fee of 1,1% of the purchase price has to be paid.



Capital allowances / tax depreciation	Commercial (rental)	In general, the depreciation rate is 2.5%. For residential purpose the depreciation rate is 1.5%. Under certain conditions, a higher depreciation rate is possible.
Taxation of rents	Commercial Residential	Commercial rents (renting and leasing of offices, business premises, warehouse or sport fields) are VAT free, but there is no right of deduction of input tax. However, it is possible to opt for VAT. Rentals for residential use are excluded from the above exception and have a tax rate of 10%.
Deduction of expenses	All property	Income-related expenses as well as operating expenses (e.g. maintenance expenditure, digital tools, office supplies, etc) are deductible.
Deduction of interest	All property	Interest paid in connection with expenses for purchases as well as renovations etc. are deductible.
Wealth taxes	All property	Austria does not have a wealth tax. However, please see “other taxes on property”.
Inheritance and gift taxes	All property	Austria does not have an inheritance or gift tax. However, in case of inheritance or transfer by gift, real estate transfer tax is due.
Other taxes on property	All property	The local property tax is based on the value of the real property and varies between 1% and 2% annually. Subject to this property tax is only domestic real estate, e.g. agricultural and forestry assets, real estate and business real estate.



Taxation of profit on disposal	All property	<p>Individuals are subject to a fixed tax rate of 30% on their profits. However, there are exceptions to this tax rate. A corporation is subject to a tax rate of 24% (2024: 23%) on the sale of its profit.</p> <p>However, there are some exceptions, where the tax-rate of 30% is not applicable and should be treated as taxable business income (e.g. a land dealer sells a plot of land which is usually included in the operating current assets).</p>
Special companies for property investment		There are no special companies for investment in Austrian real estate.
Tax planning tips		
Any further information		Due to the many exceptions in Austrian tax law (e.g. residence exemption), this information is only meant as an overview. In addition, many regulations can be found in the respective double taxation agreements.
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BANGLADESH

	Property type	Requirements
Permissions required by a foreign investor	Commercial / Residential	Bangladesh Investment Development Authority (BIDA) recommendation is necessary for acquisition of land. Foreign investors are required to submit relevant papers and information in connection with the land to be acquired to the relevant Deputy Commissioner (DC). There is a separate procedure for obtaining electricity, gas, water, sewerage and telephone connections.
Types of tenure	All property	Freehold and leasehold
Transfer taxes on acquisition	All property	Stamp duty is payable on purchases of property at the rate in force in which the property is situated. Stamp duty must be paid in order to register the transfer of ownership. Property transactions are also subject to registration charges on the instrument of sale. Estimated charges are as follows (based on purchase price): <ul style="list-style-type: none"> • Stamp duty – 1.5% • Gain tax – 1% • Other expenditure – 1%
Value Added Tax on acquisition	All property	No VAT is payable on the acquisition of land.
Capital allowances / tax depreciation	Commercial	No tax depreciation on land is required. For all other assets, tax depreciation as per the 3 rd Schedule of the Income Tax Ordinance can be claimed. This varies from 2.5-50% on a reducing balance basis.
Taxation of rents	All property	Rents on property are taxed for both resident and non-resident companies at 5%. Tax must be deducted from rents at source.
Deduction of expenses Deduction of interest	All property	If the property is used for business purposes, maintenance expenses and interest are deductible under the Income-Tax Act-2023. Allowable expenditure (repair and maintenance): <ul style="list-style-type: none"> • Residential – 25% • Commercial – 30% If the property is for personal use, maintenance charges are not a deductible expenditure, but interest paid is allowed no



		specific limit. The owner can also claim a vacancy allowance.
Wealth taxes	All property	There is no tax liability if the property acquired is used for business purpose. However, for the computation of individual income tax, a surcharge (i.e. wealth tax) is levied on the income tax liability of the individual. Slab rates are: <ul style="list-style-type: none"> • 4-10 crore, 10% • 10-20 crore, 20% • 20-50 crore, 30% • Above 50 crore, 35%
Inheritance and gift taxes	All property	Real estate is not subject to inheritance or gift taxes.
Other taxes on property	All property	Properties are subject to various municipal taxes levied by the respective municipalities. However, such expenditure is generally low.
Taxation of profit on disposal	All property	Capital gains tax arising on the disposal of property is levied at a rate of 15%.
Special companies for property investment	All property	There are no special companies for real estate investment in Bangladesh.
Tax planning tips	All property	As wealth tax is imposed on individuals, a company should acquire land in the name of company.
Any further information		
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BELGIUM

	Property type	Requirements
Permissions required by a foreign investor		There is no specific permission required for foreign investors acquiring Belgian real estate.
Types of tenure		Freehold and leasehold
Transfer taxes on acquisition	Modest houses for physical persons Other property in Wallonia Other property in Brussels for physical persons, valued under EUR 600,000 and for their own and sole residence Other property in Flanders	Registration fees apply: 5% or 6% of the acquisition price 12.5% <ul style="list-style-type: none"> • Up to EUR 200,000 – 0% • EUR 200,000 and above – 12.5% <ul style="list-style-type: none"> • 12% • 0% up to EUR 15,000 for physical persons for the own residence
Value Added Tax on acquisition	New-built property	VAT at 21%
Capital allowances / tax depreciation	All property (with exception for industrial warehouses)	Buildings can be depreciated at 3–3.33% on a straight-line basis.
Taxation of rents	Property held by companies Property held by individuals (not for business purposes)	Taxable like other income of the company (25% or reduced corporate income tax rate 20% under some specific conditions). Taxation based upon the cadastral income (not on real rental income)
Deduction of expenses	Property held by companies	All expenses are tax deductible, including interest, repairs and maintenance, administration, etc.
Deduction of interest	All property	In general, interest payable on loans to acquire real estate is deductible from rental income.
Wealth taxes	All property	Not applicable
Inheritance and gift taxes	All property	Gift and inheritance taxes are payable on real estate. Rates vary between 0% to 80% depending on the value of the property, the location of the inheritor/beneficiary, and the relationship between the parties.



Other taxes on property	All property	Withholding tax on buildings. Some cities charge landlords with specific taxes on buildings.
Taxation of profit on disposal	Property held by companies	Companies pay corporate income tax on profit on disposal. There is an opportunity to defer and spread out the taxation if companies reinvest the price of selling, respecting some specific conditions.
Special companies for property investment		There are no special companies for investment in Belgian real estate.
Tax planning tips		There are many opportunities for tax planning in Belgium, including use of a company and dismemberment of ownership.
Any further information		
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CANADA

	Property type	Requirements
Permissions required by a foreign investor	Commercial	Investment Canada Act reviews investments by non-residents in excess of CAD 5 million. If a non-resident is in a World Trade Organization country, transactions are reviewed if they exceed CAD 1.931 billion.
Types of tenure		Freehold and leasehold
Transfer taxes on acquisition	All property	Land transfer taxes can range up to 15% depending on the location and value of the property.
Value Added Tax on acquisition	Commercial and newly constructed residential property	5% to 15% tax is charged on the sale of real estate. Tax is recoverable by registered purchasers.
Capital allowances / tax depreciation	Commercial or rental property	4% annually on a declining balance of building portion (not land).
Taxation of rents	All property	Rents are generally taxed as regular passive income.
Deduction of expenses	All property	Deduction of expenses is allowed as long as they are incurred to earn income.
Deduction of interest	All property	Deduction of interest is allowed as long as it is incurred on loans to acquire or maintain the income-earning property. Non-residents may be subject to thin capitalisation rules.
Wealth taxes	All property	There are no wealth taxes. Unrealised capital gains are taxed at death or upon sale, except principal residences owned by a Canadian-domiciled individual.
Inheritance and gift taxes	All property	Gifts are taxed as a disposition at fair market value.
Other taxes on property	All property	Municipal property taxes apply.
Taxation of profit on disposal	All property	Profit on disposal is taxed as a capital gain at half the tax rate of regular income. If the disposition is in the normal course of business, the gain is taxed as regular income.
Special companies for property investment	All property	There are no special corporations for property investment. Limited partnerships combine liability protection and flow-through of income or loss to individual partners.
Tax planning tips	All property	Flow-through entities (partnerships and unlimited liability corporations) should be considered to maximise tax benefits in the home country and minimise double taxation.



Any further information	Residential Property	<p>The new Underutilized Housing Tax requires all non-residents, corporations, trusts, and partnerships who own residential property to file a return. If an exemption is not met, a 1% tax applies based on the value.</p> <p>Municipal Vacancy Taxes require all owners to file a return. Various tax rates depend on the municipality.</p>
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CHILE

	Property type	Requirements
Permissions required by a foreign investor	All property	No permissions are required for foreign investment in real estate in Chile.
Types of tenure	All property	Freehold and leasehold.
Transfer taxes on acquisition	All property	There is no transfer tax, but a fee is payable to the Real Estate Conservator on the real estate value for registration of the transfer.
Value Added Tax on acquisition	Commercial Residential	<ul style="list-style-type: none"> • New commercial buildings are subject to VAT at 19%. • New residential buildings are subject to VAT at 19%. • Used buildings and land are not subject to VAT.
Capital allowances / tax depreciation	Commercial Residential	<ul style="list-style-type: none"> • An allowance of 4% is available on the costs of the construction of commercial property. • No allowances are available on the cost of construction of residential property.
Taxation of rents	All property	<p>Stock companies, other companies and resident or non-resident individuals are liable to 24% income tax, and fewer expenses. When profit is distributed to a non-resident, it is subject to a withholding tax of 35%. A rate of 24% will be discounted and paid by the company.</p> <p>For residents, the rate is from 0% to 40% (based on the rent amount).</p> <p>Taxes on residential real estate rents can be paid on an assumed rent of 7% over the fiscal value of the property, provided the annual rent does not exceed 11% of the property value.</p>
Deduction of expenses	All property	The expense of repairs, maintenance and management are generally deductible for corporations and individuals.
Deduction of interest	All property	In general, interest paid on loans for the acquisition of real estate in Chile is deductible from the rental income.
Wealth taxes	All property	There is no annual wealth tax in Chile.
Inheritance and gift taxes	All property	Non-resident individuals are liable to taxes on gifts and inheritance on the value of real estate in Chile. Rates vary from 1% to 25% depending on the value of the property and the relationship between the parties.



Other taxes on property	All property	In general, all residential and commercial property is subject to an annual tax of 1.425%, payable in quarterly instalments on an amount assessed by the Internal Revenue Service.
Taxation of profit on disposal	All property	<ul style="list-style-type: none"> • The income obtained by a public limited company, any other company or individual is liable to a tax rate of 24%. • If the income is determined without accounting for tax purposes, an additional tax rate of 35% is paid, deducting the 24% in the case of non-residents. If resident, a global tax rate between 0% and 40% is paid, deducting the 24%. • If the income is determined through accounting for tax purposes, the rate is 24%. • When profit on disposal is received by the partners, or by resident or non-resident individuals, it is subject to additional or global tax.
Special companies for property investment	All property	There are real estate investment corporations and stock companies in Chile.
Tax planning tips	All property	<p>Stock companies are a convenient way for non-residents to invest.</p> <p>If doing so through a company:</p> <ul style="list-style-type: none"> • Profits are subject to a 24% tax rate • Profits that are not remitted do not pay an additional tax of 35% • Profits can be reinvested in new real estate or another kind of investment and are not subject to the 35% additional tax, enabling tax planning. <p>If doing so as an individual:</p> <ul style="list-style-type: none"> • A 24% tax rate and 35% additional tax apply, but on selling the property there is added value as no tax is paid on up to UTM 8,000 profit. • For profit above UTM 8,000, it is advisable to evaluate or consider tax planning.
Any further information		
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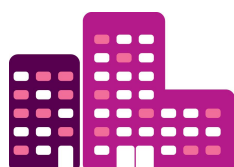


COLOMBIA

	Property type	Requirements
Permissions required by a foreign investor	All property	No permissions are required for foreign investors.
Types of tenure	All property	Freehold and leasehold.
Transfer taxes on acquisition	All property	<ul style="list-style-type: none"> • Notarial fees: 0.3% of the price, 50% seller and 50% buyer • Registration fees: Between 0.755% and 1.104% of the price, and is paid by the seller • Registration Tax: Between 0.5% and 1% of the price and is paid by the buyer • Departmental stamps: Up to 2% of the price and is paid by the buyer • Stamp duty. For properties with a price higher than 20,000 UVT, approximately USD 214,300, between 1.5% or 3% of the price. The law does not define who must pay this tax • Withholding tax: Between 1% and 2.5% of the price, is paid by the seller.
Value Added Tax on acquisition	All property	The acquisition of real estate is not taxed with VAT.
Capital allowances / tax depreciation	All property	For non-residents in Colombia, the application of tax depreciations on property, plant and equipment is not applicable. Because to deduct it, it is a requirement to keep accounting in Colombia and for tax purposes in the case of non-residents this requirement does not apply.



Taxation of rents	All property	<p>If a non-resident person in Colombia owns real estate in the country, is not required to file an income tax return.</p> <p>However, if you receive rental income, the payer, if obliged, must make a withholding of 20% and there will be no obligation to submit an income tax return. Otherwise, if the income was not subject to withholdings, there is an obligation to present an Income Tax return where the person must settle their Income minus their expenses in the country (supported by invoices and/or other equivalent documents accepted for tax purposes) and a rate of (35%) is applied to the result of this operation.</p>
Deduction of expenses	All property	<p>Expense deductions in Colombia only apply if they are related to the generation of income made in the country and as long as they are supported with electronic invoices, and electronic equivalent documents according to the regulations issued by the DIAN - Colombian Tax authority</p>
Deduction of interest	All property	<p>In Colombia, interest deductions are allowed as long as they come from financing credits and have the objective of generating income in Colombia. In addition, as a requirement, they will be deductible in the part that does not exceed the highest rate that has been authorised to be charged by the Financial Superintendence of Colombia.</p> <p>We have undercapitalisation rules, that must to be observed, and apply between companies loans.</p>



Wealth taxes		<p>The wealth tax in Colombia is a tax that taxes natural persons, nationals or foreigners with or without residence in the country, with respect to their assets owned directly or indirectly through permanent establishments in the country.</p> <p>The estate tax is generated by the possession on the first (01) of January of each year of an estate whose value is equal to or higher than seventy-two thousand (72,000) UVT, approximately USD 763,416. For the purposes of this tax, the concept of equity is equivalent to the liquid equity calculated by taking the total of the gross equity owned in Colombia on the same date less the debts in Colombia owed by the taxpayer in force on that date.</p>
Inheritance and gift taxes	All property	<p>Natural persons, nationals or foreigners who do not have residence in the country and the illiquid estates of deceased persons without residence in the country at the time of their death are only subject to Income and Complementary Tax with respect to their income and occasional gains from national source and only respect to his assets owned in the country.</p> <p>Donations are not subject to taxes for the donor, but depending on the type of person receiving the Donation, they may be subject to Income Tax payments.</p>
Other taxes on property	All property	<p>The unified property tax is a municipal tax that falls individually on properties located in Colombia. It is an annual tax and its tax base for each year will be the value established by the corresponding municipality through the cadastral appraisal of each property.</p>
Taxation of profit on disposal	All property	<p>If the sale occurs within two years following the purchase, the rate is 35% of the profit (a withholding and return of the excess withheld will apply), if the sale is after two years of the purchase, the rate is 15% (10% withholding will apply).</p> <p>In both cases, you are required to submit the annual income tax return.</p>
Special companies for property investment	All property	<p>There are no special companies for real estate investment in Colombia.</p>



Tax planning tips	All property	Investment in Colombia by a non-resident company or individual may lead to different alternative structures which are worth exploring specifically for each transaction.
Any further information		
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COSTA RICA

	Property type	Requirements
Permissions required by a foreign investor	All property	A special tax identification number (NITE) must be obtained if the property is for commercial use, property can be registered personally or through a company for the purposes of legal and fiscal responsibilities. Foreign investors cannot acquire real estate on areas of maritime land (i.e. within 200 metres of the coastline), unless a special permit is requested from the managing entity.
Types of tenure	All property	Horizontal or vertical property, condominium or lease.
Transfer taxes on acquisition	All property	The transfer tax is 1.5% of the amount of the taxable value or the amount traded, whichever is greater. Lawyers' fees range between 2% and 3%. The maximum commission charged by real estate agents is 5% (always is better negotiate this fee at the beginning).
Value Added Tax on acquisition	All property	None
Capital allowances / tax depreciation	All property	The average annual rate of depreciation is 2%, based on the type of property, and applies to buildings only. Revaluation depreciation is non-deductible. Capital allowances can be use for tax strategies, every case needs to be evaluate.
Taxation of rents	All property	Property tax of 0.25% of the total value of the property is payable quarterly. Property valued at more than USD 223,000.00 is subject to the solidarity tax, ranging on average from 0.25% to 0.55%, paid annually. There are also municipal taxes, with rates varying depending on the canton. Rent (withholding tax) is paid based on the activity, the rent tax is no more than 30% (as the higher amount to paid) but can be less (depend on the total income). Some special regulations allows to paid nothing on rent first year, half next year and 30% less for the third year.
Deduction of expenses	All property	Real estate and urban or municipal services can be deducted.
Deduction of interest	All property	Interest can be deducted on loans used to obtain the property.



Wealth taxes	All property	None
Inheritance and gift taxes	All property	None
Other taxes on property		If the property are under a company (SA o Ltda) need to paid the company tax yearly (around \$500)
Taxation of profit on disposal	All property	None
Special companies for property investment		Property can be registered personally or through a company for the purposes of legal and fiscal responsibilities. Companies have more options for fiscal strategies and are easier to register.
Tax planning tips		Tax strategies are better (and safest) on companies rather than persons. Some rates of tax depend on the age and condition of the property, so expert analysis is beneficial for tax assessment purposes.
Any further information		
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CROATIA

	Property type	Requirements
Permissions required by a foreign investor	All property	Natural persons outside of EU need Foreign Office approval; otherwise, no restrictions apply.
Types of tenure		Freehold and leasehold
Transfer taxes on acquisition	All property over 2 years old	3% transfer tax is applicable if VAT is not charged
Value Added Tax on acquisition	Property in use for less than 2 years and new property	Subject to 25% VAT if sold by tax obligor.
Capital allowances / tax depreciation	All property	5-10 % annually
Taxation of rents	All property	Rents are taxed at 0% if the income is less than € 39.816,84 annually or if the rent is for residential purposes. Above this amount and rents for business purposes are taxed at 25%. Providing of accommodation services is taxed with 13%.
Deduction of expenses	All property	Repairs and maintenance expenditure and expenses relating to the management and administration of property are tax deductible if certain conditions are met.
Deduction of interest	All property	Yes
Wealth taxes	All property	None
Inheritance and gift taxes	All property	Inheritance and gifts from close family "direct line" are not taxed. Otherwise, inheritance and gifts are taxed at 4%.
Other taxes on property		
Taxation of profit on disposal	All property	Profit on disposal is subject to corporation tax if seller is a company. If seller is an individual sale can be taxable with 20%. There are tax exemptions in this case.
Special companies for property investment	All property	Investment funds in real estate.
Tax planning tips		If deciding whether to buy a property as individual or as a company, always ask the tax advisors for a help in making that decision.
Any further information		



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CYPRUS

	Property type	Requirements
Permissions required by a foreign investor		Government approval is required for non-EU citizens, but the purchaser can take possession immediately.
Types of tenure		Freehold and leasehold
Transfer taxes on acquisition	All property	Land-Registry Duty at progressive rates of 3-8%. No transfer fees are required for properties which are subject to VAT. If there are no VAT paid on the purchase, transfer fees are reduced by 50%.
Value Added Tax on acquisition	All property	Newly-constructed buildings, with no prior use, are subject to VAT at 19%. A reduced rate of VAT (5%) has been introduced for properties purchased by individuals who have completed their 18 th year of age and they will acquire the property for use as their principal and permanent place of residence in Cyprus. Applicable for the first 130m ² of buildable residential area of a property and for the maximum value of €350,000, provided that the buildable residential area does not exceed 190m ² and the total value of the transactions does not exceed €475,000. Different terms apply in cases of persons with disabilities. Resale of property and newly-constructed properties that have been used (i.e. rented) prior to their sale are not subject to VAT. There is no VAT on the purchase of land.
Capital allowances / tax depreciation	Commercial	Capital allowances on new buildings: <ul style="list-style-type: none"> Hotels, industrial and agricultural buildings – 4% Other commercial buildings – 3% The capital allowance on plant and machinery is 10%. There are no capital allowances on land.
Taxation of rents	All property	Companies pay corporation tax at a flat rate of 12.5% on net rental income (see deductions below). Individuals pay income tax at a progressive rate of 20-35% on net rental income (see deductions below) The Special Defence Contribution (SDC) is levied at 3% on 75% of gross rental income.



		<p>Individuals who are Cyprus tax residents but are considered as non-domiciled in Cyprus under the provisions of the Income Tax Law are exempt from SDC, subject to conditions. General Healthcare System contribution (GHS) on rental income is 2.65% payable only by in case the landlord is an individual. Companies do not pay GHS contributions. Renting of immovable property situated in Cyprus may be subject to 19% VAT in case the lessee is registered as a VAT taxpayer and carries out taxable transactions.</p>
Deduction of expenses	All property	<p>Individuals (income tax) may deduct:</p> <ul style="list-style-type: none"> • Deemed expenses of 20% of gross rental income derived from the rental of immovable property situated in Cyprus, for maintenance and repairs of buildings. No such expenses is available for renting out land • Capital allowances (see above) • Any interest expenses on the acquisition of the property • GHS contributions payable on gross rental income <p>Companies (corporation tax) may deduct:</p> <ul style="list-style-type: none"> • Depreciation • Any interest expenses on the acquisition of the property • actual costs in respect of repair, maintenance, etc. <p>For the SDC, 25% of gross rents (companies and individuals) may be deducted. Foreign-sourced rental income is also subject to SDC. Foreign taxes paid can be credited against this.</p>
Deduction of interest	All property	Interest is fully deductible from rents.
Wealth taxes	All property	Immovable Property Tax is abolished as of 1 January 2017.
Inheritance and gift taxes	All property	Inheritance Tax was abolished on 1 January 2000. With regard to transfer fees, certain exemptions and reduced rates apply for the transfer of property between relatives and trustees.
Other taxes on property	All property	Municipal taxes depend on the size and value of the property.
Taxation of profit on disposal	All property	Capital gains tax is levied at 20% on profit, using inflation-indexed purchase cost and



		deducting incidental purchase/sale expenses.
Special companies for property investment		There are no such companies in Cyprus.
Tax planning tips		If part of the purchase price is stated to be for plant and equipment, increased depreciation allowances are available.
Any further information		The seller of immovable property in Cyprus is subject to Equitable Distribution of Burdens tax of 0.4% on the selling price.
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DOMINICAN REPUBLIC

	Property type	Requirements
Permissions required by a foreign investor		There are no objections to investment in real estate in the Dominican Republic, and it is not necessary to be a resident. Capacity for contracting
Types of tenure	Houses and Commercial Stores	Owner
Transfer taxes on acquisition		Transfer taxes are levied at 3% of the value of the contract or the trusted value. A certificate of property title or contract must be registered at the Dominican Republic's Tax Administration (DGII).
Value Added Tax on acquisition		<ul style="list-style-type: none"> The transfer of immovable property, such as land, fincas, houses, apartments and commercial premises, in relation exclusively to land and built improvements, including real estate by destination or nature are not subject to VAT. VAT on acquisition is generally charged at 18%, and at 16% in some instances. Transference and/or services provided.
Capital allowances / tax depreciation		<ul style="list-style-type: none"> Buildings: 5% Furniture and equipment: 25% Electric plant and heavy equipment: 15%
Taxation of rents		<ul style="list-style-type: none"> 10% withholding tax to individuals when they provide real estate rental services to corporates. ITBIS (IVA) for individuals and corporates: 18%.
Deduction of expenses		<ul style="list-style-type: none"> 100% or proportional Valid for fiscal credit (NCF)
Deduction of interest		Deduction of interest may be total or limited to a formula, depending on the factors involved. Local financial system.
Wealth taxes		1% of taxable assets. Does not apply to patrimony.
Inheritance and gift taxes		<ul style="list-style-type: none"> Tax on inheritance is levied at 3%. Tax on gifts or donations is levied at 27%.
Other taxes on property	1%	<ul style="list-style-type: none"> Urban property Possessions IPI-IVSS
Taxation of profit on disposal		10% on cash distribution only (no taxes paid on shares).



Special companies for property investment		<ul style="list-style-type: none"> • Special regime • General Norm DGII
Tax planning tips		Incentives are available. It is advisable to consult with a tax advisor regarding the preliminary balances for tax planning.
Any further information		
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EL SALVADOR

	Property type	Requirements
Permissions required by a foreign investor	All property	Foreign investors must have a Tax Identification Number (NIT). There are no tax obligations for this.
Types of tenure	All property	Full domain, usable domain, lease.
Transfer taxes on acquisition	All property	A 3% stamp duty is payable on the transfer by sale or exchange of real estate for the second or subsequent transfer or exchange, on the excess of USD 28,571.43
Value Added Tax on acquisition	All property	VAT applies at 13% only for moveable property, it does not apply to real estate.
Capital allowances / tax depreciation	All property	Buildings maximum 5%, Machinery, maximum 20%, Vehicles maximum 25% and Other Moveable Property 50% per year.
Taxation of rents	All property	For taxpayers with annual income up to USD 150,000 25% of net income. For taxpayers with annual income greater than USD 150,000, a 30% rate on net profits. Monthly an advance of 1.75% is made on net income which is self-liquidatable in the annual income statement.
Deduction of expenses	All property	Costs and expenses incurred and necessary for the conservation of the source, provided they are properly documented.
Deduction of interest	All property	They are generally deductible as a cost or as an expense, provided that the capital is used in the working capital for the conservation of the source of income.
Wealth taxes	All property	None
Inheritance and gift taxes	All property	None provided that it is made to entities previously qualified by the Ministry of Finance, as well as the donation in the first degree in relatives up and down, otherwise it pays transfer tax.
Other taxes on property	All property	The transfer of real estate in El Salvador causes registration fees of USD 0.63
Taxation of profit on disposal	All property	Tax on capital gains at 10%, or operating profit if your activity is the sale of real estate at 25% or 30% according to the amount of annual income.
Special companies for property investment		None
Tax planning tips		Non-resident companies or individuals investing in El Salvador must have certain



		options available depending on the type of operation and the structure used, certain tax reductions may apply, including exemption.
Any further information		In El Salvador, foreign investment has benefits of income and municipal tax exemptions if it is a new investment and is dedicated to the field of technology.
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GHANA

	Property type	Requirements
Permissions required by a foreign investor	All property	<p>There are no restrictions on foreign investors buying property or engaging real estate business, provided they meet the minimum capital requirement in Ghana. For joint enterprises with a Ghanaian, this is USD 200,000; for foreign ownership only, this is USD 500,000.</p> <p>Foreign investors are required to register with the Registrar General's Department for a certificate of incorporation and commencement.</p> <p>Entities are required to register with the Ghana Investment and Promotion Centre (GIPC), Ghana Revenue Authority (GRA), the Social Security and National Health Insurance Trust (SSNIT) and local authorities.</p>
Types of tenure	All property	<p>There are restrictions on the type of interest foreigners can hold.</p> <ul style="list-style-type: none"> • A foreigner cannot hold a freehold interest in land or a lease exceeding 50 years. • If a non-Ghanaian buys a freehold interest in land, it will be converted to a 50-year lease.
Transfer taxes on acquisition	All property	<p>Capital gains tax is no longer separate. Gains from the realisation of assets are subsumed in determining the assessable income from investment and business activity. Gains are also exempt if the entire amount is reinvested in another property within a year. Individuals may, however, opt not to subsume the gain and pay at a rate of 15% on disposal of property.</p>
Value Added Tax on acquisition	All property	<p>The sale of each unit of immovable property by an estate developer is taxable under VAT law at a flat rate of 5%, calculated on the value of the unit of immovable property. All other taxable supplies/services made by estate developers as defined by VAT law are taxable at the standard VAT/NHIL rate of 17.5%.</p>
Capital allowances / tax depreciation	All property	<p>Capital allowances are granted in respect of fixed assets (depreciable assets), both tangible and intangible, acquired by persons in businesses for each year of assessment</p>



		<ul style="list-style-type: none"> • The assets should be capital in nature • The asset should be owned by the business • The asset should be in the business up to the end of the year • The asset should be used in carrying on business during the period • The Commissioner of the Ghana Revenue Authority (GRA) should be informed of any new asset acquired one month after its usage in the business.
Taxation of rents	All property	<p>Rental income earned by non-resident is subject to a final withholding tax of 15% levied on the gross income.</p> <p>Rental income earned by residents is subject to 8% tax for residential and 15% for commercial buildings.</p>
Deduction of expenses	All property	<p>The following expenses are deductible:</p> <ul style="list-style-type: none"> • Rates, improvement costs, legal fees and other expenses necessarily incurred in the process of selling the property • Mortgage interest incurred in constructing or acquiring the premises • 30% standard allowance in respect of premises.
Deduction of interest	All Property	Deduction of interest is allowed in the calculation of rental income or provided the loan is for the purpose of the business.
Wealth taxes	All property	In Ghana, taxes on wealth are known as Net Worth Taxes. The taxes are levied on the income of individuals who do not keep accounts, and are calculated on savings plus drawing, less non-business income.
Inheritance and gift taxes	All property	<p>No inheritance tax is levied in Ghana.</p> <p>Gift tax is also no longer levied separately. Gifts received in lieu of employment, business and investment are included in calculating the gains and profits from employment, business and investment.</p>
Other taxes on property	All property	Property tax is levied annually by local authorities on the estimated value of the property, depending on the classification of the area in which it is located. Rates range from 0.5% to 3%. Property documents are required to enable the authority to calculate the rate. In the absence of these, the authority will decide on the property value.

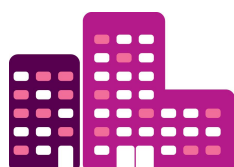


Taxation of profit on disposal	All property	<ul style="list-style-type: none"> • When an asset is disposed of, the realised value is taken out of the asset pool it came from before the rate of capital allowance is applied. • Where the realised value on a disposed asset exceeds the written-down value of the asset, the excess is included in the business income and taxed at the appropriate tax rate.
Special companies for property investment	Real estate for low-cost housing.	Real estate for low-cost housing is subject to tax at the rate of 1% for a period of 5 years. Companies engaging in real estate of low-cost are issued with a certificate certifying affordability of residential premises by the Minister responsible for work and housing.
Tax planning tips	All property	<ul style="list-style-type: none"> • Site accommodation for workers is exempt from tax. • Interest on loan finance is tax deductible, while dividends are not.
Any further information		
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GUATEMALA

	Property type	Requirements
Permissions required by a foreign investor	All property	Foreign investors in Guatemalan real estate must have a tax identification number. There are no tax obligations for this.
Types of tenure	All property	Freehold and leasehold
Transfer taxes on acquisition	All property	A 3% stamp duty is payable on the transfer by sale or exchange of real estate for the second or subsequent transfer or exchange.
Value Added Tax on acquisition	All property	VAT is levied at 12% on the first sale only.
Capital allowances / tax depreciation	All property	Only buildings, constructions and installations attached to the real estate and its improvements, at a maximum rate of 5% per annum.
Taxation of rents	All property	<p>Companies where the main business turnaround relates to real estate can opt to register with one of two tax regimens, where the rate is based on either:</p> <ul style="list-style-type: none"> • 25% of the net profit on rental income • 7% of the rental revenue. <p>For companies where the main business activity is not real estate, but where they are registered for tax on a 25% net profit basis for their main line of business, rental income is taxed at 7% of the rental revenue.</p> <p>In the purchase of property, the deductible cost corresponds to the cost operated in public records.</p>
Deduction of expenses	All	Cost of the property
Deduction of interest	All	Interest is deductible as a cost for companies with business real estate, and deductible as an expense for companies for the lease and sale of real estate where they do not have commercial activity in real estate.
Wealth taxes	All	Not applicable
Inheritance and gift taxes	All	None
Other taxes on property	All	Income tax on real estate (IUSI) is levied at 0.9% per annum on the registered value of the property.

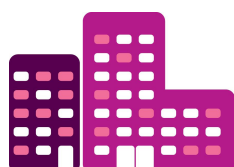


Taxation of profit on disposal	All	<p>Companies where the main business turnaround relates to real estate can opt for one of two regimens for the taxation of profits on disposal, where the rate is based on either:</p> <ul style="list-style-type: none"> • 25% of the net profit on rental income • 7% of the rental revenue <p>For companies where the main business activity is not real estate, but where they are registered for tax on a 25% net profit basis for their main line of business, taxation of profits on disposal applies at 10% of the total revenue, less the cost of the property.</p>
Special companies for property investment		There are no special companies for holding property investment. However, for liability and tax planning purposes, corporations are commonly used by non-resident owners.
Tax planning tips		Non-resident companies or individuals investing in Guatemala should explore the different structures available for each transaction. Depending on the structure used, the reduced tax or exemption may apply.
Any further information		
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HONDURAS

	Property type	Requirements
Permissions required by a foreign investor	All property	Foreign investors must have a Tax Identification Number (RTN). There are no tax obligations for this.
Types of tenure	All property	Full domain, usable domain, lease
Transfer taxes on acquisition	All property	Registration taxes of HNL 200.00 for the first 1,000.00 and HNL 1.50 for each subsequent thousand. Tradition tax at 1.5% on the value of the property. Capital gains tax at 10% on profit.
Value Added Tax on acquisition	All property	The sale of real estate is exempt from VAT, except leasing.
Capital allowances / tax depreciation	All property	The estimated time of depreciation is 40 years, at a maximum rate of 2.5% per year.
Taxation of rents	All property	25% income tax, plus 5% on income of over HNL 1 million, or 1.5% on income exceeding HNL 10 million per year – whichever is greater. You must also pay tax on Commerce and Services depending on the amount obtained in the period as income, ranging from HNL 0.30-0.40 per thousand, regressing to HNL 0.15 per thousand. Other municipal taxes are added depending on the location of the property.
Deduction of expenses	All property	Depreciation and expenses incurred, if it is a legal person.
Deduction of interest	All property	Interest is deductible as a cost for companies with business real estate, and deductible as an expense for companies for the lease and sale of real estate where they do not have commercial activity in real estate.
Wealth taxes	All property	None
Inheritance and gift taxes	All property	None
Other taxes on property	All property	Real estate tax, based on the value and location of the property, at a rate of HNL 3.50 per thousand for urban property and HNL 2.50 for rural property.
Taxation of profit on disposal	All property	Tax on capital gains at 10%, or operating profit if your activity is the sale of real estate at 25%.
Special companies for property investment		None



Tax planning tips		Investment in Honduras by a non-resident company or individual may lead to different alternative structures, which are worth exploring specifically for each transaction. Some tax can be eluded or duplicated, depend of the structure used.
Any further information		
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HONG KONG

	Property type	Requirements
Permissions required by a foreign investor	All property	There is no restriction on foreign investors acquiring real estate in Hong Kong.
Types of tenure	All property	All are leasehold land with renewal rights up to the year 2047.
Transfer taxes on acquisition	<p>All property</p> <p>Residential</p>	<p>Ad Valorem Stamp Duty (AVD) on transfers of properties will be the following 2 scales payable on sale consideration or market value, whichever is higher:</p> <p>Scale 1 – for acquisition of more than 1 residential property under a single instrument, AVD at 7.5% (from 25 October 2023 onwards)</p> <p>Scale 2 – for residential & non-residential property at the following rates (from 22 Feb 2023 onwards):</p> <p>(i) Value at or below HK\$3,000,000 ⇒ HK\$100</p> <p>(ii) Value over HK\$3,000,000 ⇒ rates from 1.5% to 4.25%</p> <p>Where the property is a residential property, and the purchaser/transferee is a Hong Kong permanent resident acting on his/her own behalf and does not own any other residential property in Hong Kong at the time of acquisition, the instrument will be subject to AVD at lower rates (Scale 2).</p> <p>Special Stamp Duty (SSD) on the acquisition and disposal of residential properties on top of AVD, calculated at rate of 10% with holding period less than 2 years (with effective from 25 Oct 2023).</p> <p>Buyer's Stamp Duty (BSD) – Residential property acquired by any person (including an incorporated company), except a Hong Kong permanent resident, is subject to BSD at a flat rate of 7.5% (with effective from 25 Oct 2023) on sale consideration or market value, whichever is higher, on top of AVD and SSD.</p>
Value Added Tax on acquisition	All property	None.
Capital allowances / tax depreciation	Industrial and commercial	<ul style="list-style-type: none"> Industrial buildings – initial allowance at 20%; annual allowance at 4% on cost of



	Residential	<p>construction.</p> <ul style="list-style-type: none"> Commercial buildings (including hotels, offices) – annual allowance at 4% on cost of construction. <p>Residential property, if used for commercial purposes (such as staff quarters, earning rental income) – annual allowance at 4% on cost of construction.</p>
Taxation of rents	All property	<p>Rental income is taxable as follows:</p> <ul style="list-style-type: none"> Companies are subject to Profits Tax at a rate of 16.5%. <p>Individuals (residents and non-residents) are subject to Property Tax at a rate of 15%, after an allowance of 20% for repairs and outgoings. Individuals may elect for personal assessment, whereby all personal income is aggregated to enable taxpayers to utilise personal allowances, loss from proprietor/partnership businesses and mortgage interest.</p>
Deduction of expenses	All property	<ul style="list-style-type: none"> For companies, all rental expenses (including repairs, maintenance, building management fees, government rent and rates) are deductible to the extent that they are incurred for rental income. For individuals, no expenses are allowed, except for government rates, as the allowance of 20% for repairs and outgoings is given.
Deduction of interest	All property	<ul style="list-style-type: none"> For companies, interest on borrowing for generating taxable income is deductible. For individuals, interest on borrowing for generating taxable income is not deductible unless an election for personal assessment is made.
Wealth taxes	All property	None.
Inheritance and gift taxes	All property	Estate duty was abolished in 2006.
Other taxes on property	All property	Government rates are charged at a percentage of the rateable value (which is the estimated annual rental value) of the property. The current rate is 5%.
Taxation of profit on disposal	All property	Gains on disposal of capital assets are not subject to tax. However, profit from the sale of properties as a trading activity is subject to profits tax. (See SSD in “Transfer taxes on



		acquisition" above).
Special companies for property investment		Not applicable.
Tax planning tips		It is advisable to use a company to hold property. The transfer of ownership is done by transfer of shares, subject to stamp duty of 0.26% on net assets of the company, as compared to AVD (see "Transfer taxes on acquisition" above). Unlike property held by individuals, all expenses for generating taxable profit are deductible.
Any further information		
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HUNGARY

	Property type	Requirements
Permissions required by a foreign investor	Real estate other than land and forest	Natural and legal persons resident in the EEA, natural persons resident in Switzerland and branches of non-EEA resident companies may acquire real estate in Hungary without permission. Branches of non-EEA companies are limited to acquiring property that is used for their business activity. All other acquisitions are subject to permission.
	Land (agricultural land) and forest	Foreign companies may not acquire land and forest. Natural persons: To be able to buy more than 1 hectare of land, a person must be a registered farmer who is: "a natural person registered in Hungary or a citizen of a Member State who has a professional qualification in agriculture". A farmer may acquire ownership of land up to a maximum of 300 hectares, after taking into account the area of land he already owns and has a beneficial interest in. A farmer and a farmers' organisation may, with certain exceptions, acquire ownership of land up to a maximum of 1200 hectares, taking into account the area of land already owned by the farmer or the farmers' organisation, which is the maximum amount of land that may be acquired.
Types of tenure		Freehold and leasehold
Transfer taxes on acquisition		Transfer tax of 4% (duty), which also applies to transfer of companies holding real estate. Transactions (real estate property shares, real estate properties) between related parties can be tax exempt with plus conditions. Transactions can be taxed a reduced rate of 2% if the property is sold within 2 years and the sale is registered with the land registry, or at 3% if property is sold within 2 years.



Value Added Tax on acquisition		By default, real estate is VAT exempt. VAT is charged at 27% on construction parcels and property with an occupancy permit not older than 2 years or property for which no occupancy permit has yet been issued. Taxpayers may opt to pay tax on sales, which are exempt by default. A reverse charge applies in some transactions (and related services).
Capital allowances / tax depreciation		Corporate tax depreciation is between 2% and 6%, based on the useful life of real estate (5% if leased). Persons subject to personal income tax are entitled to 2%.
Taxation of rents		9% for persons subject to corporate tax, 15% for persons subject personal income tax.
Deduction of expenses		Conditions apply. Natural persons subject to personal income tax may assume a 10% cost ratio. This excludes deduction of further expenses.
Deduction of interest		Interest may only be deducted under corporate taxation. Conditions apply, including thin capitalisation rules.
Wealth taxes		None
Inheritance and gift taxes		18% general, 9% on residential property. Immediate relatives and spouses are exempt. Other conditions may apply.
Other taxes on property		Local taxes levied by municipalities (based on local authority decision): <ul style="list-style-type: none"> • Building tax (maximum HUF 1100/m²/year or 3.6% of adjusted market value) • Land tax (maximum HUF 200/m²/year or 3% of adjusted market value) • Communal tax (maximum HUF 17,000/year for individuals)
Taxation of profit on disposal		9% for persons subject to corporate tax, 15% for persons subject personal income tax. Persons subject to personal income tax enjoy an allowance based on years owned. Disposal after 5 years is fully exempt from personal income tax.
Special companies for property investment		Regulated real estate investment companies; public companies only, subject to registration by tax authority. Real estate Funds: further tax allowances. Further conditions apply.
Tax planning tips		
Any further information		



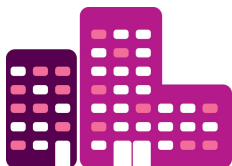
**UHY MEMBER FIRM
CONTACT DETAILS****Bergmann Accounting & Auditing**

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INDIA

	Property type	Requirements
Permissions required by a foreign investor	Commercial	In the case of a branch office (BO), liaison office (LO) or project office (PO) set up with the approval of the Reserve Bank of India (RBI), a declaration must be filed for any property acquired for the purpose of carrying out any permitted activity.
	Residential	For a private limited company incorporated in India, there are no specific restrictions except for companies with foreign direct investment engaged in the construction development sector.
Types of tenure	All property	This depends on whether the property is on freehold or leasehold land.
Transfer taxes on acquisition	All property	Stamp duty is payable at slab rates ranging from 1 % to 6% based on the total value of the property.
Value Added Tax on acquisition	All property	GST is payable at 12% of the value of the property (under construction or development) on the first purchase directly from the builder.
Capital allowances / tax depreciation	All property	Tax depreciation of 10% for commercial property and 5% for residential property.
Taxation of rents	All property	30% plus applicable cess and surcharge.
Deduction of expenses	All property	A notional deduction of 30% of the annual rent is available if the rental income is assessed as income from property rather than as business income. Other taxes paid in respect of any property are permitted as a tax-deductible expense.
Deduction of interest	Commercial	Interest is deductible in case of a BO, LO or PO, as long as the borrowing is approved by the RBI.
Wealth taxes		Not applicable
Inheritance and gift taxes		Not applicable
Other taxes on property	All property	Local body taxes and other statutory charges.
Taxation of profit on disposal	All property	Tax on long-term capital gains at 20% plus applicable cess and surcharge (if sold after 3 years of purchase). Tax on short-term capital gains at 30% plus applicable cess and surcharge (if sold within 3 years of purchase).



Special companies for property investment		
Tax planning tips		
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INDONESIA

	Property type	Requirements
Permissions required by a foreign investor	All Property Type	<p>Option for foreign investors to own a land/building in Indonesia is limited. Ownership by foreign investor can only be done via the below tenure.</p> <p>A foreign investor may acquire limited land titles in Indonesia by forming a direct foreign investment company (PT PMA).</p>
Types of tenure	All Property Type	<p>Right to Build ('HGB')</p> <p>Right to Use ('Hak Pakai')</p> <p>Right to Lease ('Hak Sewa')</p>
Transfer taxes on acquisition	All Property Type	<ul style="list-style-type: none"> • 2.5% final tax for the seller; • 1% luxury withholding tax for property above IDR 30 billion; • 5% duty on the acquisition of land/building rights by the buyer ('BPHTB').
Value Added Tax on acquisition	All Property Type	<p>VAT is charged 11%.</p> <p>Luxury Tax of 20% also applied on real estate with a sale price of IDR 30 billion or more.</p>
Capital allowances / tax depreciation	All Property Type	Tax depreciation of 20 years is applicable for permanent buildings.
Taxation of rents	All Property Type	10% final tax
Deduction of expenses	All Property Type	No expenses can be deducted by the seller.
Deduction of interest	All Property Type	No interest can be deducted by the seller.
Wealth taxes	All Property Type	Not applicable
Inheritance and gift taxes	All Property Type	If the property owned has been declared in an annual tax submission, no inheritance tax is applied. The transfer of title is taxed at 5% of the fair market value.
Other taxes on property	All Property Type	Land and Building Tax payable annually
Taxation of profit on disposal	All Property Type	Final tax of 2.5% as of 09 September 2016 (replacing 5% rate).
Special companies for property investment		
Tax planning tips		
Any further information		



**UHY MEMBER FIRM
CONTACT DETAILS****KAP Hananta Budianto & Rekan**

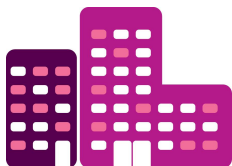
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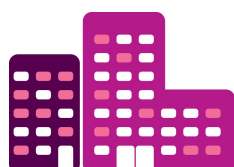


IRELAND

	Property type	Requirements
Permissions required by a foreign investor		None
Types of tenure		Freehold and leasehold
Transfer taxes on acquisition	Freehold / Leasehold	<p>Stamp Duty is payable on documents that transfer/agree to transfer an interest in property. The amount of Stamp Duty payable is calculated by reference to the value of the property transferred. The rates of Stamp Duty payable are as follows:</p> <ul style="list-style-type: none"> • Transfer of commercial property – flat rate of 7.5% • Transfer of residential property –1% on first EUR 1 million and 2% on excess. In certain circumstances this rate can increase to 10% for bulk purchase of residential properties. <p>Stamp Duty is also payable on lease agreements. The rate to be applied is calculated by reference to the duration of the lease.</p>
Value Added Tax on acquisition		<p>The transfer of property will be subject to VAT at a rate of 13.5% where the property is considered “new”. The supply of an “old” property is exempt from VAT with a joint option to apply VAT being available. There are complex rules in place to determine whether a property is considered “old” or “new”. A full VAT history of the property is required to ascertain such information.</p> <ul style="list-style-type: none"> • No VAT is charged on the capitalised value of long leases. • All leases granted after 1 July 2008 are exempt from VAT. A landlord can opt to tax/apply VAT to a letting (except residential lettings) whereby the rents become subject to VAT at 23%. • The supply of new properties within the first 5 years is always liable to VAT at 13.5%. <p>A capital goods scheme applies to properties for up to 20 years to readjust the VAT recovery on the acquisition in line with the</p>



		levels of recovery entitlements of the business.
Capital allowances / tax depreciation		<p>A capital allowances history of the property should be sought prior to purchase. On new buildings, an engineer's report may be required.</p> <p>Certain industrial buildings attract a 4% straight line tax deduction on the net cost of the building. For hotels, this is 15% p.a. for 6 years, then 10% in year 7.</p> <p>Other properties benefitting from these allowances include holiday cottages, student accommodation, third level education, nursing homes, sports injury clinics, multi-storey car parks, park-and-ride sites, and rental refurbishment schemes.</p>
Taxation of rents	Commercial / Residential	<p>A company is subject to corporation tax at a rate of 25% on rental profits. Any undistributed rental profits of a property company are also liable to an additional 20% surcharge if that company is controlled by 5 or fewer participators (a "close company").</p> <p>An individual is subject to income tax at a rate of either 20% or 40% on rental profits received. The tax payable is determined based on the individual's personal circumstances and income levels.</p> <p>A charge to Universal Social Charge (USC; ranging from 0.5% to 8% dependant on income levels) and Pay Related Social Insurance (PRSI; 4%) may also arise on the rental profits received, dependant on the individual's personal circumstances.</p>
Deduction of expenses	Commercial / Residential	<p>All expenses incurred in connection with the provision of accommodation are deductible from gross rental income when computing taxable profits. Any expenditure incurred on fixtures and fittings are deductible over an eight-year period from the date of acquisition, at a rate of 12.5% of the original cost.</p>
Deduction of interest	Commercial / Residential	<ul style="list-style-type: none"> • Generally, interest incurred on loans used to purchase or improve let property will qualify as a deduction from gross rents. • A deduction for the full amount of loan interest incurred is available where the property let.



Wealth taxes		There is no wealth tax in Ireland.
Inheritance and gift taxes	Commercial / Residential	<p>Capital Acquisitions Tax (CAT) is a charge to tax on gifts and inheritances in Ireland and is currently charged at a rate of 33%. The scope of Irish CAT is quite wide and covers scenarios in which the beneficiary or the disponent are tax resident in Ireland or the asset in question is located in Ireland.</p> <p>There are different exemption thresholds dependant on the relationship between the transferor and transferee. There are certain exemptions from CAT, including transfers between husband and wife.</p>
Other taxes on property	Commercial / Residential	<ul style="list-style-type: none"> Residential property owners are liable to a Local Property Tax (LPT), which is determined based on the market value of the property at a specified date. Commercial rates apply to commercial properties and are based on the market value of the property. The rates can vary region to region and are set by the local authority for the region in which the property is based. Ireland has a vacant property/homes tax called VHT. The objective of VHT is to increase the supply of residential properties available for sale or rent. VHT applies to residential properties in use as a dwelling for less than 30 days in a 12-month chargeable period. The rate of VHT for a property is 3 times the basic rate of Local Property Tax (increasing to 5 times the rate from 01 January 2024). The basic rate of LPT can be increased or decreased by the Local Authority for the region in which the property is located.
Taxation of profit on disposal	Commercial / Residential	<ul style="list-style-type: none"> Capital Gains Tax at 33% applies on any profit made on disposal of residential or commercial properties owned privately. Certain exemptions can apply. For Irish resident companies, any profit made on the disposal of residential or commercial properties is subject to Corporation Tax at an effective rate of 33%.
Special companies for		This is advisable for tax considerations, but

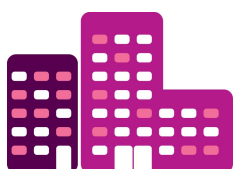


property investment		not a requirement.
Tax planning tips	Company or personal ownership	It is recommended that advice is sought in relation to the structure of the holding of any property, e.g. personally or through a corporate. Furthermore, advice should be sought in relation to any VAT planning opportunities.
Any further information	Commercial / Residential	A tenant is obliged to withhold tax at the standard rate (20%) from rental income paid to a non-resident landlord.
UHY MEMBER FIRM CONTACT DETAILS	UHY Farrelly Dawe White Limited FDW House, Blackthorn Business Park, Coes Road, Dundalk, Co. Louth, Ireland Contact Alan Farrelly Email alanfarrelly@fdw.ie Phone +353 42 933 9955 Website www.fdw.ie	



ISLE OF MAN

	Property type	Requirements
Permissions required by a foreign investor		No permission is required for foreign investment in Isle of Man real estate, although non-residents should register with the Isle of Man Treasury Income Tax Division and file non-resident income tax returns.
Types of tenure		Freehold and leasehold
Transfer taxes on acquisition	Freehold / Leasehold / Grant of lease	No transfer taxes are payable on the transfer of Isle of Man property.
Value Added Tax on acquisition	Commercial	VAT is payable on the purchase of a freehold commercial building in the three-year period following practical completion or if the vendor formally elects to charge VAT, except in the case of certain rented property. Anti-avoidance rules can invalidate such elections.
	Residential	VAT is not charged on the acquisition of residential property. Conversion relief is available where commercial property is converted to residential use and sold on.
Capital allowances / tax depreciation	Commercial	Capital allowances are available on commercial property as follows: <ul style="list-style-type: none"> • Industrial and agricultural buildings – 100% First year allowance • Plant and machinery – 100 % First year allowance • Part or all of the first-year allowance may be disclaimed if beneficial. • Commercial buildings allowance in certain designated zones.
	Residential	Capital allowances are available on fixtures and fittings relating to residential property at a rate of 10% of the cost per year.
Taxation of rents	All property	Rent is taxable on an accruals basis at a rate of 20%.
Deduction of expenses	All property	Repair and maintenance expenses are deductible unless they are capital in nature. Costs of administration and other costs incurred relating directly to the management of the property are also deductible. Relief for bad debts may be allowed.



Deduction of interest	All property	In general, all loan interest to purchase or improve let Manx property incurred will be deductible from rental income provided paid to a Manx lender.
Wealth taxes		There are no wealth taxes in the Isle of Man.
Inheritance and gift taxes		There are no inheritance or gift taxes in the Isle of Man.
Other taxes on property	All property	Rates and water rates are charged on property by the local authority.
Taxation of profit on disposal	All property	Profit on disposal is not taxable unless a trading transaction.
Special companies for property investment		There are no special types of company for making investments into Isle of Man real estate.
Tax planning tips		
Any further information		
UHY MEMBER FIRM CONTACT DETAILS	UHY Crossleys LLC PO Box 1, Portland House, Station Road, Ballasalla IM99 6AB, Isle of Man Contact Andrew Pennington Email apennington@crossleys.com Phone +44 (0)1624 822 816 Website www.crossleys.com	



ITALY

	Property type	Requirements
Permissions required by a foreign investor		No permissions are required by a foreign investor to acquire real estate in Italy.
Types of tenure	Freehold	Usufruct – maximum duration 30 years for legal persons or natural life for physical persons.
Transfer taxes on acquisition	Agricultural land	A registration tax of 15% is payable on agricultural land. If the purchaser is a qualified farmer, registration tax of 9% is payable.
	Residential	In the case of a resident individual purchaser who is acquiring a first home (non-luxury), registration tax of 2% is payable. In other cases, a registration tax of 9% is payable. A mortgage and cadastral registration tax of 3% is payable, except in the case of application of registration tax in a proportional amount or VAT, when such tax is payable at a fixed amount equal to EUR 100 (or EUR 400 if VAT is applicable).
Value Added Tax on acquisition	All property	VAT is payable if the vendor is an entrepreneur at the following rates: <ul style="list-style-type: none"> • General rate: 22% • Purchaser's first home: 4% • Non-luxury home: 10% •
Capital allowances / tax depreciation		Annual allowance equal to 3% is available for commercial and residential buildings owned by enterprises. Plant and equipment may be depreciated from 6% to 20% per annum depending on the activity.
Taxation of rents	All property	Resident companies are liable to corporation taxes at the rate of 28.82%. Non-resident companies, without a permanent establishment, are liable to income taxes at rate of 24%. Individuals (resident and non-resident) are liable to income tax at progressive rates from 23% to 43%.
Deduction of expenses	All property	If the building is rented, the taxable income for individuals (resident and non-resident) and non-resident companies is generally equal to 95% of the rental income without



		<p>any deduction for actual expenses.</p> <p>Individuals can apply a substitute tax treatment (if legal requirements are met) with a flat tax from 10% to 21%.</p> <p>If the building is rented and it is not destined for the company main business, the taxable income for a resident company is equal to the agreed rent less the sustained expenses to be deductible in an amount at maximum equal to the 15% of the rent.</p>
Deduction of interest	All property	<p>Interest on loans paid by a resident company is deductible from income only if the building is necessary for the main business of the company.</p> <p>Interest is not deductible for non-resident individual or company.</p>
Wealth taxes		There are no wealth taxes in Italy.
Inheritance and gift taxes	All property	Non-resident individuals are liable to gift and inheritance tax on property in Italy. The rates of tax vary from 4% to 8% depending on the nature and the size of the gift and the relationship between the parties. A cadastral registration tax of 3% is payable in all cases.
Other taxes on property	All property	<p>Municipal tax (IMU) is payable annually on the cadastral value of the property (ordinary rate 0.76%). Rates of tax vary from 0.46% to 1.06% depending on the municipality.</p> <p>Payment is by two six-monthly instalments.</p>
Taxation of profit on disposal	All property	<p>Resident companies are liable to corporation taxes at the rate of 28,82%.</p> <p>Individuals (resident and non-resident) and non-resident companies may apply a substitutive tax equal to 26% on profit arising from disposal.</p> <p>Individuals (resident and non-resident) and non-resident companies are not liable to tax if the disposal is made after more than 5 years after purchase.</p>
Special companies for property investment		Special Companies exist for the purpose of making fractionated real estate ownership safe and legally viable and managing financial risk in a better way.
Tax planning tips		<ul style="list-style-type: none"> • The use of a non-resident company to hold Italian real estate avoids gift and inheritance taxes. • If part of the purchase price is stated to be plant and equipment, increased



		<p>depreciation allowances are available and registration duty may be reduced.</p> <ul style="list-style-type: none"> • If an individual holds property for less than 5 years, profit on disposal may be subject to a substitutive tax (at the rate of 26%). • If an individual holds property for more than 5 years, profit on disposal may be free of income tax.
Any further information		
UHY MEMBER FIRM CONTACT DETAILS	FIDERCONSULT Srl (Tax & Accounting) Via Birmania 81, Rome 00144, Italy Contact Cristiano Fasanari Email c.fasanari@fiderconsult.com Phone +39 06 591 7469 Website www.fiderconsult.com	



JAPAN

	Property type	Requirements
Permissions required by a foreign investor		No permission is required for foreign investors to acquire real estate in Japan.
Types of tenure		Freehold and leasehold
Transfer taxes on acquisition		<ul style="list-style-type: none"> Land: 3.0% Residential building: 3.0% Non-residential building: 4.0%
Value Added Tax on acquisition	Land Buildings	VAT is not chargeable on the acquisition of land. VAT is payable on the sale of a building at the rate of 10%.
Capital allowances / tax depreciation	Buildings	Years of depreciation differ according to the building material and the purpose of use. Buildings acquired after 1998 are depreciated using a straight-line method. Service life years are regulated by Corporation tax law which is different from accounting. There are no special tax benefits for capital allowances.
Taxation of rents	All property	Corporations are liable to corporation tax at a rate of 30.62% (34.59% for SMEs). Individuals are liable to income tax at progressive rates up to a maximum of 55% (national tax 45% and local resident tax 10%).
Deduction of expenses	All property	Repairs and maintenance expenditure and expenses of management and administration are tax deductible.
Deduction of interest	All property	In general, interest payable on loans to acquire real estate for rental use is deductible against rental income. When rental business records a loss, part of the interest payable may not be deducted in aggregating profit and loss with other businesses.
Wealth taxes		There is no wealth tax in Japan.
Inheritance and gift taxes		Inheritance tax rates vary between 10% and 55%. Tax deduction for transfer between spouses is granted over 20 years after marriage. In case of gift, transfer tax on acquisition is reduced to 2.0%. In case of inheritance, transfer tax on acquisition is reduced to 0.4%.



Other taxes on property	All property (land, buildings and depreciable assets)	<p>Local authorities impose annual municipal property taxes, usually based on an assessed value.</p> <ul style="list-style-type: none"> • Fixed asset tax: 1.4% of tax base • City planning tax: 0.3% of tax base
Taxation of profit on disposal	All property	<p>Corporations are liable to corporation tax at a rate of 30.62% (34.59% for SMEs). Profits on disposal are regarded as business income. For individuals, there are two tax rates according to the ownership period of the properties:</p> <ul style="list-style-type: none"> • 20.315% for a period of 5 years or less • 39.63% for a period of over 5 years
Special companies for property investment	All property	<p>Special purpose entities (SPE) are available for certain property investments. Usually referred to as TMKs in Japan, SPEs are a specified purpose company created under the Act on Securitization of Assets that purchases real estate as part of securitization transactions. Japan Real Estate Investment Trusts (J-REITS) are special corporations for owning real estate and issuing investment securities that are traded on the securities exchange.</p>
Tax planning tips		<p>Regarding inheritance tax, special provisions for small-scale residential lots is useful and should be considered for tax planning.</p>
Any further information		<p>Land value is very much complicated because four different values are disclosed by different public department every year.</p> <p>It is strongly recommended to ask experienced tax professional regarding real estate tax matters.</p>
UHY MEMBER FIRM CONTACT DETAILS	<p>UHY Tokyo & Co JR Tokyo Meguro Building 4F, 3-1-1 Kami-Osaki, Shinagawa-ku Tokyo, 141-0021 Japan T: +81 3 6417 0141 F: +81 3 6417 0868 Contact: Nobuyuki Hara, Akira Wakatsuki Email: info@uhy-tokyo.or.jp Phone: +81 3 5410 1391 Website: www.uhy-tokyo.or.jp</p>	



KENYA

	Property type	Requirements
Permissions required by a foreign investor	Land	Under the new constitution, non-citizens and companies with shareholders who are non-citizens are barred from owning property on freehold tenure. The law allows them to own property on lease for a period not exceeding 99 years.
Types of tenure		Freehold and leasehold. However, Article 65 of the constitution provides that non-citizens can only hold land on the basis of leasehold tenure which shall not exceed 99 years.
Transfer taxes on acquisition		Stamp duty, based on valuation of the property, is applicable. Transfer of property in urban areas attracts stamp duty at a rate of 4%, and in rural areas it attracts 2%.
Value Added Tax on acquisition	Land and Commercial buildings	VAT is charged at 16% on commercial properties. Companies must acquire a Kenya Revenue Authority (KRA) PIN and register for VAT obligation.
Capital allowances / tax depreciation	Commercial and industrial property	<p>Industrial Building Deduction (IBD)</p> <ul style="list-style-type: none"> Commercial buildings with services: 25% Residential buildings with services: 25% Buildings in use for training of film producers, actors or crew: 100% Certified hostels and educational buildings: 50% for the first two years of operation. Hotels: 10% within 10 years of operation. Industrial Buildings: 2.5% within the first 40 years of operation. <p>Farm work deductions</p> <ul style="list-style-type: none"> Farmhouse- Allow 1/3 of the expenditure on one house. Employee houses qualify. Immovable buildings: 100% <p>Wear and Tear deductions</p> <ul style="list-style-type: none"> Class I (Heavy earth moving self-propelling equipment): 37.5% Class II (office electronic machinery and equipment): 30% Class III (other self-propelling machinery): 25% Class IV (other non-propelling machines): 12.5% Class V (computer software and telecommunication equipment): 20%



		<p>Investment Deduction (ID): Qualifying investment exceeding KES 200 million (outside Nairobi or the municipalities of Mombasa or Kisumu) attracts 150% investment allowance.</p> <p>Investments situated within Nairobi, Mombasa and Kisumu attracts 100% investment allowance.</p>
Taxation of rents	Residential	For residential property where turnover is less than KES 10 million, 7.5% on gross receipt of the rental is deducted and remitted to KRA on a monthly basis. Above KES 10 million, the net profit is taxed at a corporate rate of 30% annually.
	Commercial	For commercial properties, net profit is taxed at a corporation rate of 30% annually, and additionally, VAT at a rate of 16% is calculated on a monthly basis.
Deduction of expenses		Allowable expenses are outlined in Section 15 of the Income Tax Act. The expenses must have been incurred exclusively in the production of income.
Deduction of interest		<p>Allowable interest deduction is specified in Section 15(3) (a) of the Income Tax Act. The Act limits the deduction of interest expenses to a maximum of 30% of EBITDA of the company or branch.</p> <p>The Finance Act 2023 has amended changes to the interest restriction provisions. Interest on loans sourced from non-resident persons will be restricted in accordance with the interest restriction provisions, but interest on loans obtained from resident persons will be exempt from these restrictions.</p> <p>The interest restriction provisions are not applicable to: banks, financial institutions licensed under the Banking Act, micro and small enterprises registered under the Micro and Small Enterprises Act, microfinance institutions licensed and non-deposit taking microfinance businesses under the Microfinance Act, 2006 or entities licensed under the Hire Purchase Act or non-deposit taking institutions involved in lending and leasing business, companies undertaking the manufacture of human vaccines, companies engaged in manufacturing whose cumulative investment in the preceding five years from</p>



		the commencement of this provision is at least KES 5 billion ,companies engaged in manufacturing whose cumulative investment is at least KES 5 billion, provided that the investment shall have been made outside Nairobi City County and Mombasa County, holding companies that are regulated under the Capital Markets Act, and Companies involved in the affordable housing scheme are exempted, subject to Cabinet Secretary's approval.
Wealth taxes		Not applicable
Inheritance and gift taxes		Not applicable
Other taxes on property		
Taxation of profit on disposal		<p>Capital gains tax at a rate of 15% will be charged on profit upon disposal of property. However, there are exemptions,</p> <ul style="list-style-type: none"> • If an individual is a property dealer (i.e. in the business of buying and selling land). • If the building is exempt from Capital Gains Tax.Issuance by a company of its own shares and debentures • Transfer of property for the purpose of securing a debt or a loan. • Transfer by a creditor for the purpose of returning property used as security for a debt or a loan • Transfer by a personal representative of any property to a person as beneficiary in the course of the administration of the estate of a deceased person. • Transfer of assets between spouses. • Transfer of assets between former spouses as part of a divorce settlement or a separation agreement. • Transfer of assets to immediate family. • To a company where spouses or a spouse and immediate family hold 100% shareholding • A private residence if the individual owner has occupied the residence continuously for the three-year



		<p>period immediately prior to the transfer concerned</p> <p>Transfer of property as a result of internal restructuring within a group which has existed for at least 24 months, and which does not involve a transfer of property to a third party.</p>
Special companies for property investment		<p>There are no special companies for property investment in Kenya. However, corporations are commonly used for taxation purposes. Examples of these companies are Centum Investment company, Home Africa Limited, Ilam Fahari I-Redit and Lap trust I-Redit.</p>
Tax planning tips		<p>Use a professional to advise on determining taxable income and allowable expenses.</p> <p>Use of capital allowances.</p>
Any further information		
UHY MEMBER FIRM CONTACT DETAILS	<p>UHY Kenya PO Box 13550-00800, 1st Floor, Centro House, Ring Road, Westlands, Nairobi, Kenya Contact Mwai Mbuthia Email info@uhy-ke.com Phone +254 20 444 7196 Website www.uhy-ke.com</p>	



MAURITIUS

	Property type	Requirements
Permissions required by a foreign investor	All property	A non-citizen who wishes to hold or acquire an immovable property requires an authorisation under the Non-Citizens (Property Restriction) Act. Authorisations are granted, as the case may be, either by the Prime Minister's Office; or the Economic Development Board.
Types of tenure		Freehold and leasehold
Transfer taxes on acquisition		Duties payable: <ul style="list-style-type: none"> • Land transfer tax payable by the seller (5% of the value of the property). • Registration duty payable by the purchaser (5% of the value of the property). • IRS, PDS and RES attract different duties & taxes.
Value Added Tax on acquisition		VAT at the rate of 15% is payable on the acquisition of property in Mauritius in certain circumstances.
Capital allowances / tax depreciation	Industrial and commercial	Capital allowances, in the form of annual allowances, are available and are computed on a reducing balance basis or cost: <ul style="list-style-type: none"> • Industrial and commercial premises (excluding hotels) – 5% of cost. • Industrial premises dedicated to manufacturing – 30% of base value. • Hotels – 30% of base value.
Taxation of rents	All property	Rents are taxed at normal rates for the particular taxpayer after deductions of expenses. Current rates are: <ul style="list-style-type: none"> • Companies 15%. • Individuals up to 20%.
Deduction of expenses	All property	Repair and maintenance expenses are deductible unless they are capital in nature. Costs of administration and other costs incurred relating directly to the management of the property are also deductible.
Deduction of interest	All property	In general, interest paid on borrowing to acquire property is deductible against rental income from the property.
Wealth taxes		Not applicable.
Inheritance and gift taxes		Not applicable.

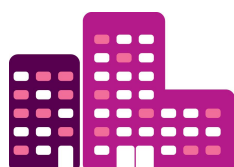


Other taxes on property		Municipal tax.
Taxation of profit on disposal		No capital gains tax is applicable in Mauritius.
Special companies for property investment		Not applicable.
Tax planning tips		No capital gains tax.
Any further information		
UHY MEMBER FIRM CONTACT DETAILS	UHY & Co Impasse Saipan, Vivéa Business Park, Moka, Mauritius Contact: Dominique Samouilhan Email contact@uhy.co.mu Phone +230 4609333 Website www.uhy.co.mu	



MOROCCO

	Property type	Requirements
Permissions required by a foreign investor	Commercial and residential	No permission is required for foreign investment in Moroccan real estate, other than for the purchase of agricultural land.
Types of tenure		Freehold and leasehold
Transfer taxes on acquisition		<ul style="list-style-type: none"> • A rate of 5% applicable on land available for construction. • A rate of 4% applicable on built land. • Other: 6%.
Value Added Tax on acquisition	All property	<ul style="list-style-type: none"> • Undeveloped land and the sale of real estate by a private individual is not subject to VAT. • The taxable seller can opt for VAT on the total price. • The standard VAT rate applied in Morocco is set at 20%.
Capital allowances / tax depreciation	Commercial and residential	<p>The depreciation and amortization rates for these properties are as follows:</p> <ul style="list-style-type: none"> • Commercial buildings: 2–5%. • Industrial buildings: 5%. • Residential or office buildings 1-2%. • Plant and machinery: 10–20%. • Fixtures and installations: 5-10%.
Taxation of rents	All property	<ul style="list-style-type: none"> • For individuals, a withholding tax of: • 10% for the gross amount of taxable property income less than 120.00 DH. • 15% for the gross amount of taxable property income equal to or greater than 120.00 DH. • The tax is between 10%-38%. • For corporations, the amounts of income tax rate correspond to the progressive scale in force in the taxable territory (approximately 12%, 25% and 32%).
Deduction of expenses	All property	<ul style="list-style-type: none"> • For Corporations: expenses for repairs, maintenance and improvement of dwellings as well as management and administrative expenses are tax-deductible expenses. • For private individuals: a standard allowance of 40% of rent.
Deduction of interest	All property	<ul style="list-style-type: none"> • Corporations: interest accrual is deductible • Private individuals: interest is deductible on a paid basis



Wealth taxes		It should be noted that there is no wealth tax in Morocco.
Inheritance and gift taxes		<ul style="list-style-type: none"> • Registration duty of 1%-1.5%. • There is no tax on gifts to family and relatives.
Other taxes on property	All property	Taxes for communal services
Taxation of profit on disposal		None
Special companies for property investment		None
Tax planning tips		Contact a tax advisor before investing in real estate as a private individual or a company.
Any further information		
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NICARAGUA

	Property type	Requirements
Permissions required by a foreign investor	All real estate	Nicaragua does not have requirements for foreigners to invest in real estate.
Types of tenure	All real estate	Freehold and leasehold.
Transfer taxes on acquisition	All real estate	A tax is paid that works as withholding or self-withholding that ranges from 1% to 7% depending on the highest value between the appraisal and purchase-sale deed.
Value Added Tax on acquisition	All real estate	The sale of real estate is exempt from VAT, except leasing.
Capital allowances / tax depreciation	Industrial and commercial	<ul style="list-style-type: none"> Industrial buildings – up to 10% annual (straight line) Commercial buildings – up to 5% annual (straight line).
	Leasing	Leasing buildings – up to 3.33% annual (straight line).
Taxation of rents	All real estate	Income derived from economic activity: 30% of the net income if it is considered capital income: 15% of the rental fee.
Deduction of expenses	All real estate	Normal repairs and maintenance are deductible. Improvements are capitalised and depreciated.
Deduction of interest	All real estate	Interest is normally fully deductible on all income producing properties.
Wealth taxes	All real estate	Only in the transfer of ownership because of the contribution made by a partner.
Inheritance and gift taxes	All real estate	It is considered a purchase and sale, therefore, the transfer tax on acquisition is applicable.
Other taxes on property	All real estate	The properties are taxed by the municipality with the real estate tax, which taxes 80% of the value of the property to which 2% is applied for this tax.
Taxation of profit on disposal	All real estate	This is known as capital gain, for this reason, the transfer tax is incurred on acquisition, applying a tax is paid that works as withholding or self-withholding that ranges from 1% to 7% depending on the highest value between the appraisal and purchase-sale deed.
Special companies for property investment	All real estate	Not applicable.



Tax planning tips		The transfer tax on acquisition is caused at the time the cadastral appraisal is issued, therefore, this tax must be paid after the issuance of this appraisal and not at the time the transfer of ownership of the property is carried out, since it could cause a duplication in the payment of this tax, said refund entails a rather cumbersome procedure.
Any further information		
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NORWAY

	Property type	Requirements
Permissions required by a foreign investor		No permission required. There are requirements for a residence obligation and an obligation to operate for certain types of properties.
Types of tenure		Freehold and leasehold
Transfer taxes on acquisition		With some exceptions, stamp duty is payable at 2.5% on the market value on transfer by sale of real estate. Leasing contracts for real property are not subject to stamp duty.
Value Added Tax on acquisition	All property	Transfer of real estate is normally not subject to VAT
Capital allowances / tax depreciation	Commercial	Tax depreciation is available as follows: <ul style="list-style-type: none"> • Office buildings: 2% per annum • Other buildings: 4–10% per annum
Taxation of rents	All property	Companies (resident and non-resident) are liable to corporate income tax at 22% on net rental income. Non-resident individuals are liable to Norwegian income tax at progressive rates from 22%.
Deduction of expenses	All property	Repairs and maintenance expenditure and costs of administration are normally deductible from rental income for tax purposes.
Deduction of interest	All property	In general, all interest in Norway is deductible from the rental income for tax purposes whether or not the lender is resident in Norway.
Wealth taxes	All property	There are no wealth taxes for companies. Individuals are subject to wealth taxes on capital exceeding MNOK 1.7 at a flat rate of 1,0% and capital exceeding MNOK 20 a flat rate of 1,1%
Inheritance and gift taxes	All property	There are no inheritance and gift taxes.
Other taxes on property	All property	Property tax applies to the assessed value of real property at rates between 0.2% and 0.7% depending of the location of the property. Some municipal authorities do not levy this

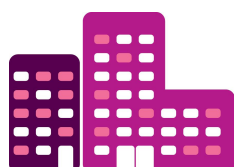


		tax.
Taxation of profit on disposal	All property	Gains on disposal of property by companies (resident and non-resident) are liable to corporate income tax at 22%. Non-resident individuals are liable to Norwegian income tax at progressive rates from 22%.
Special companies for property investment		There are no special companies for real estate investment in Norway.
Tax planning tips		It may be advantageously to own real estate through a limited company. When a company owning a real estate is sold, there is no stamp duty on transfer and, in many, cases no tax on profit of the sale of the shares when shares are owned by a limited company.
Any further information		Distribution of dividends to shareholders resident outside the EEA are subject to a 25% withholding tax, unless the rate is reduced under treaty.
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PAKISTAN

	Property type	Requirements
Permissions required by a foreign investor	Commercial / Residential	No permissions are required for a foreign investor except for Cantonment Board areas.
Types of tenure		Freehold and leasehold
Transfer taxes on acquisition	All property	Transfer taxes averaging 6% of the purchase value are payable. Adjustable withholding income tax is also deducted at a rate of 3% for active taxpayers and 10.5% for non-active taxpayers.
Value Added Tax on acquisition		No VAT is applicable on acquisition of property.
Capital allowances / tax depreciation	Commercial / property used for business purposes	Initial allowance at the rate of 15% of the cost of the building (being a depreciable asset) is allowed in the year of acquisition. Tax depreciation at the rate of 10% is allowed on reducing balance method.
	Residential / other	No allowance / tax depreciation is allowed on buildings either rented or used personally.
Taxation of rents		Companies are liable to pay tax at the rate of 29% on income from property, after deduction of certain expenses. Individuals and AOP pay tax at slab rates between 7.5%–35% on income from property, after deduction of certain expenses.
Deduction of expenses		Taxpayers are allowed maintenance and repair allowances of 20% of the rental income and other specific expenses like insurance, property tax, etc., as specified in the Income Tax Ordinance, 2001.
Deduction of interest		Deduction of interest is an allowable expense against income from property for all taxpayers.
Wealth taxes	All property	Wealth tax is not applicable on property in Pakistan. However, one percent income tax is applicable where fair value of all immovable properties exceeds 25 million subject to certain conditions and exclusions.
Inheritance and gift taxes	All property	Any property received by means of gift or inheritance is not subject to tax.
Other taxes on property	All types	Property tax is levied on the basis of annual rental value of the property, as determined by



		the government authorities. Rates vary depending on province.
Taxation of profit on disposal	Commercial / property used for business purposes	Disposal of depreciable assets is taxable to the extent of depreciation claimed.
	Residential / other	<p>Capital gain on disposal of property being open plot is taxable at the rate of 15% to 2.5% for the holding period from one year to six years. There is no tax on disposal after six years.</p> <p>Capital gain on disposal of property being constructed house is taxable at the rate of 15% to 5% for the holding period from one year to four years. There is no tax on disposal after four years.</p> <p>Capital gain on disposal of property being Flat / apartment is taxable at the rate of 15% and 7.5% for the holding period one year and two years respectively. There is no tax on disposal after two years.</p> <p>Adjustable withholding income tax is also deducted at a rate of 3% for active taxpayers and 6% for non-active taxpayers even property is disposed of after completing the taxable holding period.</p>
Special companies for property investment		A Real Estate Investment Trust (REIT) can be set up as per requirements of Securities and Exchange Commission of Pakistan (SECP).
Tax planning tips		Due to variety of issues involved and different tax rates for different categories of persons, there is wide scope for tax planning.
Any further information		
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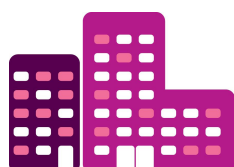


PANAMA

	Property type	Requirements
Permissions required by a foreign investor	All property	All property Under Panamanian law, foreigners must obtain an Investment Permit issued by the Ministry of Commerce and Industries (MICI) to purchase property in restricted areas, such as border lands or islands. To become a real estate broker, a license issued by the Technical Board is required. Furthermore, the foreigners investor require a visa and your Passport.
Types of tenure	All property	Horizontal property, lease or mortgage and concession
Transfer taxes on acquisition	All property	The sale of real estate located in Panama is subject to a 2% property transfer tax. The 2% property transfer tax rate is applied to the higher of the following amounts: <ul style="list-style-type: none"> • Sales price set forth in the public deed of transfer Panama • The cadastral value of the property on the date of the acquisition, plus any increase in value derived from improvements, plus 5% per year computed on the sum of the cadastral value and the improvements.
Value Added Tax on acquisition		None
Capital allowances / tax depreciation	All property	The average annual rate of depreciation is 3.33%, based on the type of property. Revaluation depreciation is non-deductible.
Taxation of rents	All property	Ordinary taxpayers, the sale of real estate, tax is calculated at a rate of 10% on taxable income. Advance income tax of 3% must be paid on the greater of the total value of the transfer or cadastral value. The above tax can be considered as final payment or the surplus can be reimbursed if the amount of the tax exceeds 10% of taxable income. Sales of homes and business premises by taxpayers engaged in real estate business. For the sale of home properties by taxpayers in the real estate business, the following rates are applied to the higher of the total value of the transfer or the land value. <p>US\$ 0 to US\$35,000 -0.5%; US\$35,000 to US\$80,000 -1.5%; Over US\$80,000 -2.5%; The</p>



		rate imposed on taxpayers in the real estate business for sales of new business premises is 4.5%.
Deduction of expenses	All property	Leasehold the expenses allowed: municipal taxes, maintenances and repairs, depreciation of the property. Ordinary taxpayers that are not engaged in the trade or business of the purchase and sale of real estate. This income is not considered in determining the taxpayer's taxable income, and the taxpayer may not deduct the transfer tax or transfer fees incurred.
Deduction of interest	All property	Interest paid by companies on loans to acquire real estate are deductible.
Wealth taxes	All property	Up to US\$.120,000.00-Exempt; From US\$ 120,000 up to US\$700,000-0.5%; More than B/.700,000.00-0.7%.
Inheritance and gift taxes	All property	In order for the donation between relatives to be legally perfected and take effect, an exemption from the Real Estate Transfer Tax (2%) must be granted by Resolution issued by the General Director of Revenues of the Ministry of Economy and Finance.
Other taxes on property		None.
Taxation of profit on disposal	All property	The seller has two options for calculating the capital gains tax: 1. Pay 10% of the taxable base, which is calculated as the difference between the purchase value and the sale value. Pay 3% of the taxable base, where the taxable base is the sale value or the cadastral value, whichever is greater. 2. The sale value is the sale price agreed between the parties. (Sales-purchase agreement) The cadastral value is the value in ANATI / public registry.
Special companies for property investment		The investment property companies are regulated by the Superintendence of the Securities Market. Real estate investment companies are those that invest eighty percent (80%) in real estate, in securities representing real estate rights, or in rights over real estate, or in the business of real estate development and management.
Tax planning tips		To be determined based on the purpose of the investment.

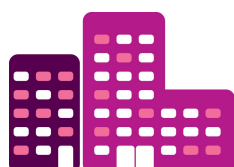


Any further information	
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PERU

	Property type	Requirements
Permissions required by a foreign investor		No permissions are required for foreign investment in real estate in Peru.
Types of tenure		Freehold and leasehold
Transfer taxes on acquisition		A 3% duty is payable on the transfer by sale or exchange of real estate.
Value Added Tax on acquisition	Commercial	New commercial buildings are subject to VAT at 18%.
	Residential	New residential buildings are subject to VAT at 18%.
	Commercial and residential	Used buildings and land used are not subject to VAT.
Capital allowances / tax depreciation	Commercial	An allowance of 5% is available on the costs of the construction of commercial property per annum straight line. Machinery and equipment is depreciated at various rates, usually between 40% and 50% per annum.
	Residential	No allowances are available for residential property.
Taxation of rents	All property	Companies (resident and non-resident) are liable to a corporate income tax rate of 29.5% after deduction of expenses.
Deduction of expenses	All property	Expenses of repair and maintenance are generally deductible for both corporations and individuals.
Deduction of interest	All property	In general, interest paid on loans for the acquisition of real estate is deductible from rental income.
Wealth taxes	All property	There is no annual wealth tax in Peru.
Inheritance and gift taxes	All property	There are no gifts or inheritance taxes in Peru.
Other taxes on property	All property	There are various provincial taxes on real estate. The rates of tax vary from province to province, but amounts are not material.
Taxation of profit on disposal	All property	Companies (resident and non-resident) are liable to a corporate income tax rate of 29.5%.
Special companies for property investment		Real estate investment corporations; real estate and investment stock companies.
Tax planning tips		There is no obligation to realise investments in Peru.



Any further information	
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PHILIPPINES

	Property type	Requirements
Permissions required by a foreign investor		40% foreign equity is permitted for land ownership.
Types of tenure	Leasehold	A foreign national and/or corporation may enter into a lease agreement with a Filipino landowner for an initial period of up to 50 years, renewable for another 25 years. Foreigners are allowed to lease private land for a period of up to 75 years. They can also purchase condominium units and townhouses up to 40% of the total available in a single property block. It is generally necessary to obtain permission from the local government for new construction, renovations or changes in land use.
Transfer taxes on acquisition		<ul style="list-style-type: none"> • Capital Gains Tax – 6% of actual sale price, market or zonal value, whichever is higher • Document Stamp Tax – 1.5% of the actual sale price, market or zonal value whichever is higher • Transfer Tax – 0.5% of the actual sale price (.75% for properties within Metro Manila), market or zonal value whichever is higher • Registration Fee – 0.25% of the actual sale price, market or zonal value whichever is higher.
Value Added Tax on acquisition		<ul style="list-style-type: none"> • Sale of property considered as an ordinary asset is subject to VAT of 12%. VAT applies when the selling price is more than PHP 3,199,200 for house and lot, and residential dwellings.
Capital allowances / tax depreciation	All properties	Corporations may deduct a reasonable allowance for the exhaustion, wear-and-tear or obsolescence of property used in trade or business. This allowance may be computed using the straight-line method, declining-balance method, sum of years digits method, or any other method that may be prescribed by the Department of Finance on the recommendation of the Commissioner of Internal Revenue.
Taxation of rents	All properties	<ul style="list-style-type: none"> • Rents received by lessor companies are included in the determination of income, subject to corporate tax at 20%/25%.



		<ul style="list-style-type: none"> Rents realised by individual taxpayers are subject up to 35% tax. Rents paid by lessees are subject to 5% creditable withholding tax. VAT on residential lease applies only for amounts in excess of PHP 15,000.
Deduction of expenses		Corporations may deduct all ordinary and necessary expenses paid or incurred during the tax year in carrying on their trade or business. These expenses include reasonable salaries or other compensation paid for the benefit of the corporation, and rentals and other payments necessary to conduct a trade or business.
Deduction of interest	All properties	In general, interest paid or accrued on indebtedness within a taxable year in connection with the taxpayers' professions, trade or business is deductible from gross income. However, the allowable deduction for interest expense is reduced to zero or 20% of interest income subject to final tax.
Wealth taxes	All properties	There is no wealth tax in the Philippines.
Inheritance and gift taxes	All properties	Estate tax is levied on the value of the deceased net estate in the Philippines at an imposed rate of 6%.
Other taxes on property		<p>Local government units impose tax on real property. A basic tax is imposed by provinces and cities on the assessed value of the property located in their jurisdiction. Owners of real property pay the tax at the following basic rates:</p> <ul style="list-style-type: none"> for real property located in the provinces, up to 1% for real property located in a city or municipality within Metro Manila, up to 2%. <p>An additional 1% tax for the Special Education Fund is also imposed on real property.</p>
Taxation of profit on disposal	All properties	<p>Gain on sale of real property by companies engaged in the real estate business is included as part of income and is subject to 20%/25% corporate tax.</p> <p>Gain on sale of real property by companies not engaged in the real estate business is subject to Capital Gains Tax of 6% plus 1.5% Documentary Stamp Tax.</p>
Special companies for		There are Real Estate Investment Trusts



property investment		(REITs) in the Philippines governed by REIT Law.
Tax planning tips		<ul style="list-style-type: none"> • To own land, set up a domestic company with 40% foreign equity or invest in condominium units where 100% ownership is allowed. • Retirees may invest in Philippine Retirement Authority (PRA) Accredited Buildings, where condo units can be owned 100% by foreigners.
Any further information		
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POLAND

	Property type	Requirements
Permissions required by a foreign investor		There are no restrictions for foreign investors who are citizens or business operators in the states being parties to the agreement on the European Economic Area or the Swiss Confederation. Other foreign investors require a permit issued by way of an administrative decision by the Minister of Interior. There are exemptions from the obligation to obtain a permit.
Types of tenure		Freehold and leasehold
Transfer taxes on acquisition		Contracts on the transfer of ownership of real property are subject to tax on civil transaction at a rate of 2% of the property value.
Value Added Tax on acquisition		The transfer of ownership of real property may be taxed at a rate of 23% or 8%, or may be exempt from VAT, depending on the designation of the property. The sale of agricultural land is exempt from VAT.
Capital allowances / tax depreciation	Commercial Residential	Commercial buildings, depreciation: 2.5% Residential buildings, depreciation: 1.5%
Taxation of rents		Private rental: <ul style="list-style-type: none"> • lump sum of 8.5% and 12.5% Business: <ul style="list-style-type: none"> • tax scale 12% and 32%; • flat rate tax 19%; • lump sum of 8.5% and 12.5%
Deduction of expenses		Repairs and maintenance expenditure and reasonable expenses of management and administration are tax deductible.
Deduction of interest		Interest paid is tax deductible cost
Wealth taxes		Real Estate Tax on: <ul style="list-style-type: none"> • land • buildings or their parts • construction structures or their parts associated with conducting a business activity. Rates are determined by the council of each municipality.
Inheritance and gift taxes		Inheritance and gift taxes are payable on the assessed value of the estate (or ownership) after deduction of debts. Various thresholds apply to transfers depending on the



		relationship between the beneficiaries and the donor. The rates of tax on gifts and inheritance in excess of the tax-free threshold amount is from 3%–20%.
Other taxes on property		None
Taxation of profit on disposal		<ul style="list-style-type: none"> • Corporate income tax 19% • Personal income tax 12%, 32%
Special companies for property investment		None
Tax planning tips		
Any further information		
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PORTUGAL

	Property type	Requirements
Permissions required by a foreign investor		There are no restrictions for non-residents.
Types of tenure		Freehold and leasehold.
Transfer taxes on acquisition		In the acquisition of properties, there is a tax, IMT (Municipal Tax on Property Transfer). It is a progressive tax rate, regarding properties intended for residential use (between 0% and 7.5%), for rustic buildings (5%) and for other urban buildings (6.5%). There is also a stamp duty subjection of 0.8%
Value Added Tax on acquisition		The transfer of properties is exempt from VAT and under certain circumstances the exemption may be waived.
Capital allowances / tax depreciation	Commercial	For properties used for economic activities, there are tax-accepted depreciations on the construction value of the properties. Rates vary between 2% and 5%. The land portion is not depreciable. For properties not used for economic activities, there is no depreciation.
Taxation of rents		Resident companies pay 21% of corporate income. For non-resident companies the tax rate is 25%. For resident and non-resident individuals the tax rate is 28%.
Deduction of expenses		Deduction of expenses related to real estate is allowed (in private individuals there is no depreciation).
Deduction of interest		Interest is deductible on properties used for economic activity (residents and non-residents). At the individual level, interest is not deductible. There is taxation on the tax value of properties (IMI): <ul style="list-style-type: none"> • rustic buildings 0.8% • urban buildings between 0.3% and 0.45%. These rates are valid for residents and non-residents.
Wealth taxes		There is no annual wealth tax in Portugal.

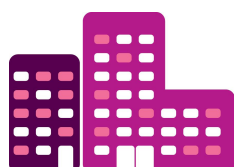


Inheritance and gift taxes		<p>In free transfers there is taxation in stamp duty which is levied on the tax value of the property. The tax rate is 10%, with exemption if transmission occurs between grandparents, parents, and children.</p> <p>There is a tax rate of 0.8% on the tax value in all circumstances.</p>
Other taxes on property		Not applicable.
Taxation of profit on disposal		<p>In resident companies, the gain obtained from the transfer of property is taxed at 21% over the corporate income tax. For non-residents the tax rate is 25%.</p> <ul style="list-style-type: none"> • In the private sphere, the gain is added to other income to be taxed at progressive tax rates.
Special companies for property investment		There are no special companies for holding property investment. However, for liability purposes and tax planning purposes, corporations are commonly used by non-resident owners.
Tax planning tips		Investment in Portugal by a non-resident company or individual may lead to different alternative structures which are worth exploring specifically for each transaction. The structure used may result in tax inefficiencies that could be avoided.
Any further information		
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QATAR

	Property type	Requirements
Permissions required by a foreign investor	All property	<p>In 2020, Qatar released a resolution that makes it straightforward for foreigners to buy property in specific designated areas and receive a permanent visa in return. The new rule applies to all properties, from residential to retail and commercial.</p> <p>There are two permit options: temporary and permanent. If you invest QR 730,000 or more (about USD 200,000), you'll get a temporary residency permit that allows them to live and work here. Those who spend more than QR 3.65 million (about USD 1 million) on investment in Qatar get a permanent residency permit and enjoy access to a variety of benefits like healthcare, education.</p>
Types of tenure	All property	Freehold and leasehold
Transfer taxes on acquisition		<p>The Transfer of Ownership fee is 0.25% of the property value payable by the purchaser. No registration fees are payable by the vendor on transfer.</p> <p>The grant or transfer of the right of leasehold amounts to 1% of the value of the price paid for the right and is paid by the grantee or transferee of the right.</p>
Value Added Tax on acquisition		There is currently no VAT in Qatar.
Capital allowances / tax depreciation		There is no income or capital gains tax in Qatar.
Taxation of rents		Companies liable for corporate income tax on net profit up to 10%.
Deduction of expenses		Deductions are based on international accounting standards.
Deduction of interest		Deductions are based on international accounting standards.
Wealth taxes		There is no wealth tax in Qatar.
Inheritance and gift taxes		No inheritance or gift tax is applicable in Qatar.
Other taxes on property		None
Taxation of profit on disposal		Companies liable for corporate income tax on net profit up to 10%.
Special companies for property investment		There are no special types of company for investment in Qatari real estate.



Tax planning tips		
Any further information		Banks in Qatar offer mortgages with competitive interest rates, flexible repayment options and long-term tenure.
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ROMANIA

	Property type	Requirements
Permissions required by a foreign investor	Agriculture land restrictions	No permissions are required for EU and EUU state citizens/companies to acquire property in Romania. Non-EU citizens can acquire real estate subject to reciprocity treaties. Romania has specific regulations regarding the acquisition of agricultural land by foreign individuals and entities. Foreign individuals and entities were generally restricted from acquiring agricultural land, with some exceptions. These restrictions were aimed at preserving agricultural land for local farmers.
Types of tenure	Buildings and land	Freehold with the destination of secondary residence
	Agriculture land, forest	Freehold with pre-emption right
	All property	Leasehold
Transfer taxes on acquisition	Land and buildings	Notary fees for signing the contract of sale and OCPI registration fees are paid by the purchaser. For individuals: a) 3% for constructions of any kind and their related costs, as well as on land of any kind without constructions, held for up to 3 years inclusive. b) 1% for the buildings described in letter a), held for more than 3 years. For companies, corporate income tax of 16% is applied on the profit transaction.
	Company shares	There is no taxable transfer if the company withholds more the 10% of the shares for at least one year, if there is a double taxation convention between Romania and the state of the non-resident company.
Value Added Tax on acquisition	Land and buildings	<ul style="list-style-type: none"> Exempt VAT for agriculture lands 9% on acquisition cost for social housing under RON 600,000 and maximum 120m² for individual buyers 19% for the non-social housing; Reversible charge if both seller and buyer are VAT payers



Capital allowances / tax depreciation	Land	Land is not depreciable.
	Buildings	Buildings are depreciated on a straight-line basis between 40-60 years.
Taxation of rents	Income for rent agriculture lands	<ul style="list-style-type: none"> • Individuals: 10% applied to the rental value • Individuals: 10% applied to the 60% rental value • Companies: Profit taxed at 16% as corporate income tax
Deduction of expenses	Agriculture lands	<ul style="list-style-type: none"> • Individuals: 40% of the rental value • Companies: Repairs, maintenance and expenses of management and administration
Deduction of interest		Interest is a deductible expense for companies if it does not exceed Euro 1,000,000.
Wealth taxes		Romania does not have a wealth tax.
Inheritance and gift taxes	Land and buildings	<ul style="list-style-type: none"> • Gifts are taxable except the donation between affiliated parties • 1% for inheritance procedures made two years after death.
Other taxes on property	Residential and non-residential buildings	For both companies and individuals, the tax on residential property is between 0.08% and 0.02% of the taxable value of the property. For non-residential property, the tax is between 0.2% and 1.3%.
	Land	Tax is paid according to the size and area where the land is located and its designation.
Taxation of profit on disposal	Agriculture land held for up to 8 years inclusive.	<p>For companies 16% is applied to profit on disposal of property.</p> <p>For companies, corporate income tax of 80% is applied on the profit agriculture land transaction.</p> <p>For individuals:</p> <p>a) 3% for constructions of any kind and their related costs, as well as on land of any kind without constructions, held for up to 3 years inclusive.</p> <p>b) 1% for the buildings described in letter a), held for more than 3 years.</p>
Special companies for property investment		There are no special companies for real estate in Romania.
Tax planning tips		It is recommended that property is held by using a company. The transfer of shares is not

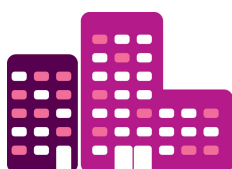


		taxable if the company holds more than 10% of the shares for at least one year.
Any further information		
UHY MEMBER FIRM CONTACT DETAILS	UHY Audit CD S.r.l. 142 Jiului Street, Suites 3/4, First District, Bucharest, Romania Contact Camelia Dobre Email camelia.dobre@uhy-ro.com Phone +40 72 236 4684 Website www.uhy-ro.com	



SAINT LUCIA

	Property type	Requirements
Permissions required by a foreign investor	All Property	Alien Landholding License
Types of tenure	All Property	Freehold, condominium, Leasehold
Transfer taxes on acquisition		Stamp Duty, Vendors Tax, VAT
Value Added Tax on acquisition		VAT on services
Capital allowances / tax depreciation		Capital Allowances between 5% to 25% may vary from Depreciation. Adjustments to income at filing.
Taxation of rents		Rent Income taxable on filing returns with expenses deductions
Deduction of expenses		At filing tax returns
Deduction of interest		At filing tax returns
Wealth taxes		N/A
Inheritance and gift taxes		N/A
Other taxes on property	Residential Property	0.25% of the open market value.
	Commercial Property	0.4% of the open market value.
	Combination Property	Apply residential rate to residential portion and commercial rate to the business portion.
Taxation of profit on disposal		Vendors tax at disposal. <ul style="list-style-type: none"> • Non-resident vendor – 10%
Special companies for property investment		Invest St Lucia and National Development Corporation
Tax planning tips		Professional Advisor
Any further information		Professional Advisor
UHY MEMBER FIRM CONTACT DETAILS	UHY Walcott & Associates Chartered Accountants Belgrave LN Sans Souci, Castries St Lucia, West Indies Contact: - Anthony Walcott Email: - awalcott@uhy-lc.com Phone: - 1 (758) 456-0900 Website: - www.uhy-lc.com	



SAUDI ARABIA

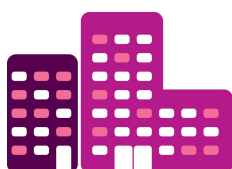
	Property type	Requirements
Permissions required by a foreign investor		Foreigners are allowed to own real estate in Saudi Arabia, subject to approval of the licensing authority.
Types of tenure		
Transfer taxes on acquisition		The buyer is charged the approved real estate transaction tax within the Kingdom at a rate of 5%, and this is disclosed to ZATCA through the seller, in addition to 20% on profit.
Value Added Tax on acquisition		The company can recover the value-added tax that was spent on the projects it has established, provided that the land is in the company's name and that it has a real estate disposition by the owner to the company, and on the condition of obtaining a Wafi certificate.
Capital allowances / tax depreciation		No tax is levied on capital gains realised by individuals from selling property, unless it is derived from a business or professional activity.
Taxation of rents		If these rentals are for commercial properties, they are subject to a Vat of 15%, and if they are residential properties, they are exempt from any taxes.
Deduction of expenses		None
Deduction of interest		None
Wealth taxes		None
Inheritance and gift taxes		There are no inheritance taxes in Saudi Arabia and Gifts are exempt from real estate transaction tax up to the third degree of kinship.
Other taxes on property		For land only, Saudi nationals must pay 2.5 % per annum.
Taxation of profit on disposal		Foreigners must pay 20% tax on sale of property.
Special companies for property investment		There are special companies for property investment in Saudi Arabia.



Tax planning tips

The following cases are exempted from disposal of real estate at a rate of 5%:

- Disposing of the property in dividing or distributing the estate
- It is not permissible to act upon the request of family or charitable relatives or licensed charitable advice
- Disposition of disposal for a governmental body, or for consideration by the public, and entities and projects of public benefit (which have this capacity according to civil request and invitation)
- Disposal of real estate by an independent governmental body, a public authority, outside the framework of economic, commercial, or commercial activity
- Act normally in cases of expropriation or temporary seizure of the property
- Disposing of property as a documented gift to a spouse, spouse, or relatives up to the third degree, on the condition of not disposing of it
- The leader giveaway would not have been subject to the exception for a period of 3 years from the date of the giveaway
- Acting pursuant to a documented legal will
- Act specifically for the purpose of use as a guarantee of performance or unless the work is performed as expected in its entirety
- Disposal of property with an effective date to allow real estate transactions through the execution of commercial contracts and financial leases
- Acting clearly and logically for a transfer between a fund and a custodian and vice versa, or with regard to security, keeping each other in accordance with the rules of the financial market
- Disposing of ownership as an in-kind share in the capital of a company established in the Kingdom - Justice of Law Firms - (not disposing of shares for a period of 5 years from the date of registration and monitoring the company with financial laws by an external auditor from residents)
- Disposition of conduct if any person is acting for a foreign government, a diplomatic or medical organisation, a member of the diplomatic or military corps.



Any further information	
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SINGAPORE

	Property type	Requirements
Permissions required by a foreign investor		<p>A foreign person who wishes to purchase the following landed residential property is required to seek Government approval.</p> <ul style="list-style-type: none"> • Vacant residential land; • Terraced house; • Semi-detached house; • Bungalow/detached house; • Strata landed house which is not within an approved condominium development under the Planning Act (e.g. townhouse or cluster house); Shophouse (for non-commercial use); • Association premises; • Place of worship; • Worker's dormitory/serviced apartments/boarding house (not registered under the provisions of the Hotels Act); and • Commercial & Residential properties <p>If approval is given, the property can only be used for owner occupation and that of family members as a dwelling house, and not for rental or any other purpose.</p> <p>A foreign person can purchase the following properties without approval:</p> <ul style="list-style-type: none"> • Condominium unit; • Flat unit; • Strata landed house in an approved condominium development; • A leasehold estate in a landed residential property for a term not exceeding 7 years, including any further term which may be granted by way of an option for renewal; • Shophouse (for commercial use); • Industrial and commercial properties; • Hotel (registered under the provisions of the Hotels Act); and • Executive condominium unit, HDB flat and HDB shophouse.
Types of tenure		Freehold and leasehold
Transfer taxes on acquisition		Buyer's Stamp Duty (BSD) is payable on the purchase and acquisition of residential and



		<p>non-residential properties located in Singapore, based on the purchase price or market value of the property, whichever is the higher, at the following rates:</p> <ul style="list-style-type: none"> • First SGD 180,000: 1% • Next SGD 180,000: 2% • Next SGD 640,000: 3% • Next SGD 500,000: 4% • Next SGD 1,500,000: 6% (Residential property only) <p>Additional Buyer's Stamp Duty (ABSD) is applicable to the purchase and acquisition on residential property (including land). For permanent residents in Singapore the rates are:</p> <ul style="list-style-type: none"> • First property: 5% • Second property: 30% • Third and subsequent property: 35% <p>For foreigners and entities, the rate is 15%. Under Free Trade Agreements, nationals and permanent residents of Iceland, Liechtenstein, Norway and Switzerland, and nationals of the United States of America are accorded the same stamp duty treatment as Singapore citizens.</p> <p>Seller's Stamp Duty (SSD) is applicable to property purchased or acquired after the following dates where the property is sold within the holding period.</p> <ul style="list-style-type: none"> • Residential property: on or after 20 February 2010 • Industrial property: on or after 12 January 2013.
Value Added Tax on acquisition	Industrial / Commercial	The sale of industrial and commercial property is subject to Goods and Services Tax (GST) of 8%.
	Residential	The sale of residential property is exempt from GST.
Capital allowances / tax depreciation	Industrial / Commercial	The Land Intensification Allowances (LIA) is available to businesses in sectors of industry with large land takes and low Gross Plot Ratios (GPR). LIA can be claimed on qualifying capital expenditure incurred on the



	Residential	<p>construction of a qualifying building or structure.</p> <p>No capital allowances are applicable to residential property.</p>
Taxation of rents	All property	<p>Companies are subject to corporate tax rate at 17% on its net chargeable income, which may include the net rental income.</p> <p>Non-resident individuals are subject to tax on the net rental income at 22%.</p>
Deduction of expenses	All property	<p>Expenses incurred solely for producing rental income and during the period of tenancy may be claimed as tax deduction. Examples of rental expenses include:</p> <ul style="list-style-type: none"> • Loan interest • Property tax • Fire insurance • Maintenance and repairs • Agent's commission, advertising, legal expenses and stamp duty to obtain, grant, renew or extend a lease for first and subsequent tenants • Replacing furnishings/hiring furniture • Administrative expenses; Internet and/or utility expenses (limited to 5% of the rental income)
Deduction of interest		<p>Companies resident in Singapore are generally able to deduct interest on borrowing to acquire Singapore real estate, whether or not the lender is resident in Singapore. A 15% withholding tax applies to interest paid to a non-resident lender, subject to treaty relief or if an exemption applies under domestic concessions.</p> <p>Non-resident companies and individuals within Singapore can deduct interest paid to Singapore lenders. Interest paid by a person outside Singapore is not deductible unless withholding tax has been deducted and accounted for with the Inland Revenue Authority of Singapore.</p>
Wealth taxes	All property	There is no annual wealth tax in Singapore.
Inheritance and gift taxes	All property	Estate duty has been removed for deaths on and after 15 February 2008.
Other taxes on property	Commercial / Industrial	Property tax is payable at 10% on the gross annual value of industrial and commercial properties.



	Residential	<p>The rate of tax for non-owner-occupied residential properties varies from 10% on the first SGD 30,000 of annual value to 20% for annual value above SGD 90,000.</p> <p>Tax rates for owner-occupied residential properties vary from 0% for the first SGD 8,000 of annual value to 16% for annual values above SGD 130,000.</p>
Taxation of profit on disposal		<p>There is no tax on capital gains in Singapore. However, if the gain is a trading receipt, it is taxable at 17% for a company after partial tax exemption on the first SGD 300,000 of chargeable income. For an individual, the gain is taxable at up to 22%.</p> <p>It is for the investor to prove that the gain is capital in nature. This depends on the intention of the owner when the property was acquired and on the owner's business activities.</p>
Special companies for property investment		Real Estate Investment Trusts (REITs)
Tax planning tips		<p>Frequent buying and selling of properties may indicate that a trade or business is being carried on, which is taxable at full income tax rates.</p> <p>If part of the purchase price of real estate can be attributed to plant and machinery, the capital allowance can be maximised.</p> <p>Borrowing from a Singapore bank (or Singapore branch of a foreign bank) avoids withholding tax on interest payments.</p>
Any further information		
UHY MEMBER FIRM CONTACT DETAILS	<p>UHY Lee Seng Chan & Co 6001 Beach Road, #14-01 Golden Mile Tower, Singapore 199589, Singapore Contact Lee Sen Choon Email senchoon.lee@uhyllsc.com.sg Phone +65 6395 5100 Website www.uhyllsc.com.sg</p>	



SLOVENIA

	Property type	Requirements
Permissions required by a foreign investor	All property	No permission is required for EU residents, or residents of countries which are members of OECD, EFTA. For residents of other countries where there is reciprocity for the acquisition of real estate, permission can be received upon request.
Types of tenure	All property	Freehold or leasehold.
Transfer taxes on acquisition	All property over 2 years old	Tax rate is 2%. Contract parties may agree on payer of tax.
Value Added Tax on acquisition	Property in use for less than 2 years and new property	Tax rate is 22% for business premises and apartments in a multi-apartment building if usable area exceeds 120 m ² or in a one-apartment building which exceeds 250 m ² of the residential building. Tax rate is 9.5% for apartments in a multi-apartment building if usable area does not exceed 120 m ² or in a one-apartment building if it does not exceed 250 m ² of the residential building.
Capital allowances / tax depreciation	All property	Maximum tax-deductible depreciation rate is 3% for buildings and 6% for individual parts of buildings (roof, carpentry, electrical installations etc.)
Taxation of rents	All property	Rent provided by a private person is taxed with 25% of income tax. Expenses reduce tax base as explained below.
Deduction of expenses	All property	The tax base is the achieved income, which is reduced by standardised costs in the amount of 10% of the achieved income. Instead of standardised costs, the taxpayer can claim the actual costs of property maintenance. However, neither standardised costs nor actual costs are recognised if the income is obtained by renting out agricultural land, forest land or on the basis of subletting.
Deduction of interest	All property	All interests on loans regarding acquisition of real estate are tax-deductible. Certain restrictions may apply for interests on loans from related entities.
Wealth taxes	All property	Progressive rate from 0.1% to 1.5% depending on the type of property. Many exemptions may be applied.



Inheritance and gift taxes	All property	Progressive rate from 5% to 39% depending on hereditary lines. Inheritance and gift tax is not paid by the heir or donee of the first line of succession.
Other taxes on property		
Taxation of profit on disposal		<p>Resident corporations are liable to corporation tax up to 19%.</p> <p>Natural persons may be taxed at 25% where property is sold before 5 years from the date of purchase, 20% after 5 to 10 years, and 15% after 10 years. Tax is not paid after 15 years from the purchase.</p> <p>Tax is not paid in case of disposal of an apartment or residential building (which has a maximum of two apartments, with the associated land), where the taxpayer had a registered permanent residence, owned it and actually lived there for at least the last 3 years before the disposal. The exemption does not apply if the property was used for a business activity or rented out.</p>
Special companies for property investment	All property	Property investment companies are treated as regular companies depending on their legal form (LLC, JSC, different types of investment funds).
Tax planning tips		
Any further information		
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SOUTH AFRICA

	Property type	Requirements
Permissions required by a foreign investor	All property	There are no special permissions for the acquisition of real estate by foreign investors in South Africa.
Types of tenure	All property	Leasehold and freehold
Transfer taxes on acquisition	All property	Transfer taxes are applicable on a sliding scale of 0% to 13% depending on value of property. Either VAT or transfer duty is paid – never both.
Value Added Tax on acquisition	All property	VAT is paid on residential property if acquired from developers who are VAT registered. VAT is paid on commercial and industrial property if the seller is VAT registered.
Capital allowances / tax depreciation	All property	2%–25% subject to varying circumstances.
Taxation of rents	All property	Rental income is taxed as follows: <ul style="list-style-type: none"> • Individuals: sliding scale, 18%-45% • Companies: 27%
Deduction of expenses	All property	Expenses are deductible providing they are incurred in the production of income.
Deduction of interest	All	Deduction of interest is allowable if related to the production of income.
Wealth taxes	All	Capital Gains Tax is applicable, depending on the owner. <ul style="list-style-type: none"> • Individuals: max. 18% • Companies: max. 21.6% • Trusts: 36%
Inheritance and gift taxes	All	Inheritance and gifts are subject to a 20% tax.
Other taxes on property	All	Assessment rates
Taxation of profit on disposal	All	Capital Gains Tax is applicable, depending on the owner. <ul style="list-style-type: none"> • Individuals: max. 18% • Companies: max. 21.6% • Trusts: 36%
Special companies for property investment	All	Real Estate Investment Trusts(REITs)
Tax planning tips		
Any further information		



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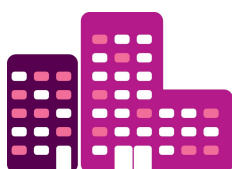
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SPAIN

	Property type	Requirements
Permissions required by a foreign investor		Individuals without Spanish nationality must apply to the Spanish Tax Agency for a tax identification number in order to obtain an identification number for tax purposes. If the investor is a company, the representative applying for the tax identification number on its behalf must be assigned a tax identification number.
Types of tenure		Freehold and leasehold
Transfer taxes on acquisition	Freehold / Leasehold	A transfer tax, which is usually 6% to 11%, is generally levied on <i>inter vivos</i> transfers, including real estate transfers and real estate leases that are exempt from VAT.
Value Added Tax on acquisition	All property	If the transferor is a VAT taxpayer, the transfer of Spanish real estate will usually be liable to VAT. Commercial properties are charged at 21%, properties at 10% and 4% in the case of subsidised housing under special regime or public development.
Capital allowances / tax depreciation	Commercial	Tax depreciation is available for resident companies at the following rates: <ul style="list-style-type: none"> • Industrial buildings – up to 3% (straight line) • Administrative and commercial buildings – up to 2% (straight line) • Warehouses – up to 7% (straight line) • Internal transport elements – up to 10% (straight line) • External transport elements – up to 16% (straight line) • Furniture – up to 10% (straight line) • Computers/tools – up to 25% (straight line) • Software – up to 33% (straight line).
Taxation of rents	All property	Income tax for non-resident taxpayers at the rate of 24% (19% for EU residents). Deemed income applies to non-resident individuals where the property is not rented. Calculated between 0.4% and 1.1% of the cadastral value (sometimes depending on the characteristics of the municipality), deemed income is taxed at a rate of 24% (19% for EU residents).
Deduction of expenses	All property	Expenditure on repairs and maintenance and



		on necessary administration costs are deductible for both companies and individuals if rented and if resident in the EU; otherwise, taxation is on gross income.
Deduction of interest	All property	Interest paid by companies on loans to acquire real estate are deductible for corporate tax purposes with a limit of the higher of EUR 1,000,000 or 30% EBITDA. Interest paid by non-resident individuals is deductible if resident in the EU.
Wealth taxes	All property	Non-resident individuals are subject to Spanish real estate wealth tax in the same way as Spanish residents. The general allowance is EUR 700.000 per person. Primary residences are tax exempt up to EUR 300.000. Tax rates are progressive and range from 0.2% to 3.5%. Autonomous communities can offer their own wealth tax relief or reductions. A wealth tax return must be submitted if the taxpayer is taxable or the assets (exempt or non-exempt) exceed EUR 2.000.000.
Inheritance and gift taxes	All property	Spanish Gift and Inheritance taxes goods and rights acquired by Spanish non-residents by inheritance, legacy or other type of succession, or by donation or other <i>inter vivos</i> legal transfers with no charge, whatever their nature, which are located, may be exercised or should be complied with in Spain. If there is a DTT signed between Spain and the non-resident's country of residence, taxation will depend on the DTT applicable. The tax is levied on the assets' net acquisition value. General tax rates vary from 7.65% to 34% depending on the size of the inheritance, although they can be modified by autonomous communities. The tax is collected by the regional authorities rather than central government.
Solidarity tax on large fortunes	All property	This is a <i>temporary</i> tax established for tax period 2022 and 2023 applicable to residents whose net asset value on December 31 is equal to or higher than EUR 3.000.000. The tax base is determined by the application of the rules of wealth tax regulations. The same occurs with the exemptions except



		for the EUR 700.000 exemption which only applies to tax residents in Spain. The rates of tax are progressive from 0% to 3.5%. This tax is complementary to wealth tax, so the wealth tax debt paid in relation to the same tax period should be deducted from the solidarity tax amount.
Local taxes	All property	<ul style="list-style-type: none"> - Real estate tax: levied annually by the local authorities on the ownership of real estate. - Local tax levied on the increase in the value of urban land, chargeable when urban real estate is sold. - Tax on constructions, installations, and building works, charged on the cost of certain works that require town planning licences.
Other taxes on property		Local taxes during maintenance period: IBI, garbage and tax on increase in urban land value when the property is transferred.
Taxation of profit on disposal	All property	Non-resident companies and individuals are liable to capital gains tax at a rate of 19%. A requirement of current tax legislation is that the purchaser of a property must withhold 3% of the purchase price if the seller is non-resident and pay it over to the tax authorities. The seller can reclaim the balance of the withholding tax over the final tax liability.
Special companies for property investment		<ul style="list-style-type: none"> • SOCIMI (Spanish REITs): 0% corporate tax rate (with certain conditions) • Real Estate Investments Funds: 1% corporate tax rate (with certain conditions) • Leasehold companies: can apply a bonus percentage of 40% to the quota corresponding to the income derived from the rental of housing.
Tax planning tips		To be determined based on the purpose of the investment.
Any further information		
UHY MEMBER FIRM CONTACT DETAILS	UHY Fay & Co Centro de Negocios Puerta de Banus Edif. B, Nueva Andalucia, Marbella E-29660, Spain Contact Bernard Fay Viota Email mailbox@uhy-fay.com Phone +34 952 764 065 Website www.uhy-fay.com	



SRI LANKA

	Property type	Requirements
Permissions required by a foreign investor	Commercial	A foreign investment approved by the Board of Investment (BOI) in Sri Lanka permitted to hold 100% ownership. A non-BOI investment permitted to hold a maximum of 49% ownership.
	Residential	Foreign citizens permitted to hold subject to 100% additional stamp duty. Leasehold, commercial and residential property permitted to hold 100% ownership.
Types of tenure	All Property	Freehold and leasehold.
Transfer taxes on acquisition		Stamp duty is at the rate of 3%.
Value Added Tax on acquisition	All Property	VAT is payable at 15% of the value of the property on first purchase directly from developers.
Capital allowances / tax depreciation	Commercial	Capital Allowance on building constructed – 5%, and all other tangible assets at the rate of 20%. Intangible assets subject to useful lifetime maximum of 20 years.
	Residential	Not applicable
Taxation of rents	Commercial	Rent income at the rate of 30% on business.
	Residential	Resident and non-resident individuals taxed at the rate from 6% - 36% tax slab. A 10% withholding tax is available.
Deduction of expenses	Commercial	Deductions available for business on actual basis.
	Residential	A notional deduction of 25% of the annual rent income is available for individuals.
Deduction of interest	Commercial	Interest expense is deductible subject to thin capital.
Wealth taxes		Not applicable
Inheritance and gift taxes		Not applicable
Other taxes on property	All Property	Local body taxes – Rate and Taxes.
Taxation of profit on disposal	All Property	Capital gain tax is 30% on business. Capital gain tax is 10% on individuals,
Special companies for property investment	Commercial	There is a provision for special companies for property investment.
Tax planning tips		



Any further information	
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SWITZERLAND

	Property type	Requirements
Permissions required by a foreign investor		Permission is required for certain investment in Swiss real estate.
Types of tenure		Freehold and leasehold
Transfer taxes on acquisition	All property	In most cantons and municipalities, the sale or transfer of real estate is subject to a transfer tax on the consideration or estimated market value. Rates vary depending on the location (e.g. Geneva 3%; Nidwalden and Schwyz 1%, Lucerne 1.5%). Some cantons do not levy transfer tax (i.e. Zurich, Zug).
Value Added Tax on acquisition	All property	The transfer of Swiss real estate is VAT-exempt (without credit). However, it is subject to VAT if the vendor has opted for the transfer.
Capital allowances / tax depreciation		<p>The following depreciation rates apply to business assets on a declining basis (in some cantons special rates apply):</p> <ul style="list-style-type: none"> • Non-industrial commercial buildings <ul style="list-style-type: none"> ▪ including land – 3% ▪ excluding land – 4% • Industrial buildings <ul style="list-style-type: none"> ▪ including land – 7% ▪ excluding land – 8% • Residential buildings <ul style="list-style-type: none"> ▪ including land – 1.5% ▪ excluding land – 2 %
Taxation of rents	All property	<p>Rental income with companies is subject to an effective federal tax of 7.8% and on cantonal/municipal level (e.g. Lucerne approx. 4.6% on profit before tax). The tax burden itself is tax-deductible.</p> <p>Individuals are liable to federal tax up to a maximum of 11.5% and to cantonal/municipal taxes (e.g. Lucerne about 20%).</p> <p>Rental income is ordinarily taxed and is – for international tax purposes – linked to the real estate.</p>
Deduction of expenses	All property	Expenses for repairs and maintenance and administration expenses are usually deductible.



Deduction of interest	All property	Interest is fully deductible from other income or profit. For individuals, certain restrictions apply. There may be a withholding tax on interest paid to a non-resident lender where the loan is secured on Swiss property.
Wealth taxes	All property	All cantons levy a tax based on the net wealth of individuals. Rates and deductions vary (e.g. Lucerne about 0.25%). Companies are subject to tax levied on the equity.
Inheritance and gift taxes	All property	Most cantons and municipalities levy gift and inheritance taxes. The rates vary according to the amount of the gift or inheritance, the relationship between the parties and the location of the real estate. There are no gift or inheritance taxes at federal level.
Other taxes on property	Residential	The rental value of self-occupied real estate is taxable as income.
Taxation of profit on disposal	All property	<p>Companies (resident and non-resident) are liable to federal taxes at an effective rate of 7.8% and to cantonal/municipal taxes (e.g. Lucerne approx. 4.2%) on after-tax-profits. The tax burden itself is deductible.</p> <p>On cantonal/communal level two different systems of taxation apply:</p> <ul style="list-style-type: none"> • Capital gains are subject to a special capital gains tax or to ordinary income tax. • Individuals are liable to cantonal/municipal taxes (e.g. Lucerne max. 25% on commercial assets (income tax), between 19% and 40% on privately held assets (special capital gains tax). Additionally, they are subject to federal tax up to 11.5% if the real estate is part of the business fortune.
Special companies for property investment		There are different types of companies for real estate investment in Switzerland (Real Estate Funds).
Tax planning tips		<ul style="list-style-type: none"> • Some cantons do not levy gift and/or inheritance taxes. • Based on double tax treaty regulations the transfer of Swiss real estate property is subject to tax in Switzerland and may be exempt from the taxable base abroad. • A double deduction for interest may be possible as Switzerland allocates worldwide debt in the ratio of the location of the assets, not according to the purpose of the borrowing, as in most countries.



		<ul style="list-style-type: none"> • For wealthy people, large Swiss real estate property may be acquired by/through a Swiss real estate fund. • The holding of a big real estate portfolio over a real estate company may be more favourable than holding directly.
Any further information		
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TAIWAN

	Property type	Requirements
Permissions required by a foreign investor	All property	Investment in real estate in Taiwan by a non-Taiwanese foreign investor is subject to central and local government approvals.
Types of tenure	All property	Freehold in general. Land earmarked by government for agriculture, forest reservation, fishing and cattle raising purpose can only be traded among farmers and fishermen; and the use of land is limited to the designated purpose.
Transfer taxes on acquisition	All property	For general real estate transactions, the following are paid by the seller: <ul style="list-style-type: none"> • Land incremental tax – ranging from 20% to 40% of land incremental value • Stamp tax – 0.1% of land value The following are paid by buyer: <ul style="list-style-type: none"> • Deed tax – 6% of building value • Stamp tax – 0.1% of building value
Value Added Tax on acquisition	All property	VAT is charged at 5% on the value of the building if the seller is a profit seeking enterprise. Land transactions are VAT-exempt.
Capital allowances / tax depreciation	All property	Depreciation over the useful life of an asset (land is excluded) is income tax deductible for profit-seeking enterprises, as follows: <ul style="list-style-type: none"> • Buildings – 3 to 50 years • Plant and fixtures – 3 to 15 years Depreciation is non-deductible for individual income tax.
Taxation of rents	All property	Rental income is taxable as follows: <ul style="list-style-type: none"> • 17% for profit-seeking enterprises • Individual income tax at progressive rates from 6% to 40% for Taiwan residents • 20% income tax (withholding) for non-Taiwan residents or of foreign enterprises with no fixed operational premises in Taiwan.
Deduction of expenses	All property	<ul style="list-style-type: none"> • Rental expenses, repairs, maintenances and other expenses related to the leased or self-owned real estate of a profit seeking enterprise are deductible • For Taiwan residents, rental expenses are deductible up to TWD 120,000 per year per return; repairs, maintenances and other



		<p>expenses related to the leased or self-owned real estate are not deductible</p> <ul style="list-style-type: none"> For non-Taiwan residents and foreign enterprises with no fixed operational premises in Taiwan, all expenses referred to above are non-deductible.
Deduction of interest	All property	<ul style="list-style-type: none"> Interest on loans to acquire real estate is deductible for profit-seeking enterprises. Not applicable to construction companies in respect of interest on loans for acquiring land for the purposes of selling (should be deferred for income tax purposes) Individuals may deduct interest up to a maximum of TWD 300,000 (net of interest income) per annum for interest loans for purchasing self-used residential building Not applicable for non-Taiwan residents and foreign enterprises with no fixed operational premises in Taiwan.
Wealth taxes		Not applicable
Inheritance and gift taxes	All property	<p>Individuals are subject to estate tax and gift tax at progressive rates from 10% to 20%. Agricultural land, real estate donated to central or local government, and real estate donated to public welfare, charity, culture or educational organisations is exempt.</p>
Other taxes on property	All property except agricultural land	<p>Annual 'land value tax' based on the assessed land value prescribed by government at the following rates:</p> <ul style="list-style-type: none"> Self-used residential land – 0.2%. Land reserved for public facilities – 0.6%. Land designated for industry, mining, private parks, zoos, sports stadiums, temples, churches, or government-designated scenic spots or historical sites – 1% Other land – progressive rates from 1%-5.5% <p>Annual 'building tax' based on the assessed building value prescribed by government at the following rates:</p> <ul style="list-style-type: none"> Self-used residential buildings – 1.2%-3.6% Buildings used for business purposes – 3%-5% Private clinics and hospitals – 1.5%-2.5%

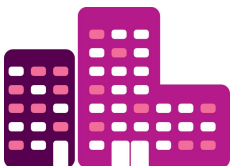


Taxation of profit on disposal	All property	<p>The net gain on disposal of land and building are subject to income tax as follows :</p> <ul style="list-style-type: none"> • Profit-seeking enterprises – income tax rates based on holding period from 20% to 45% and 10% surtax for undistributed earnings • Individuals – income tax rates based on holding period from 15% to 45% • Foreign enterprises with no fixed operational premises in Taiwan and non-Taiwan residents – income tax rates based on holding period from 35% and 45%.
Special companies for property investment		Not applicable
Tax planning tips	Land and buildings	The sale of land is VAT-exempt
Any further information	Real estate acquired during a merger or acquisition	<p>According to the Mergers and Acquisitions Act, in a merger or acquisition where the new shares issued by acquiring profit-seeking enterprise comprise more than 65% of the total consideration for acquiring the shares or assets of the acquired entity, the following exemptions apply:</p> <ul style="list-style-type: none"> • Stamp duty and deed tax incurred by contracting and real estate transfers are exempt • Land value increment tax incurred by land deeded to the acquiring entity is assumed by the acquiring entity and payment is suspended until the next transfer.
UHY MEMBER FIRM CONTACT DETAILS	<p>UHY L&C Company, CPAs Suite 2, 2nd Floor, No. 20 Beiping East Road, Taipei 10049, Taiwan Contact Brian Lin Email brianlin@uhy-taiwan.com.tw Phone +886 2 2391 5555 Website www.uhy-taiwan.com.tw</p>	



UKRAINE

	Property type	Requirements
Permissions required by a foreign investor		In general, no permissions are needed for foreign investors to acquire Ukrainian real estate. Ukrainian legislation generally does not restrict or limit the extent of foreign investment or equity participation of a foreign investor in Ukrainian business. However, some restrictions on foreign ownership apply to highly regulated businesses (e.g. insurance companies). There is also a restriction on ownership of agricultural land, which cannot be transferred to foreigners, stateless persons, foreign legal entities or foreign states.
Types of tenure		Freehold and leasehold
Transfer taxes on acquisition	All property	Ukraine does not impose transfer tax. However, the transfer of title on certain assets is usually subject to notary deed and/or state registration.
Value Added Tax on acquisition	Leasehold	Transfer of real estate to lease in Ukraine is VAT-exempt (except for finance lease).
	Freehold	Acquisition of real estate is generally charged at 20% VAT. Residential buildings are VAT-exempt, with the exception of the first acquisition of new residential property.
Capital allowances / tax depreciation	All property	Amortisation or depreciation is available on all capital assets, including both fixed and intangible property, other than land, goodwill, fixed assets under conservation, and non-business-related capital assets.
Taxation of rents	All property	Income from property lease (sublease), including residential rentals, is generally taxable at the rate of 18 %.
Deduction of expenses	All property	Expenses are deductible if they have been incurred in the course of a company's business operations. Certain expenses are non-deductible, including the write-down in value of equity instruments reclassified to



		financial liabilities to UAS or IFRS, and included in financial profit (loss) before tax. Adjustments may be required to comply with Ukrainian transfer pricing legislation.
Deduction of interest	All property	Interest paid generally is deductible for corporate income tax purposes. However, the deduction of interest in favour of non-resident related parties is limited under the thin capitalisation rules.
Wealth taxes	Residential	Ukraine does not impose net wealth tax. Tax rates for residential and non-residential real estate owned by individuals and legal entities are established by local authorities depending on location and type of real estate in the amount which does not exceed 1.5% of the minimum wage established by law as of 1 January of the reporting (tax) year, for 1 square meter of the tax base. However, if the taxpayer owns residential real estate, the total area of which exceeds 300 square metres (for apartments) and / or 500 square metres (for private houses), the amount of tax is increased by UAH 25,000 per year for every such object of residential real estate.
Inheritance and gift taxes	All property	Inheritance of real estate, chattels, securities, corporate rights, etc. and gifts are taxable at the following rates: <ul style="list-style-type: none"> • 0% if the recipient is resident and classified as a close relative. • 5% if the recipient is resident but not classified as a close relative. • 18% if the recipient is non-resident but the testator was a resident (or vice versa), unless otherwise provided by international agreement on avoidance of double taxation.
Other taxes on property		
Taxation of profit on disposal	All property	Profits of companies from real estate are generally treated as taxable, and subject to corporate income tax at the rate of 18%, including capital gains which are treated as



		ordinary income.
Special companies for property investment		There are special investment funds, which are obligatory for investing and financing of building of residential property.
Tax planning tips		Ukraine does not have a general anti-avoidance rule. However, to prevent tax avoidance, restrictions are imposed on the deductibility of expenses in certain cases.
Any further information		
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UNITED ARAB EMIRATES

	Property type	Requirements
Permissions required by a foreign investor	All property	Only designated real estate developments are available to non-UAE nationals for investment purposes.
Types of tenure	All property	There are freehold, as well as leasehold properties available to non-UAE nationals.
Transfer taxes on acquisition	All property	<p>The Government of Dubai's Land Department levies fees for registering changes in ownership of property. Land registration fees, which are similar in nature to Stamp Duty, are 4% of the property price + Admin fees (AED 580 for apartments and offices, AED 430 for land, AED 40 for off-plan)</p> <p>Registration Fees for properties valued below AED 500,000 = AED 2000 + 5% VAT</p> <p>Registration Fees for properties valued above AED 500,000 = AED 4000 + 5% VAT.</p> <p>There may also be brokerage charges if brokers are involved, likely to be in the range of 2%-5% of the transaction value.</p>
Value Added Tax on acquisition	All property	The rent or sale of the residential property (incl. residential part of the building) shall be subject to VAT as 0% or exempt, depending on whether it is a first supply (which is treated as zero rated supply) or subsequent supply (which are exempt). However, commercial properties are charged at 5% VAT on acquisition.
Capital allowances / tax depreciation	All property	<p>Real estate investment income (incl. Rentals and capital gain) is not subject to corporate tax in the hands of Natural Person, provided that such activity does not require to be conducted through a Licence from a Licensing Authority. However, Rental income and/or sale of property by taxable person (other than Natural Person, i.e. Juridical Person) shall be subject to corporate tax.</p> <p>Depreciation on the building incorporated in financial statement based on IFRS shall be allowed as deductible expense.</p>
Taxation of rents	All property	There is no tax on rental income in the UAE.



Deduction of expenses		All the business expenses (subject to restricted expenses) incurred to generate taxable income (that is subject to corporate tax) shall be allowed as deductible expenses.
Deduction of interest		Interest expenses incurred for business purpose shall be allowed as deductible expenses, subject to Arm's length Principle (ALP) and Interest Limitation Rules (ILR).
Wealth taxes	All property	There is no incidence of wealth tax in the UAE.
Inheritance and gift taxes	All property	There is no inheritance or gift tax applicable in the UAE.
Other taxes on property	Freehold property	There are no taxes other than mentioned above.
Taxation of profit on disposal	All property	Tax provisions on profit on sale of property is covered above.
Special companies for property investment	All property	SPV as UAE offshore companies shall be subject to corporate tax on the basis of Permanent Establishment Rule.
Tax planning tips		
Any further information		
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UNITED KINGDOM

	Property type	Requirements
Permissions required by a foreign investor		<p>No specific permission is required for foreign investment in UK real estate, although since 01 August 2022, overseas entities are required to provide details of their beneficial ownership and structure to the Company Registrar.</p> <p>The regulations apply, retrospectively, to overseas entities who previously bought property or land on or after:</p> <ul style="list-style-type: none"> • 01 January 1999 in England and Wales • 08 December 2014 in Scotland <p>The deadline for registration was 31 January 2023, however it is believed that many overseas landlords are still unaware of the requirements and obligations.</p>
Types of tenure		Freehold, leasehold, licence to occupy.
Transfer taxes on acquisition	Freehold / Leasehold	<p>Stamp Duty Land Tax (SDLT) is payable on the transfer by sale or exchange of UK real property. SDLT is not payable in Scotland, where it has been replaced by Land and Buildings Transactions Tax – the rates and rules are broadly similar. Slightly different rules may also apply to land and property purchased in Wales as each constituent country sets its own rules for SDLT.</p> <p>For residential property, rates are as follows:</p> <ul style="list-style-type: none"> • Up to GBP 125,000 – 0% • Next GBP 125,000 – 2% • Next GBP 675,000 – 5% • Next GBP 575,000 – 10% • Remaining amount (over GBP 1.5 million) – 12%. <p>A further 3% surcharge is payable for individuals buying an additional property and for companies.</p> <p>An additional surcharge applies for non-resident purchasers of UK land or property.</p>



	Transfer of Lease	<p>For non-residential property, rates are as follows:</p> <ul style="list-style-type: none"> • Up to GBP 150,000 – 0% • Next GBP 100,000 – 2% • Remainder over GBP 250,000 – 5% <p>The above surcharges do not apply to non-residential property.</p> <p>There are many reliefs and exemptions available for SDLT and specialist advice is often needed to ensure these are claimed correctly.</p> <p>SDLT is payable on the assignment of a lease, and is charged on the Net Present Value of the rent payable over the term of the lease.</p>
Annual Tax on Enveloped Dwellings (ATED)		<p>An annual tax (ATED charge) applies to companies that hold properties valued at more than £500,000. The charge also applies to partnerships with corporate members and collective investment schemes. A return must be filed by 01 April each year.</p> <p>Chargeable amounts for 01 April 2023 to 31 March 2024</p> <p><u>Property values with annual charges</u></p> <p>More than £500,000 up to £1 million: Annual charge £4,150</p> <p>More than £1 million up to £2 million: Annual charge £8,450</p> <p>More than £2 million up to £5 million: Annual charge £28,650</p> <p>More than £5 million up to £10 million: Annual charge £67,050</p> <p>More than £10 million up to £20 million: Annual charge £134,550</p> <p>More than £20 million: Annual charge £269,450</p> <p>Periodic revaluations must be undertaken at</p>



		dates set by HMRC. Penalties may apply for failure to submit a return or underpayment of tax.
Value Added Tax on acquisition	Commercial	VAT is payable on the purchase of a freehold commercial building in the three-year period following practical completion or if the vendor formally elects to charge VAT, except in the case of certain rented property. Anti-avoidance rules can invalidate such elections.
	Residential	VAT is not charged on the acquisition of residential property. Conversion relief is available where commercial property is converted to residential use and sold on.
Capital allowances / tax depreciation	Commercial	Capital allowances are available on commercial property as follows: <ul style="list-style-type: none"> • 100% allowances for certain specified energy saving and water efficient plant; • 100% Annual investment allowances up to GBP £1m from April 2023 (not available to certain partnership arrangements or on cars) • Plant and machinery – 18% and 8% for 'integral fittings', claimable on a reducing balance.
	Residential	There are no allowances given for the construction of or installation of plant within residential property, although relief is given for replacement equipment, appliances and furnishings provided by a landlord.
Taxation of rents	All property	Rent is taxable on an accruals basis at the following rates: <ul style="list-style-type: none"> • All non-resident landlords are subject to corporation tax at rates up to 25% • Rent paid to a non-resident owner is subject to withholding tax at 20% (on the gross rent) unless the rent is retained by a UK agent or the owner elects to make payments on accounts under the self-assessment procedures.
Deduction of expenses	All property	Repair and maintenance expenses are deductible unless they are capital in nature (then see capital allowances above).
		Costs of administration and other costs



		incurred relating directly to the management of the property are also deductible. Relief for bad debts may be allowed.
Deduction of interest	All property	<p>In general, all interest loans to purchase or improve let UK property are deductible by corporates from rental income. Deductions for loan interest payable by individual landlords are being limited to the basic rate of 20%.</p> <p>Interest paid to a non-UK lender may be liable to withholding tax at 20%, unless a treaty claim is made that reduces the rate of tax. Relief for interest payable to a connected party abroad may be restricted where it is excessive or considered tax avoidance.</p> <p>UK companies/groups with net interest expense above a GBP 2 million de minimis threshold will face an interest limitation.</p>
Wealth taxes		There is no wealth tax in the UK.
Inheritance and gift taxes	All property	<p>A non-UK domiciled individual is liable to UK inheritance tax (IHT) on certain lifetime gifts of UK property and on the value of UK property on death. Loans secured on the property are deductible in computing the IHT payable. Transfers between spouses are normally exempt (unless only one is non-domiciled in the UK) and the first GBP 325,000 of chargeable transfers is effectively exempt from IHT. UK-domiciled individuals are liable to IHT on their worldwide estate above the first GBP 325,000.</p> <p>Additional IHT exemptions are available in limited circumstances.</p>
Other taxes on property	Commercial	Local authorities levy annual taxes known as uniform business rates. Water rates may also be levied.
	Residential	Council Tax is charged on residential property by the local authority, and water rates by the water company.
Taxation of profit on disposal	All property	UK resident companies are liable to corporation tax at up to 25%.
	Commercial	Companies and individuals not resident in the UK are not normally liable to UK tax on the



	Residential	<p>disposal of UK commercial real estate held as an investment. There are important exceptions: if the asset is part of a UK branch; and where the property was acquired wholly or mainly to realise a gain on disposal, e.g. because it is dealing in or developing UK property for resale.</p> <p>The sale by an individual of a main residence is generally exempt from tax. A sale where the property is held as an investment that is not a principal home is taxed on an individual at either 18% or 28% depending on other income for the year. The tax residence status of the disponor is not relevant.</p> <p>Where the disponor is a company (resident or non-resident) the tax rate is generally 25%.</p>
Real Estate Investment Trusts (REITS)		<p>A REIT is typically exempt from corporation tax on both gains and rental income. The company must meet several stringent requirements to qualify as a REIT.</p> <p>Withholding tax at 20% is paid on property income distributions and further taxes may be levied on distributions of property income depending on the tax status of the investor.</p>
Tax planning tips		<p>Given the complex nature of UK tax on real estate investments, careful planning is essential. Land development transactions add a further dimension to business modelling.</p>
Any further information		
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UNITED STATES OF AMERICA

	Property type	Requirements
Permissions required by a foreign investor		No Federal Government approvals are needed by foreign investors, although certain investments need to be reported to the US Commerce Department. Investments in agricultural land should be reported to the US Secretary of Agriculture. Individual states may impose ownership restrictions and reporting requirements on foreign investors.
Types of tenure		Freehold and leasehold
Transfer taxes on acquisition	Freehold / Leasehold	No federal stamp duty is payable on the acquisition of US real estate; however, certain states impose transfer taxes and/or mortgage recording taxes.
Value Added Tax on acquisition	All property	The United States does not have VAT. Some states may impose a franchise or net worth tax on the value of the real estate.
Capital allowances / tax depreciation	Commercial	Commercial property (other than land costs) is depreciable over 39 years (straight line). Multi-family dwellings are depreciated over 27.5 years.
Taxation of rents	All property	<ul style="list-style-type: none"> • US resident companies are liable for income tax on net profit up to 21%. • Non-resident companies are liable for corporate income tax up to 21% and, in addition, for branch profits tax unless protected by a double taxation treaty. • Non-resident individuals are liable for federal income tax on net profit up to 37%. • State income taxes are normally payable in addition.
Deduction of expenses		Repair and maintenance expenditure is normally deductible from rental income in the period in which it is incurred. Expenses of management of the real estate itself, and state and local property taxes are also deductible. Director's remuneration is normally deductible to a US corporation and to a non-US corporation with a US trade or business. A foreign investor's ability to deduct a net rental loss against other US source income



		may be restricted under the 'passive activity' limitation.
Deduction of interest		<p>Interest payable on borrowings to acquire US real estate is deductible against rental income if the owner is engaged in a US trade or business.</p> <p>Interest is deductible whether paid to a US or non-US lender, but a withholding tax of 30% applies to interest paid to a non-US lender unless reduced by a tax treaty. If the withholding rate is reduced, interest stripping rules may apply to limit a current deduction for interest paid by a US Corporation.</p>
Wealth taxes		The US does not impose a wealth tax.
Inheritance and gift taxes		<p>Non-US-domiciled individuals are liable for US estate and gift taxes on the value of gifts of US real estate and on US real estate passing on death. For 2024, the rates of tax are progressive, the maximum rate being 40% on taxable estates in excess of USD 13,610,000 for US-domiciled individuals and USD 185,000 for non-US-domiciled individuals. Transfers to a US-domiciled spouse defer estate tax until the second death.</p>
Other taxes on property		State and local authorities may impose annual taxes on real estate, usually based on an assessed value.
Taxation of profit on disposal		<ul style="list-style-type: none"> • US resident corporations are liable for corporate income tax up to 21%. • Non-resident corporations are liable for corporate income tax up to 21% and, in addition, to a branch profits tax unless protected by a double tax treaty. • When buying property from a non-resident, the purchaser is generally required to withhold tax equal to 15% of the purchase price. • Gain from the sale by resident and non-resident individuals is subject to individual income taxation, usually at a rate of 20% of the appreciation (sales price minus original cost basis) and 25% on unrecaptured depreciation.



Special companies for property investment		<ul style="list-style-type: none"> • Limited Partnerships and Limited Liability Companies are generally preferred vehicles for private investments in US real estate, due to their flexibility, low cost and tax efficiency. Non-residents can form LLCs and elect to have them taxed as US corporations. • Real Estate Investment Trusts (REITs) are special corporations suitable for owning US real estate and mortgages secured on it. However, the stock of a REIT must be widely owned (at least 100 shareholders) and must not be controlled by less than five stockholders. • A special exemption encourages a 'Qualified Foreign Pension Fund' to invest in US real estate. The gain on the sale of US real property is not subject to US income tax.
Tax planning tips		<ul style="list-style-type: none"> • The use of a non-resident company to hold real estate or to own stock of a US corporation holding real estate, avoids US estate and gift taxes. • For profitable properties, ownership by a US corporation avoids branch profits tax. • Allocating part of the purchase price to furniture and fixtures, equipment and land improvements increases depreciation allowance, but may subject the purchase to state sales tax. A cost segregation study can be performed to provide a basis for accelerating income tax depreciation deductions.
Any further information		
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UZBEKISTAN

	Property type	Requirements
Permissions required by a foreign investor		No permissions are required for a foreign investor to invest in real estate in Uzbekistan.
Types of tenure		Freehold and leasehold
Transfer taxes on acquisition		None.
Value Added Tax on acquisition		If the transferor is within the VAT system, the transfer of real estate will be liable to VAT at a rate of 12%.
Capital allowances / tax depreciation		The tax-deductible depreciation rate is 5%.
Taxation of rents		Rental income received by non-residents should be taxed at source of payment at the 12% rate.
Deduction of expenses		Repairs, maintenance, management and administration expenses are tax deductible.
Deduction of interest		Interest is deductible.
Wealth taxes		None.
Inheritance and gift taxes		Non-residents are liable to income tax at 15%.
Other taxes on property		Land tax based on the value of land and economic zone. Rates are levied annually by local government. Property tax at a rate of 1.5% from the annual average depreciated value of immovable property.
Taxation of profit on disposal		Non-residents are liable to income tax at 15% on profit on disposal.
Special companies for property investment		None
Tax planning tips		
Any further information		
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VIETNAM

	Property type	Requirements
Permissions required by a foreign investor	All property	Permissions are required for foreign investment in Vietnam real estate.
Types of tenure		Freehold and leasehold
Transfer taxes on acquisition	All property	Corporate income tax (CIT) at 20% on assessable income (taxable income, less losses carried forward under regulations). Personal income tax (PIT) at 2% on transfer costs (prescribed by the local people's committee); however, no PIT applies to individuals on the sale of their sole property.
Value Added Tax on acquisition	All property	VAT at a rate of 10% is applied to the acquisition cost for corporates.
Capital allowances / tax depreciation	All property	Expenses are allowable providing they fall within the regulated timeframe indicated by the Ministry of Finance, e.g. time of depreciation is 5-50 years. These are not applicable on the lease of real estate.
Taxation of rents	All property	Income from property rents is subject to CIT for corporates at a rate of 20%. The rents also trigger 10% VAT. Income from property rents is subject to PIT and VAT for individual, although they are VAT- and PIT-exempt if the rent amounts are less than VND 100 million a year.
Deduction of expenses	All property	Generally, full amounts are deductible for corporates. Exceptions include infrastructure development costs, land clearance compensation, etc. that require allocation for land use rights/apartments sold/transferred during the tax year. Corporates may also deduct 5% of insurance coverage, repairs and maintenance costs.
Deduction of interest	All property	Corporates may deduct the full amount, except in the case of interest paid to individual lenders in excess of 150% of the prime interest rate announced by the State Bank of Vietnam at the time of borrowing.
Wealth taxes	Land and buildings	No wealth taxes.
Inheritance and gift taxes	Land and buildings	No inheritance and gift taxes between specified individuals, such as husband and wife, parents and children, etc.



Other taxes on property	Land and buildings	Immovable property registration rate of 0.5% (fees on transfer of ownership of the property), but not exceeding VND 500 million per transfer.
Taxation of profit on disposal	Land and buildings	Profit on disposal is classed as taxable income and is subject to CIT or PIT.
Special companies for property investment		There are no special companies for real estate investment in Vietnam.
Tax planning tips	All property	<p>Sales of property involving land use rights may split the respective property and land use rights to minimise VAT impact.</p> <p>Non-residents may obtain a lower capital gains tax rate by utilising available double taxation agreements.</p>
Any further information		
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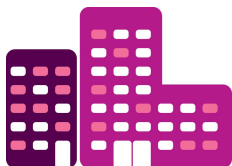
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Published 02/24

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