

ATTACHMENT: SURVEY OF THE DOMESTIC RULES ON TAXES LEVIED UPON DEATH

This attachment provides an overview of some of the domestic rules on taxes levied upon death in the 27 Member States. The survey is limited to taxes that are levied exclusively in event of death implying that taxes levied both upon death and under other circumstances are not covered by the survey.

The first section focuses at the Member States with inheritance or estate taxes, i.e. taxes that are levied upon death from the deceased or the heirs.

The second section focuses at the Member States with no inheritance or estate taxes.

Member States with inheritance or estate taxes

Our survey has revealed that 18 of the 27 Member States of the European Union have an inheritance or estate tax on the domestic tax rules. Most Member States have inheritance taxes, and few have estate taxes. Denmark has as the only Member State an estate tax and well as an inheritance tax, cf. Table 1.

Table 1: Inheritance taxes in the 27 Member States

	Member States
Inheritance tax	Bulgaria, Czech Republic, Denmark, Finland, Germany, Greece, Hungary, Ireland, Italy, Lithuania, Luxembourg, the Netherlands, Poland, Slovenia, Spain.
Estate tax	Belgium, Denmark, France, United Kingdom*

*Note: *The United Kingdom tax on inheritance is called an 'inheritance tax', but is de facto an estate tax.*

Source: Maisto (2010), AGN International (2010) and Global Property Guide.

This section provides a brief overview of the domestic rules on inheritance and estate taxes in these 18 Member States.

Belgium

	Description
Taxes levied	
<ul style="list-style-type: none"> Estate tax 	Belgium has an estate tax called the 'estate duty' for residents and 'right of transfer upon death' for non-residents. The tax is collected locally by the regions Brussels, Flemish and Walloon.
<ul style="list-style-type: none"> Inheritance tax 	-
<ul style="list-style-type: none"> Other taxes 	-
Connecting factors	
<ul style="list-style-type: none"> Personal nexus rule 	The residence principle: The fiscal residence is the place where the deceased had his actual residence in the last 5 years before his death. If he resided in more than one region during these 5 years; the region where he resided most of the time is his tax residence.
<ul style="list-style-type: none"> Source rule 	For non-residents a source applies to Belgian real estate, where the tax is chargeable on the gross value of the estate without any deductions.

Tax rates	Tax rates vary according to:																										
	<ol style="list-style-type: none"> 1. The degree of kinship between the beneficiary and the deceased, 2. The net share inherited by each of the heirs 3. The Region where the inheritance is opened. 																										
	If the deceased was a resident, the inheritance is opened in the region where his last fiscal domicile was located.																										
	If the deceased was not a resident, the inheritance is opened, in principle, in the Region where the estate is located.																										
	Brussels Region:																										
	Inheritances between lineal relatives, between spouses and between cohabitants:																										
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<p>Tax rates (continued)</p>	<p>Walloon Region:</p> <p>Inheritances between lineal relatives, between spouses and between legal cohabitants:</p> <table border="1" data-bbox="715 636 1225 775"> <thead> <tr> <th colspan="2">Bracket of the net share in €</th> <th>Tax rates in %</th> </tr> <tr> <th>From</th> <th>to (including)</th> <th>Upon lineal relatives and between spouses and legal cohabitants</th> </tr> </thead> <tbody> <tr> <td>0.01</td> <td>12,500.00</td> <td>3</td> </tr> <tr> <td>12,500.01</td> <td>25,000.00</td> <td>4</td> </tr> <tr> <td>25,000.01</td> <td>50,000.00</td> <td>5</td> </tr> <tr> <td>50,000.01</td> <td>100,000.00</td> <td>7</td> </tr> <tr> <td>100,000.01</td> <td>150,000.00</td> <td>10</td> </tr> <tr> <td>150,000.01</td> <td>200,000.00</td> <td>14</td> </tr> <tr> <td>200,000.01</td> <td>250,000.00</td> <td>18</td> </tr> <tr> <td>250,000.01</td> <td>500,000.00</td> <td>24</td> </tr> <tr> <td>More than</td> <td>500,000.00</td> <td>30</td> </tr> </tbody> </table> <p>Inheritances between collateral relatives and between non-relatives:</p> <table border="1" data-bbox="715 815 1251 943"> <thead> <tr> <th colspan="2">Bracket of the net share in €</th> <th colspan="3">Tax rate in %</th> </tr> <tr> <th>From</th> <th>to (including)</th> <th>Between brothers and sisters</th> <th>Between uncles or aunts and nephews or nieces</th> <th>Between all other persons</th> </tr> </thead> <tbody> <tr> <td>0.01</td> <td>12,500.00</td> <td>20</td> <td>25</td> <td>30</td> </tr> <tr> <td>12,500.01</td> <td>25,000.00</td> <td>25</td> <td>30</td> <td>35</td> </tr> <tr> <td>25,000.01</td> <td>75,000.00</td> <td>35</td> <td>40</td> <td>60</td> </tr> <tr> <td>75,000.01</td> <td>175,000.00</td> <td>50</td> <td>55</td> <td>80</td> </tr> <tr> <td>More than</td> <td>175,000.00</td> <td>65</td> <td>70</td> <td>90 (*)</td> </tr> </tbody> </table> <p>Inheritances of dwellings between lineal relatives, spouses or legal cohabitants (preferential rate):</p> <table border="1" data-bbox="715 1010 1251 1137"> <thead> <tr> <th colspan="2">Bracket of the net share (€)</th> <th>Tax rate in %</th> </tr> <tr> <th>from</th> <th>to (including)</th> <th>Between lineal relatives, between spouses and between legal cohabitants</th> </tr> </thead> <tbody> <tr> <td>0.01</td> <td>25,000.00</td> <td>1</td> </tr> <tr> <td>25,000.01</td> <td>50,000.00</td> <td>2</td> </tr> <tr> <td>50,000.01</td> <td>175,000.00</td> <td>5</td> </tr> <tr> <td>175,000.01</td> <td>250,000.00</td> <td>12</td> </tr> <tr> <td>250,000.01</td> <td>500,000.00</td> <td>24</td> </tr> <tr> <td>More than</td> <td>500,000.00</td> <td>30</td> </tr> </tbody> </table>	Bracket of the net share in €		Tax rates in %	From	to (including)	Upon lineal relatives and between spouses and legal cohabitants	0.01	12,500.00	3	12,500.01	25,000.00	4	25,000.01	50,000.00	5	50,000.01	100,000.00	7	100,000.01	150,000.00	10	150,000.01	200,000.00	14	200,000.01	250,000.00	18	250,000.01	500,000.00	24	More than	500,000.00	30	Bracket of the net share in €		Tax rate in %			From	to (including)	Between brothers and sisters	Between uncles or aunts and nephews or nieces	Between all other persons	0.01	12,500.00	20	25	30	12,500.01	25,000.00	25	30	35	25,000.01	75,000.00	35	40	60	75,000.01	175,000.00	50	55	80	More than	175,000.00	65	70	90 (*)	Bracket of the net share (€)		Tax rate in %	from	to (including)	Between lineal relatives, between spouses and between legal cohabitants	0.01	25,000.00	1	25,000.01	50,000.00	2	50,000.01	175,000.00	5	175,000.01	250,000.00	12	250,000.01	500,000.00	24	More than	500,000.00	30
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<p>Exemptions</p>	<p>Personal exemptions:</p> <ul style="list-style-type: none"> • Legacies in favour of the region where the deceased has his fiscal residence are tax exempt. <p>Objective exemptions:</p> <ul style="list-style-type: none"> • Social rights in Undertakings for Collective Investments in Transferable Securities • (UCITS) investing in service flats for elderly people, if recognised by the Flemish government. • Certain land of ecological interest in Flanders and Wallonia • Forests in Flanders. 																																																																																												
<p>Allowances</p>	<p>Brussels region:</p> <ul style="list-style-type: none"> • The spouse, direct descendants and direct ascendants are entitled to a tax-free allowance of €15,000 each. • For children below 21 years of age, the allowance is increased by €2,500 for each year below the age of 21. • For other beneficiaries, inheritances not exceeding €1,250 are not taxable. <p>Flemish region:</p> <ul style="list-style-type: none"> • No allowances. <p>Walloon region:</p> <ul style="list-style-type: none"> • The spouse, direct descendants and direct ascendants are entitled to a tax-free allowance of €12,500 each. The allowance is increased to €25,000, if the inheritance does not exceed €125,000. • For children below 21 years of age, the allowance is increased by €2,500 for each year below the age of 21. • For other beneficiaries, inheritances not exceeding €620 are tax-exempt. 																																																																																												
<p>Deductions</p>	<p>Residents: All debts are deductible as well as the cost of the funeral.</p> <p>Non-residents: Debts are deductible to some extent.</p>																																																																																												
<p>Transfer of family-owned and closely held businesses</p>	<p>Tax exemptions (full or partial) apply for this type of businesses, given some conditions on e.g. the deceased's participation in the business, capital requirements etc. are fulfilled.</p> <p>The conditions vary from region to region.</p>																																																																																												
<p>Double taxation relief</p> <ul style="list-style-type: none"> • Unilateral relief 	<p>The credit method: Applies to foreign inheritance and estate taxes, but only for taxes levied on foreign real estate.</p>																																																																																												

<ul style="list-style-type: none"> • Bilateral treaties* 	Estate tax treaties are in force between Belgium and the following Member States: Sweden (1958), and France (1960).
Compatibility with EU law	<p>The following potential conflicts have been identified:</p> <ul style="list-style-type: none"> • Belgium taxes on Belgian real estate in the estate of non-residents on the gross value have different time limitation rules for foreign and domestic moveable assets. • There is no provision for deductibility of over-endowment debts for non-residents.
Tax revenue in% of total tax revenue	1.23% in 2008.

*Note: * Years in bracket is the year where the treaty entered into force.*

Source: Maisto (2010), Deblauwe (2010), AGN International (2010) and Global Property Guide.

Bulgaria

	Description
Taxes levied	
• Estate tax	-
• Inheritance tax	The inheritance tax is payable by the heirs by respect to their own inheritance. The tax rates are set by the municipalities within the limits of the law.
• Other taxes	-
Connecting factors	
• Personal nexus rule	The nationality principle: Bulgarian nationals are liable to inheritance tax on all inherited property in Bulgaria or abroad, inherited by will or by law.
• Source rule	For foreign nationals in Bulgaria, inheritance tax is levied on all property within the territory of the country.
Tax rates	The applicable tax rates, set by the municipalities within the limits of the law, depend on their relationship to the deceased and the value of their inheritance. The rates vary between 0.4% and 0.8% on inheritances received by relatives in the lateral line. For all other beneficiaries, the rates vary between 3.3% and 6.6%.
Exemptions	The surviving spouse and relatives in the direct line are not liable to pay inheritance tax on their own inheritance.
Allowances	The first BGN 250,000 (€ 128,995) is exempt from taxation.
Deductions	The debts of the deceased, as evidenced to the tax authorities and certain funeral expenses up to BGN 1,000 (€ 516) are deductible.
Transfer of family-owned and closely held businesses	-
Double taxation relief	
• Unilateral relief	The exemption method: Applies to properties outside Bulgaria, which is inherited by a Bulgarian national.
• Bilateral treaties	No inheritance tax treaties are in force between Bulgaria and other Member States.
Compatibility with EU law	The following potential conflicts have been identified: <ul style="list-style-type: none"> • It is not clear how immovable property abroad, except from real estate, should be valued, which could create a potential for differential treatment. • It is not clear whether rights and receivables transferred to a foreign state are deductible. • Only domestic charities are exempt from the inheritance tax. However, charities established in an EU/EEA Member State are treated as local charities for inheritance tax purposes, so it is not clear if differential treatment exists under this provision.
Tax revenue in% of total tax revenue	Not available.

Source: Survey by Deloitte, AGN International (2010) and Global Property Guide.

Czech Republic

	Description																						
Taxes levied																							
• Estate tax	-																						
• Inheritance tax	Inheritance tax is levied on the acquisition of the deceased's estate upon death. Subject to certain exemptions, inheritance tax is chargeable on the net value of all assets.																						
• Other taxes	-																						
Connecting factors																							
• Personal nexus rule	<p>The nationality and permanent address principle: If at the time of his death the deceased:</p> <ol style="list-style-type: none"> 1. Was a national of Czech Republic and had his permanent address therein, tax shall be levied on all property, regardless of whether the property is located in Czech Republic or abroad. 2. Was a national of Czech Republic but did not have his permanent address therein, the tax shall be levied on his movable property located in Czech Republic. 3. Was not a national of Czech Republic, tax shall be levied only on his movable property located in Czech Republic. <p>As regards real estate, Czech Republic does not levy inheritance tax on real estate situated abroad.</p>																						
• Source rule	For non-nationals and persons without a permanent address in the Czech Republic, the inheritance tax is only chargeable on assets (both movable and immovable) located in the Czech Republic.																						
Tax rates	<p>Heirs are classified according to the relationship to the deceased person into the following three groups:</p> <ol style="list-style-type: none"> i. Direct family members (parents, children) and spouses. ii. Secondary relatives (siblings, nephews, nieces, aunts, uncles) and persons living with the decedent in a common household. iii. Other individuals and organizations. <p>No inheritance tax is payable by the first two categories.</p> <p>Progressive rates apply for transfers to persons in the third group as follows:</p> <table border="1"> <thead> <tr> <th>TAX BASE, CZK (€)</th> <th>TAX RATE</th> </tr> </thead> <tbody> <tr> <td>Up to 1 million (€48,916)</td> <td>7%</td> </tr> <tr> <td>1 million – 2 million (€97,833)</td> <td>9%</td> </tr> <tr> <td>2 million – 5 million (€244,583)</td> <td>12%</td> </tr> <tr> <td>5 million – 7 million (€342,416)</td> <td>14%</td> </tr> <tr> <td>7 million – 10 million (€489,165)</td> <td>18%</td> </tr> <tr> <td>10 million – 20 million (€978,330)</td> <td>21%</td> </tr> <tr> <td>20 million – 30 million (€1,467,495)</td> <td>25%</td> </tr> <tr> <td>30 million – 40 million (€1,956,660)</td> <td>30%</td> </tr> <tr> <td>40 million – 50 million (€2,445,825)</td> <td>35%</td> </tr> <tr> <td>Over 50 million (€2,445,825)</td> <td>40%</td> </tr> </tbody> </table> <p>The resulting amount is multiplied by a coefficient of 0.5 to get the final sum of inheritance tax.</p>	TAX BASE, CZK (€)	TAX RATE	Up to 1 million (€48,916)	7%	1 million – 2 million (€97,833)	9%	2 million – 5 million (€244,583)	12%	5 million – 7 million (€342,416)	14%	7 million – 10 million (€489,165)	18%	10 million – 20 million (€978,330)	21%	20 million – 30 million (€1,467,495)	25%	30 million – 40 million (€1,956,660)	30%	40 million – 50 million (€2,445,825)	35%	Over 50 million (€2,445,825)	40%
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1 million – 2 million (€97,833)	9%																						
2 million – 5 million (€244,583)	12%																						
5 million – 7 million (€342,416)	14%																						
7 million – 10 million (€489,165)	18%																						
10 million – 20 million (€978,330)	21%																						
20 million – 30 million (€1,467,495)	25%																						
30 million – 40 million (€1,956,660)	30%																						
40 million – 50 million (€2,445,825)	35%																						
Over 50 million (€2,445,825)	40%																						

Exemptions	<p>Personal exemptions:</p> <ul style="list-style-type: none"> • Parents, children, spouses, siblings, nephews, nieces, aunts, uncles and persons living with the decedent in a common household. <p>Objective exemptions (partial):</p> <ul style="list-style-type: none"> • Acquisition of movable personal belongings of individuals (unless these things were included into the descendant's business property within a year prior to the acquisition). • Acquisition of deposits by banks or branches of foreign banks operating in Czech Republic (except for deposits on business accounts), financial means in Czech or foreign currency and securities in Czech Republic as well as on proportionate parts paid out from such property to heirs and on proportionate parts derived from the jointly owned assets of spouses which ceased to exist upon the death of one of them. More conditions apply. • Acquisition of property by state-registered churches, religious societies, political parties, foundations and endowment funds, insurance companies for the funds of public health insurance. • Acquisition of property by Czech Republic, local regional authorities, voluntarily associated municipalities, public research institutions and universities, public non-profit health care institutions and regional councils of solidarity's region.
Allowances	-
Deductions	<p>The following items are regarded as tax deductible for inheritance tax purposes:</p> <ul style="list-style-type: none"> • Documented debts of the decedent transferred to his/her heirs. • Value of property that is exempt from inheritance tax pursuant to Czech tax law. • Adequate expenses related to the decedent's funeral. • Notary's remuneration in connection with inheritance proceeding and other duties levied in inheritance proceeding and documented inheritance dues paid to another state in respect of inherited property there, if such property is also liable to inheritance tax in Czech Republic.
Transfer of family-owned and closely held businesses	Exemption from inheritance tax is provided for the first free-of-charge acquisition of a property share in a co-operative (housing or agricultural) between relatives in the direct line of descent, siblings or a spouse as well as other persons within family or similar relationship.
Double taxation relief	
<ul style="list-style-type: none"> • Unilateral relief 	(Credit method): The tax rules does not have a clear rule, but it provides the possibility to deduct the documented inheritance taxes paid to another state in respect of inherited property there, provided that such property is also liable to inheritance tax in Czech Republic.
<ul style="list-style-type: none"> • Bilateral treaties* 	Inheritance tax treaties are in force between Czech Republic and the following Member States: Austria (1996).
Compatibility with EU law	<p>The following potential conflicts have been identified:</p> <ul style="list-style-type: none"> • Czech Republic's tax-exemptions for private pension contributions do not cover those paid abroad. • No tax-exemption applies for foreigners in the third tax category to an acquisition of a property share in agricultural co-operatives.
Tax revenue in% of total tax revenue	0.02% in 2008.

Note: * Years in bracket is the year where the treaty entered into force.

Source: Maisto (2010), Zoubek (2010), AGN International (2010) and Global Property Guide.

Denmark

	Description
Taxes levied	
• Estate tax	A tax is levied on the estate as a whole, but the spouse of the deceased is not liable to this tax.
• Inheritance tax	A tax is levied on inheritance to all other than immediate family and certain other people with a closer defined relationship with the deceased.
• Other taxes	-
Connecting factors	
• Personal nexus rule	The residence principle: If the deceased was resident in Denmark at the time of his death, all property worldwide belonging to his estate is subject to estate tax.
• Source rule	Yes, if the deceased was not resident in Denmark at the time of death, estate tax is due on immovable property including property accessory to immovable and movable business property of permanent establishments situated in Denmark.
Tax rates	Estate tax is a flat rate of 15% on the net value of the estate. Inheritance tax is a flat rate of 25% on the computed taxable inheritance. The estate tax is paid first and afterwards the inheritance tax is paid on that amount with a maximum estate and inheritance tax payable of 36.25%.
Exemptions	Personal exemptions: <ul style="list-style-type: none"> • The spouse of the deceased is not liable to the estate tax. • The spouse and certain close relatives (children/ stepchildren, and their descendants, spouses of children/ stepchildren, parents) are not subject to inheritance tax. Objective exemptions: <ul style="list-style-type: none"> • Running payments from life insurance. • Gifts to non-profit organizations.
Allowances	DKK 264,000 in 2010. This basic amount is deducted from the tax-liable inheritance including the tax-liable inheritance from a deceased resident abroad whose estate is subject to limited tax liability in Denmark.
Deductions	All liabilities are allowed as deductions.
Transfer of family-owned and closely held businesses	Denmark has no specific rules (e.g. exemption) concerning transfers upon death of going concerns or participations in family-owned or closely-held businesses.
Double taxation relief	
• Unilateral relief	The credit method: Applies for real estate located in foreign countries where a foreign estate/inheritance tax is also imposed. The foreign tax credit cannot exceed the Danish estate tax on the relevant assets.
• Bilateral treaties*	Estate and inheritance tax treaties are in force between Denmark and the following Member States: Italy (1968), Finland (1989), and Germany (1996).
Compatibility with EU law	No potential conflicts identified.
Tax revenue in% of total tax revenue	0.42% in 2006.

Note: * Years in bracket is the year where the treaty entered into force.

Source: Maisto (2010), Michelsen (2010), AGN International (2010) and Global Property Guide.

Finland

	Description																								
Taxes levied																									
• Estate tax	-																								
• Inheritance tax	The inheritance tax is payable to the state by the heirs and any testamentary beneficiaries. The beneficiaries of the deceased are liable to pay inheritance tax on their portion of the estate.																								
• Other taxes	-																								
Connecting factors																									
• Personal nexus rule	The residence principle: Inheritance tax will be payable to Finnish tax authorities, if decedent, heir or a testate beneficiary was a resident in Finland at date of death. The inheritance tax concerns both movable and immovable property, and both domestically and foreign-located property.																								
• Source rule	Yes, real property of non-residents is taxable. A stock of a corporation is to be equated with real property if more than 50% of the assets are made up of it.																								
Tax rates	Beneficiaries are taxed differently, depending on their relationship with the deceased: 1) Category I - Spouses, children, spouse's children, adopted children, parents, adoptive parents, and direct heirs of children or adopted children, betrothed in certain circumstances, and common-law spouses if the couple has been married before or if they have had a child. <table border="1" data-bbox="715 1099 1177 1234"> <thead> <tr> <th>Value of Taxation Property (EUR)</th> <th>Basic Tax Amount</th> <th>Plus Percent on the Excess</th> </tr> </thead> <tbody> <tr> <td>20,000 – 40,000</td> <td>100</td> <td>7</td> </tr> <tr> <td>40,001 – 60,000</td> <td>1,5</td> <td>10</td> </tr> <tr> <td>60,001 – over</td> <td>3,5</td> <td>13</td> </tr> </tbody> </table> 2) Category II - Other relatives and strangers. <table border="1" data-bbox="715 1285 1177 1413"> <thead> <tr> <th>Value of Taxation Property (EUR)</th> <th>Basic Tax Amount</th> <th>Plus Percent on the Excess</th> </tr> </thead> <tbody> <tr> <td>20,001 – 40,000</td> <td>100</td> <td>20</td> </tr> <tr> <td>40,001 – 60,000</td> <td>4,1</td> <td>26</td> </tr> <tr> <td>60,001 – over</td> <td>9,3</td> <td>32</td> </tr> </tbody> </table>	Value of Taxation Property (EUR)	Basic Tax Amount	Plus Percent on the Excess	20,000 – 40,000	100	7	40,001 – 60,000	1,5	10	60,001 – over	3,5	13	Value of Taxation Property (EUR)	Basic Tax Amount	Plus Percent on the Excess	20,001 – 40,000	100	20	40,001 – 60,000	4,1	26	60,001 – over	9,3	32
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Exemptions	Personal exemptions: <ul style="list-style-type: none"> • If there has been a life insurance contract, and the beneficiary is a close relative, he or she can receive €35,000 as a tax-deductible indemnity for death. If the life insurance is going to a more distant relative, the payment will be taxed as capital gains, assessed at the 28% rate. • If the beneficiary is the spouse, he or she can receive half of the entire indemnity payment, or alternatively, at least €35,000 as tax-deductible. • Decedent's and his family's usual home furniture and chattel are tax-free up to €4,000. Objective exemptions: <ul style="list-style-type: none"> • Annuities, pensions and entitlements to be paid to someone are not taxable if stated in the will or testament. • If the testate beneficiary is a state, county, municipality, parish or other religious community or school, no inheritance tax will be levied on the received assets. • Non-profit associations or foundations do not pay tax on received assets. 																								
Allowances	The surviving spouse is entitled to a deduction of €60,000 (concerns spouses in marriage and partners equated with spouses). An heir under 18 years of age is entitled to a deduction of €40,000 if he or she is the decedent's lineal descendant.																								
Deductions	The following deductions apply: <ul style="list-style-type: none"> • All decedent's debts at date of death as well as funeral costs, expenses for drawing up the Deed of Inventory, and for purchasing a tombstone. • Burdens associated with the assets received by an heir/beneficiary as well as the profit derived from using another person's property. • For non-resident descendants, only debts and burdens directly related to taxable real property in Finland. 																								

	<ul style="list-style-type: none"> • Gift tax for gifts given to the heir during three years preceding date of death. • See also other deductions mentioned under 'Exemptions'.
Transfer of family-owned and closely held businesses	<p>A partial exemption of inheritance tax will be granted for transfers of (domestic and foreign) businesses and agricultural/forestry entities if:</p> <ul style="list-style-type: none"> • Taxable inheritance includes a farm, other business or participation. • Beneficiary will go on conducting business or practicing agriculture/forestry with assets received. • The amount of relevant inheritance tax would be more than €850 considering the proportions of business or farm assets in relation to other inherited assets. <p>If the form of legal entity is corporate, exemption can only be granted if the heir receives at least 10%. As a further relief, the maximum of five years of interest-free payment time will be granted to the part of inheritance tax related to business or farm assets.</p>
Double taxation relief	
<ul style="list-style-type: none"> • Unilateral relief 	The credit method: It applies to heirs resident in Finland. Maximum credit will equal the Finnish inheritance tax payable on the same receipt of assets.
<ul style="list-style-type: none"> • Bilateral treaties* 	Inheritance tax treaties are in force between Finland and the following Member States: Netherlands (1955), France (1959) and Denmark (1992). The credit method is applied in the treaty with Denmark in contrast to the treaties with the Netherlands and France, which rely on exemptions.
Compatibility with EU law	<p>The following potential conflict has been identified:</p> <ul style="list-style-type: none"> • Finland restricts deductions of debts pertaining to the estate of non-residents.
Tax revenue in% of total tax revenue	0.81% in 2008 (incl. revenue from both inheritance and gift tax. In 2006, the share of inheritance tax was estimated to be about 84% of the total revenue from inheritance and gift tax).

*Note: * Years in bracket is the year where the treaty entered into force.*

Source: Maisto (2010), Finland (2010), AGN International (2010) and Global Property Guide.

France

	Description																																		
Taxes levied																																			
<ul style="list-style-type: none"> Estate tax 	Estate taxes are due in respect of all conveyances of properties resulting from death, whether the conveyance is made pursuant to statutory devolution rules or provisions of a will (universal bequest, general or special bequest).																																		
<ul style="list-style-type: none"> Inheritance tax 	-																																		
<ul style="list-style-type: none"> Other taxes 	-																																		
Connecting factors																																			
<ul style="list-style-type: none"> Personal nexus rule 	<p>The domicile principle: The tax is due in France in the following instances:</p> <ul style="list-style-type: none"> All transfers in which the decedent or donor is domiciled in France. All transfers if the beneficiary is domiciled in France and has been domiciled in France for at least six years during the last ten years. 																																		
<ul style="list-style-type: none"> Source rule 	<p>A source rule applies to all transfers covering French Property or property located in France if the deceased was not resident in France at the time of death.</p> <p>The term “French Property” broadly covers immovable property, amounts due by a French debtor, investment securities issued by a French company as well as interests in companies holding immovable property.</p>																																		
Tax rates	<p>Estate taxes are calculated in three stages on the net fraction accruing to each heir or legatee. The duties are calculated taking into account any gifts made beforehand by the decedent, except however for gifts made more than six years earlier:</p> <ol style="list-style-type: none"> Application of deductions to the net share of each taxpayer. Calculation of the taxes on the basis of a price scale whose rate varies according to the relationship existing between the decedent and the beneficiary. Where applicable, reduction of the estate taxes. <p><u>Tax rates for direct-line heirs (2010):</u></p> <table border="1"> <thead> <tr> <th>TAXABLE INHERITANCE (€)</th> <th>TAX RATE</th> </tr> </thead> <tbody> <tr> <td>Up to €7,699</td> <td>5%</td> </tr> <tr> <td>€7,699 to €11,548</td> <td>10%</td> </tr> <tr> <td>€11,548 to €15,195</td> <td>15%</td> </tr> <tr> <td>€15,195 to €526,760</td> <td>20%</td> </tr> <tr> <td>€526,760 to €861,050</td> <td>30%</td> </tr> <tr> <td>€861,050 to €1,722,100</td> <td>35%</td> </tr> <tr> <td>Over €1,722,100</td> <td>40%</td> </tr> </tbody> </table> <p><u>Tax rates for siblings (2010):</u></p> <table border="1"> <thead> <tr> <th>TAXABLE INHERITANCE (€)</th> <th>TAX RATE</th> </tr> </thead> <tbody> <tr> <td>Not exceeding €24,069</td> <td>35%</td> </tr> <tr> <td>Beyond</td> <td>45%</td> </tr> </tbody> </table> <p><u>Tax rates for others (2010):</u></p> <table border="1"> <thead> <tr> <th>TAXABLE INHERITANCE (€)</th> <th>TAX RATE</th> </tr> </thead> <tbody> <tr> <td>Between relatives to the</td> <td></td> </tr> <tr> <td>Fourth degree inclusively:</td> <td>55%</td> </tr> <tr> <td>Between parents beyond the</td> <td></td> </tr> <tr> <td>Fourth degree and between</td> <td></td> </tr> <tr> <td>Persons who are not relatives:</td> <td>45%</td> </tr> </tbody> </table>	TAXABLE INHERITANCE (€)	TAX RATE	Up to €7,699	5%	€7,699 to €11,548	10%	€11,548 to €15,195	15%	€15,195 to €526,760	20%	€526,760 to €861,050	30%	€861,050 to €1,722,100	35%	Over €1,722,100	40%	TAXABLE INHERITANCE (€)	TAX RATE	Not exceeding €24,069	35%	Beyond	45%	TAXABLE INHERITANCE (€)	TAX RATE	Between relatives to the		Fourth degree inclusively:	55%	Between parents beyond the		Fourth degree and between		Persons who are not relatives:	45%
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Exemptions	<p>Objective exemptions:</p> <ul style="list-style-type: none"> Conveyances upon death of certain agricultural properties (land and forests, interests in forestry groupings, interests in land property groupings, rural properties leased for the long term) may be partly exempt from estate taxes, if numerous conditions are satisfied. 																																		

	<ul style="list-style-type: none"> • Bequests made to the State, to local authorities, to scientific and educational State agencies and to institutions exclusively engaged in support and welfare endeavours. • Certain associations and foundations serving the public and general interest.
Allowances	<p>Allowances (2010):</p> <ul style="list-style-type: none"> • Ascendants and children: €156,974 • Grandchildren and great grandchildren: €1,570 • Siblings: €15,697 • Nephews and nieces: €7,849 • Other beneficiaries: €1,570
Deductions	<p>Domiciles: The decedent's (domestic and foreign) liabilities are deducted from the estate, on the basis of supporting documentation submitted by the heirs.</p> <p>Non-domiciles: Only those liabilities related to the property located in France may be deducted.</p>
Transfer or family-owned and closely held businesses	<p>Heirs or legatees are exempt from estate taxes up to 75% of the enterprise's value (without any limitation applicable to the amount), given that they agree not to sell the enterprise's shares is.</p> <p>Tax reduction is given on the following items:</p> <ul style="list-style-type: none"> • Companies (regardless of the applicable tax rules) conducting industrial, commercial, crafts, agricultural or professional operations covered by a collective commitment in accordance with the above terms. • Shares or interests of intermediary companies. • Movable and immovable property. • Tangible and intangible assets earmarked for the operation of a sole proprietorship engaged in industrial, commercial, crafts, agricultural or professional activities.
Double taxation relief	
<ul style="list-style-type: none"> • Unilateral relief 	<p>The credit method: It applies to, against the estate and gift taxes due in France, the corresponding duties paid in a foreign country.</p> <p>The foreign tax may only be applied against the French tax within the limit of the said tax related to movable and immovable property located abroad. The foreign tax may not be applied against the French tax, if it covers French property proper.</p>
<ul style="list-style-type: none"> • Bilateral treaties* 	<p>Estate tax treaties are in force between France and the following Member States: Finland (1959), Belgium (1960), Spain (1963), UK (1964), Austria (1994), Italy (1995), Sweden (1996), and Germany (2006)</p>
Compatibility with EU law	<p>The following potential conflict has been identified:</p> <ul style="list-style-type: none"> • The preferential rule of exemption in favour of the reversion of life annuities between spouses or relatives in direct line do not apply to property located abroad.
Tax revenue in% of total tax revenue	<p>2.31% in 2008 (covers both estate and gift conveyance taxes of aggregate state's revenues. Estate taxes comprise around 90% in 2008).</p>

*Note: * Years in bracket is the year where the treaty entered into force.*

Source: Maisto (2010), Monassier (2010), AGN International (2010) and Global Property Guide.

Germany

	Description																																
Taxes levied																																	
• Estate tax	-																																
• Inheritance tax	An inheritance tax is applicable to the transfer of property. If a person makes a gift, this transfer is regulated by the inheritance tax as well. The inheritance tax is reduced if the estate is divided among more heirs.																																
• Other taxes	-																																
Connecting factors																																	
• Personal nexus rule	<p>The residence and domicile principle: It is applied on a worldwide basis to all foreign property if a person has a residence or domicile in Germany.</p> <p>Residence is defined as the possession of housing space. A domicile is given when a person stays continuously for more than six months in Germany.</p> <p>For emigrants and German officials abroad, their nationality is a criterion for determining tax liability. Every German official, e.g. diplomat or soldier, who receives remuneration from a German governmental body, is taxable in Germany on a worldwide basis regardless of her place of residence. Inheritance tax applies to a broader concept of tax liability in the first 10 years after the emigration of a German citizen.</p> <p>Not all assets being effectively situated in Germany are taxable, but only those named in Section 121 BewG. These assets are mainly real estate situated in Germany, business assets located in Germany, shares in a corporation if the company has its seat or place of principal management in Germany and the decedent or donor, either alone or together with persons closely connected with him in terms of Section 1 Subsection 2 ASiG, holds directly or indirectly at least 10 % of the nominal or share capital of the company, as well as some immaterial rights.</p>																																
• Source rule	For non-residents a source applies only to assets situated in Germany. Bank accounts with German banks, for example, are not subject to taxation because of situs.																																
Tax rates	<p>There are three different tax classes. The closer the relationship to the deceased is, the lower is the tax burden is.</p> <ul style="list-style-type: none"> • Tax Class I: Spouses, children, stepchildren, grandchildren, great grandchildren, parents and grandparents. • Tax Class II: Brothers, sisters, nephews, nieces, stepparents, sons-in-law, daughters-in-law, parents-in-law and divorced spouses and, in the case of gifts, parents and grandparents. • Tax Class III: All other persons, including legal entities and same sex partners. <p>Basis of assessment</p> <table border="1"> <thead> <tr> <th>up to and including...</th> <th>Tax Class I</th> <th>Tax Class II</th> <th>Tax Class III</th> </tr> </thead> <tbody> <tr> <td>€75,000</td> <td>7%</td> <td>15%</td> <td>30%</td> </tr> <tr> <td>€300,000</td> <td>11%</td> <td>20%</td> <td>30%</td> </tr> <tr> <td>€600,000</td> <td>15%</td> <td>25%</td> <td>30%</td> </tr> <tr> <td>€6,000,000</td> <td>19%</td> <td>30%</td> <td>30%</td> </tr> <tr> <td>€13,000,000</td> <td>23%</td> <td>35%</td> <td>50%</td> </tr> <tr> <td>€26,000,000</td> <td>27%</td> <td>40%</td> <td>50%</td> </tr> <tr> <td>>€26,000,000</td> <td>30%</td> <td>43%</td> <td>50%</td> </tr> </tbody> </table> <p>The above rates apply for the entire acquisition of the heir and are not taxed at progressive rates.</p>	up to and including...	Tax Class I	Tax Class II	Tax Class III	€75,000	7%	15%	30%	€300,000	11%	20%	30%	€600,000	15%	25%	30%	€6,000,000	19%	30%	30%	€13,000,000	23%	35%	50%	€26,000,000	27%	40%	50%	>€26,000,000	30%	43%	50%
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Exemptions	<p>Personal exemptions (for definition of Tax Class I, II and III, see under 'Tax rates'):</p> <ul style="list-style-type: none"> • Tax Class I: There is a special exemption for household property of up to €41,000 and for other moveable assets of up to €12,000. Children in Tax Class I get a special allowance. • Tax Class II and III: The exemption for all current assets is €12,000. • For the surviving spouse or the same sex partner (after the civil partnership act), an additional exemption of €256,000 is given. • Self-occupied houses or apartments can be transferred tax-free to spouses, same 																																

	<p>sex partners and children if the new owner immediately uses the house for his own residence purposes.</p> <ul style="list-style-type: none"> For spouses (and same-sex partners) living under the statutory regime of joint ownership, an increase in the capital value of assets during marriage is tax-free. <p>Objective exemptions:</p> <ul style="list-style-type: none"> Art, art collections, science collections, libraries and archives are 60% tax free if the objects are important for the arts, history or science and the regular income from these objects is lower than the costs. Foundations can be tax-free depending on whether they are charitable or not.
Allowances	<p>Personal allowances</p> <p>Spouse and same sex partner of a civil partnership: €500,000</p> <p>Children: €400,000</p> <p>Grandchildren: €200,000</p> <p>Other persons taxable in Tax Class I: €100,000</p> <p>Persons taxable in Tax Class II: €20,000</p> <p>Persons taxable in Tax Class III: €20,000</p> <p>In the case of taxation based on the location of the assets, the allowance is €2,000, unless a double taxation treaty provides otherwise.</p>
Deductions	<p>The heir can deduct all debt of the deceased that has a connection to assets subject to the inheritance tax. Without any proof, an amount of €10,300 can be deducted for the costs of the funeral. Furthermore all bequests and liabilities arising because of the death can be subtracted.</p> <p>Non-residents can deduct only debt that has an economic connection to the assets taxed under the provisions of the German inheritance tax.</p>
Transfer of family-owned or closely held businesses	<p>Business relief is applicable to all sole proprietorships, participation in partnerships and forestry/agricultural businesses.</p> <p>Shareholdings are subject to business relief if the deceased holds more than 25% of the corporation's share capital. Shareholders can form a share pool to achieve the threshold of 25%. There is no minimum participation for partnerships.</p> <p>The business relief requires that not more than 50% of the business property is invested in non-operating property. Furthermore, the aggregate wages for the next five years must be at least 400% of the average aggregate wages during the last five years before the transfer.</p> <p>The acquisition of business property for which the business relief is applicable always falls under the tariff of Class I, regardless of the relationship between the deceased and the heir.</p>
Double taxation relief	
<ul style="list-style-type: none"> Unilateral relief 	<p>The credit method: Foreign estate taxes, as well as foreign inheritance and gift taxes, can be credited against the German tax (except from the Canadian capital gains tax, the Austrian withholding tax, stamp duties and inheritance taxes included in income taxes).</p> <p>The foreign tax has to be levied on foreign assets. For every foreign country, the maximum credit is calculated in accordance with the following formula: Max tax credit = German tax * (foreign estate / worldwide estate).</p>
<ul style="list-style-type: none"> Bilateral treaties* 	<p>Inheritance tax treaties are in force between Germany and the following Member States: Greece (1910), Sweden (1995), and Denmark (1997).</p>
Compatibility with EU law	<p>The following potential conflict has been :</p> <ul style="list-style-type: none"> Grants to foreign charities are only exempt from the inheritance tax if the two governments have exchanged notes that reciprocity is guaranteed and, thereby, does not allow the taxpayer to bring the necessary information about the activities of the foreign charity.
Tax revenue in% of total tax revenue	0.48% in 2008.

Note: * Years in bracket is the year where the treaty entered into force.

Source: Maisto (2010), Watrin (2010), AGN International (2010) and Global Property Guide.

Greece

	Description																									
Taxes levied																										
• Estate tax	-																									
• Inheritance tax	An inheritance tax is levied on the transfer of property and is imposed on each beneficiary of the estate.																									
• Other taxes	-																									
Connecting factors																										
• Personal nexus rule	The nationality and domicile principle: Greek nationals or people domiciled in Greece at the time of their death are liable to inheritance tax on all their assets, both those located in Greece and abroad. Immovable property situated in a foreign State is not subject to Greek inheritance taxation.																									
• Source rule	Yes, a source applies to all estate assets (movable and immovable), which at the time of succession are situated in Greece, irrespective of the nationality and domicile of the decedent or the heir/legatee.																									
Tax rates	<p>The net value of each particular heir's or legatee's share in the estate is subject to taxation at flat or progressive tax rates depending on the degree of kinship with the decedent. They are grouped into three classes:</p> <ul style="list-style-type: none"> • Class A includes spouses, children, grandchildren and parents. • Class B includes other ascendants and descendants, brothers and sisters, step-brothers and stepsisters, nephews and nieces, uncles and aunts, foster parents, children from a previous marriage of the spouse, and sons or daughters in law. • Class C includes all other beneficiaries not contained in Classes A and B. <p>Class A and Class B beneficiaries are taxed at flat rates, which vary depending on the type of estate assets whereas Class C is still taxed according to a system of tax brackets.</p> <p><u>Tax rates for Class A and B:</u></p> <table border="1"> <thead> <tr> <th></th> <th>Real Property</th> <th>Stocks, shares and bonds</th> <th>Non-listed stocks and shares</th> <th>All other estate assets</th> </tr> </thead> <tbody> <tr> <td>Class A</td> <td>1%</td> <td>0.6%</td> <td>1.2%</td> <td>10%</td> </tr> <tr> <td>Class B</td> <td>1%</td> <td>1.2%</td> <td>2.4%</td> <td>10%</td> </tr> </tbody> </table> <p><u>Tax rates for Class C:</u></p> <table border="1"> <thead> <tr> <th>TAXABLE AMOUNT</th> <th>TAX RATE</th> </tr> </thead> <tbody> <tr> <td>Up to €6,000</td> <td>nil</td> </tr> <tr> <td>€6,000 – €72,000</td> <td>20%</td> </tr> <tr> <td>€72,000 – €267,000</td> <td>30%</td> </tr> <tr> <td>Over €267,000</td> <td>40%</td> </tr> </tbody> </table>		Real Property	Stocks, shares and bonds	Non-listed stocks and shares	All other estate assets	Class A	1%	0.6%	1.2%	10%	Class B	1%	1.2%	2.4%	10%	TAXABLE AMOUNT	TAX RATE	Up to €6,000	nil	€6,000 – €72,000	20%	€72,000 – €267,000	30%	Over €267,000	40%
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Exemptions	<p>Personal exemptions:</p> <ul style="list-style-type: none"> • Transfer of crop and livestock faring land. • Acquisition of first house. • Reduction in tax rate for gifts (depends on the beneficiary's class and physical mobility). • Spouses or underage children are further tax exempt for an amount of € 400,000. <p>Objective exemptions:</p> <ul style="list-style-type: none"> • The State and municipalities, churches, monasteries, the community of the Holy Sepulchre, the monastery of Mount Sinai, the Orthodox Church of Albania and legal persons governed by public law. • Non-profit making legal entities established or to be established in Greece, provided that they are shown to be pursuing charitable or educative purposes, or purposes of national interest. • Foreign natural entities where exemption is provided for by international agreement, subject to there being reciprocity. • Greek political parties provided that they are recognised by Parliament. • Universities and public hospitals. • Any person expressly exempted by legal provision. 																									

	<ul style="list-style-type: none"> • A reduction in parental provision for immovable property on minor islands.
Allowances	<ul style="list-style-type: none"> • Class A (spouses, children, grandchildren and parents): €95,000 • Class B (ascendants and descendants, brothers and sisters, stepbrothers and step-sisters, nephews and nieces, uncles and aunts, foster parents, children from a previous marriage of the spouse, and sons or daughters in law): €20,000 • Class C (all other beneficiaries): €6,000 <p>In case the estate consists of more than one type of assets and its entire value exceeds the before mentioned threshold, the tax-free amount is first allocated to real property, second, to stocks or shares, and then to all other estate assets.</p>
Deductions	<p>Both liabilities and charges can be deducted from the value of the estate:</p> <ul style="list-style-type: none"> • Liabilities include outstanding debts incurred prior to death, tax debts of the decedent, expenses for hospital and medical care for the decedent in the last 6 months, claims by the spouse for participation to profits and gains as well as the value of the legacy. • Charges allowed for deduction include expenses of probate proceedings, expenses for the issuance of an inheritance certificate, expenses incurred for performing an inventory of the decedent's estate, expenses for declaring the decedent legally dead (death in absentia), expenses incurred for the administration of estate assets located in a foreign country and funeral expenses.
Transfer of family-owned or closely held businesses	No favourable treatment applies for family-owned or closely held businesses per se. Instead, tax incentives rely on the degree of kinship between the transferor and the transferee rather than on the business characteristics.
Double taxation relief	
<ul style="list-style-type: none"> • Unilateral relief 	The credit method: Foreign movable assets in the event of death of the decedent can be credited. There is no formal requirement that the foreign tax to be credited must be of the same nature as domestic inheritance tax but have to fulfil certain requirements.
<ul style="list-style-type: none"> • Bilateral treaties* 	Inheritance tax treaties are in force between Greece and the following Member States: Germany (1910), Spain (1919), and Italy (1964).
Compatibility with EU law	<p>The following potential conflicts have been identified:</p> <ul style="list-style-type: none"> • The descendant's children or surviving spouse have to have lived in Greece for one full year to get the tax exemptions on house or land acquired by virtue of succession, in case they do not own real property that is sufficient for their dwelling needs. • The favourable tax regime is denied to transfers upon death of shares in foreign companies, which are then taxed at regular rates.
Tax revenue in% of total tax revenue	0.20% in 2008.

Note: * Years in bracket is the year where the treaty entered into force.

Source: Maisto (2010), Tsourouflis (2010), AGN International (2010) and Global Property Guide.

Hungary

	Description																								
Taxes levied																									
• Estate tax	-																								
• Inheritance tax	Inheritance tax is levied on property transferred on the basis of an estate, a legacy or will, an acquisition of a mandatory share of an estate and a donation in the event of death.																								
• Other taxes	-																								
Connecting factors																									
• Personal nexus rule	The nationality and residence principle: Estate located in Hungary as well as moveable property located outside Hungary is subject to inheritance tax if the heirs are either nationals or residents in Hungary.																								
• Source rule	Yes, a source applies to all property located in Hungary for all non-nationals and non-residents.																								
Tax rates	<p>Inheritance tax rates depend on the proximity of the deceased to the beneficiary, and the amounts of tax due are calculated on the basis of the applicable rate and the net value of the estate.</p> <table border="1"> <thead> <tr> <th>Category</th> <th>General rate</th> <th>Rate in cases of residential property</th> </tr> </thead> <tbody> <tr> <td rowspan="3">If the heir is the child/ spouse/ grandchildren living with the grandparents</td> <td>Up-to 18 million HUF – 11%</td> <td>Up-to 18 million HUF – 2,5%</td> </tr> <tr> <td>From 18 million HUF to 35 million HUF – 15%</td> <td>From 18 million HUF to 35 million HUF – 6%</td> </tr> <tr> <td>From 35 million HUF – 21%</td> <td>From 35 million HUF – 11%</td> </tr> <tr> <td rowspan="3">Siblings</td> <td>Up-to 18 million HUF – 15%</td> <td>Up-to 18 million HUF – 6%</td> </tr> <tr> <td>From 18 million HUF to 35 million HUF – 21%</td> <td>From 18 million HUF to 35 million HUF – 8%</td> </tr> <tr> <td>From 35 million HUF – 30%</td> <td>From 35 million HUF – 15%</td> </tr> <tr> <td rowspan="3">Other legatees</td> <td>Up-to 18 million HUF – 21%</td> <td>Up-to 18 million HUF – 8%</td> </tr> <tr> <td>From 18 million HUF to 35 million HUF – 30%</td> <td>From 18 million HUF to 35 million HUF – 12%</td> </tr> <tr> <td>From 35 million HUF – 40%</td> <td>From 35 million HUF – 21%</td> </tr> </tbody> </table> <p>In the case of inheritance of vehicles (including rights with monetary value regarding vehicles), the respective transfer tax rates are doubled.</p>	Category	General rate	Rate in cases of residential property	If the heir is the child/ spouse/ grandchildren living with the grandparents	Up-to 18 million HUF – 11%	Up-to 18 million HUF – 2,5%	From 18 million HUF to 35 million HUF – 15%	From 18 million HUF to 35 million HUF – 6%	From 35 million HUF – 21%	From 35 million HUF – 11%	Siblings	Up-to 18 million HUF – 15%	Up-to 18 million HUF – 6%	From 18 million HUF to 35 million HUF – 21%	From 18 million HUF to 35 million HUF – 8%	From 35 million HUF – 30%	From 35 million HUF – 15%	Other legatees	Up-to 18 million HUF – 21%	Up-to 18 million HUF – 8%	From 18 million HUF to 35 million HUF – 30%	From 18 million HUF to 35 million HUF – 12%	From 35 million HUF – 40%	From 35 million HUF – 21%
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Exemptions	<p>Personal exemptions:</p> <ul style="list-style-type: none"> • Inheritance of an estate by the child, spouse, parent or orphan grandchild of the deceased person up to the net value of HUF 20 million. • Inheritance of a right to use a residential property or a right to profit on a residential property by the surviving spouse. • Estate where the deceased was a minor and the beneficiary is his/her parent. <p>Objective exemptions:</p> <ul style="list-style-type: none"> • Estates donated for national scientific, artistic, educational, cultural or social purposes. • Inheritance of certain interests in business associations (excluding shares) and savings deposits. • Inheritance of movable property up to HUF 300,000 per beneficiary (excluding vehicles). • Inheritance of land suitable for constructing a residential property or inheritance of rights with monetary value on such land if the beneficiary builds a residential property on it within four years. • Beneficiaries of inherited art, cultural property, collections or any of part of a collection in the case of a donation to the state, a municipality or an institution of higher education. <p>In addition, lower rates apply for inherited agricultural land or rights with monetary value.</p>																								
Allowances	-																								
Deductions	The following items are deductible from the fair market value when establishing the net value of the estate:																								

	<ul style="list-style-type: none"> • Funeral costs of the deceased. • Costs of acquiring, securing and handling the estate as well as the public notary's costs (administration of the estate). • The deceased's debts/obligations and obligations relating to the forced share rules. • Liabilities based on legacies and enjoinders. • Debts/obligations relating to guardianship/administration.
Transfer of family-owned or closely held businesses	The inheritance of a number of business assets, such as business shares, is currently exempt. Special rules apply if agricultural land is inherited.
Double taxation relief	
<ul style="list-style-type: none"> • Unilateral relief 	The exemption method: There is no explicit unilateral relief. However, movable property located outside Hungary and rights on it that are inherited by a Hungarian citizen or a non-Hungarian citizen who lives in Hungary are only subject to inheritance tax if no such tax is levied in the respective foreign country. No tax is payable on the inheritance of immovable property located abroad.
<ul style="list-style-type: none"> • Bilateral treaties* 	Inheritance tax treaties are in force between Hungary and the following Member States: Sweden (1938), Romania (1949), and Austria (1976).
Compatibility with EU law	No potential conflicts identified.
Tax revenue in% of total tax revenue	0.1% in 2008.

Note: * Years in bracket is the year where the treaty entered into force.

Source: Maisto (2010), Csikós and Lócsei (2010), AGN International (2010) and Global Property Guide.

Ireland

	Description												
Taxes levied													
<ul style="list-style-type: none"> Estate tax 	-												
<ul style="list-style-type: none"> Inheritance tax 	A tax called the 'Capital Acquisitions Tax' is levied on inheritances in Ireland and is charged on property passing on death. It also consists of a gift tax charged on lifetime gifts. The beneficiary is liable to pay the tax.												
<ul style="list-style-type: none"> Other taxes 	-												
Connecting factors													
<ul style="list-style-type: none"> Personal nexus rule 	The residence principle: If either the donor or the beneficiary is a resident or ordinarily resident in Ireland at the date of the inheritance the taxable inheritance consists of the whole of the property taken by the successor. A foreign domiciled person is only considered to be a resident if he/she has been resident in Ireland for the five consecutive tax years prior to the inheritance.												
<ul style="list-style-type: none"> Source rule 	For non-residents a source applies to all assets situated in Ireland.												
Tax rates	A flat rate of 25% applies to any taxable assets over the threshold (see 'Allowances').												
Exemptions	<p>Personal exemptions:</p> <ul style="list-style-type: none"> Inheritances and gifts taken by one spouse from the other. Normal and reasonable expenditure by a disponent on his/her immediate family. <p>Objective exemptions:</p> <ul style="list-style-type: none"> Heritage property, that is houses, gardens, articles of national scientific, historic or artistic significance which fulfil certain conditions. A dwelling house which has been occupied by the recipient subject to certain conditions being complied with. An inheritance taken for public or charitable purposes. Payments and pensions to retired employees. Certain government securities and interests in certain unit trusts when taken by foreigners. Moneys payable under a qualifying insurance policy to the extent that such monies are used to pay inheritance tax. Payments to permanently incapacitated individuals from trust funds contributed by means of public subscriptions. 												
Allowances	<table border="1"> <thead> <tr> <th>Group</th> <th>Threshold (€)</th> <th>Relationship</th> </tr> </thead> <tbody> <tr> <td>Group A</td> <td>434,000</td> <td>Son/daughter/ foster-child</td> </tr> <tr> <td>Group B</td> <td>43,400</td> <td>Parent/niece/neph ew/brother/sister/ grandchild</td> </tr> <tr> <td>Group C</td> <td>21,700</td> <td>Stranger/cousin</td> </tr> </tbody> </table>	Group	Threshold (€)	Relationship	Group A	434,000	Son/daughter/ foster-child	Group B	43,400	Parent/niece/neph ew/brother/sister/ grandchild	Group C	21,700	Stranger/cousin
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Deductions	<p>The following deductions apply:</p> <ul style="list-style-type: none"> Liabilities (not further specified). 90% of the market value of agricultural land and buildings taken by a donee or successor who is a farmer. 90% of the market value of trees and underwood. 90% of the market value of relevant business property. 												
Transfer of family-owned and closely held businesses	-												
Double taxation relief													
<ul style="list-style-type: none"> Unilateral relief 	The credit method: It applies to foreign taxes, which arises upon the death of a person. It concerns property located in the foreign state and cannot exceed the payable amount of the Capital Acquisitions Tax.												
<ul style="list-style-type: none"> Bilateral treaties 	Inheritance tax treaties are in force between Ireland and the following Member States: UK.												
Compatibility with EU law	<p>The following potential conflict has been identified:</p> <ul style="list-style-type: none"> A reduction in the valuation of business property requires shares to be held in an Irish incorporated company and thereby excludes businesses not carried on mainly in Ireland. 												

Tax revenue in% of total tax revenue	0.64% in 2008 (incl. revenue from both inheritance and gift taxes).
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Source: Survey by Deloitte, Maisto (2010), AGN International (2010) and Global Property Guide.

Italy

	Description
Taxes levied	
<ul style="list-style-type: none"> Estate tax 	-
<ul style="list-style-type: none"> Inheritance tax 	An inheritance tax is levied in the case of transfers upon death to the heir/legatee, who is the person liable to tax. In particular, each heir is subject to tax on the corresponding quota of the overall estate transferred to the heirs and each legatee is subject to tax on the corresponding legacy.
<ul style="list-style-type: none"> Other taxes 	Transfers upon death of real estate located in Italy (and rights on real estate located in Italy) are also subject to mortgage and cadastral taxes. Such taxes apply to the transfer of real estate located in Italy regardless of whether such a transfer happens upon death, is at gratuitous title or for consideration (and irrespective of the residence of the transferor and of the transferee). Since these taxes do not only occur in the event of death, no further information will be provided.
Connecting factors	
<ul style="list-style-type: none"> Personal nexus rule 	The residence principle: It applies to all properties and rights transferred, if the deceased is a resident of Italy at the time of his/her death, whether situated in Italy or abroad.
<ul style="list-style-type: none"> Source rule 	Yes, a source applies to all properties and rights situated at the date of his/her death in Italy in the case where the deceased is not a resident of Italy at the time of his/her death. The following assets are deemed to be situated in Italy: <ul style="list-style-type: none"> i. Assets enrolled in the public registers of Italy (such as real estate, ships and aircrafts, trademarks and patents) and connected rights of enjoyment. ii. Shares and quotas of companies with either the legal seat or the seat of management or the main object in Italy. iii. Quotas of entities, other than companies, with either the legal seat or the seat of management or the main object in Italy. iv. Bonds and other securities in series, other than shares, issued by Italy or by companies and entities under points (ii) and (iii) above. v. Securities representing goods if the goods are situated in Italy. vi. Receivables and cheques if the debtor or the issuer is a resident of Italy (irrespective of the location of the security, if any). vii. Receivables secured by property situated within Italy up to the value of the property, irrespective of the residence of the debtor. viii. Goods-in-transit with the point of destination within Italy or restricted by the export/import laws covering temporary export. ix. Assets not mentioned but effectively located in Italy are also subject to inheritance tax.
Tax rates	The following tax rates apply depending on the relationship between the deceased and the beneficiary: <ul style="list-style-type: none"> • 4%, if the transfer is made to spouses and direct descendants or ancestors. • 6%, if the transfer is made to brothers and sisters. • 6%, if the transfer is made to relatives up to the fourth degree, to persons related by direct affinity as well as to persons related by collateral affinity up to the third degree. • 8%, in all other cases.
Exemptions	Objective exemptions: <ul style="list-style-type: none"> • Transfers to (domestic and foreign) public entities or legally recognized foundations or associations having the exclusive purpose of assistance, study, scientific research, education, instruction or any other purpose with public benefit. • Transfers to legally recognized (domestic and foreign) public entities and foundations and associations other than those mentioned above, as long as such transfers be made for the purposes indicated above (assistance, etc.). • Certain assets with cultural value.
Allowances	For spouses, direct descendants, ancestors, brothers and sisters: €1,000,000 for each beneficiary. If the transfer is in favour of an individual that suffers from a qualifying handicap, an exempt amount of €1,500,000 applies, in lieu of the ordinary exempt amounts.

Deductions	<p>Deductible items:</p> <ul style="list-style-type: none"> • The (domestic and foreign) debts of the deceased upon death according to their quota in the tax base (e.g. if only partially included in the tax base, only the included share can be deducted). Debts incurred by the deceased in the last six months prior to his/her demise (other than debt incurred in the furtherance of a business or profession) should not be deductible. • Tax debts if the taxable event occurs prior to the demise irrespective of the date of assessment. • Debts resulting from a foreign final judicial decision to the extent that such a decision is recognized in Italy. • Legacies by the heirs that are subject to such legacies and burdens that the heirs/legatees may be subject to.
Transfer of family-owned or closely held businesses	An exemption from inheritance tax applies to majority transfers of a business or of a participation in companies or partnerships to the spouse or descendants provided the spouse or descendants carry out an effective business activity (rather than passively enjoy the ownership of assets). It is not clear if the exemption applies to participations into non-resident companies and partnerships.
Double taxation relief	
<ul style="list-style-type: none"> • Unilateral relief 	The credit method: Foreign tax credits can be granted (per country) against the Italian inheritance tax equal to taxes paid to a foreign State, in relation to the same succession and in relation to the assets situated in such a State, up to the amount of the Italian inheritance tax that is attributable to such assets.
<ul style="list-style-type: none"> • Bilateral treaties* 	Inheritance tax treaties are in force between Italy and the following Member States: Sweden (1956), Greece (1964), Denmark (1966), the UK (1966), and France (1990).
Compatibility with EU law	<p>The following potential conflicts have been identified:</p> <ul style="list-style-type: none"> • Italy values foreign-located assets differently than assets located in Italy. • Transfers to EU public entities, associations and foundations from non-residents are denied exemption from inheritance tax. • No exemption is made for public debt securities from other EU Member States. • Foreign assets of cultural value cannot be partial or full exempt for the inheritance tax as can assets located in Italy. • The tax authorities cannot dispute the value of the Italian real estate if at least equal to the cadastral value. This rule does not apply to foreign real estate. • Debts incurred by a non-resident are wholly non-deductible.
Tax revenue in% of total tax revenue	0.09% in 2008 (covers both inheritance and gift tax revenue).

Note: * Years in bracket is the year where the treaty entered into force.

Source: Maisto (2010), Saccardo (2010), AGN International (2010) and Global Property Guide.

Lithuania

	Description
Taxes levied	
• Estate tax	-
• Inheritance tax	An inheritance tax applies to the market value of the property.
• Other taxes	-
Connecting factors	
• Personal nexus rule	The residence principle: The taxable base of resident beneficiaries includes all kinds of inherited property, irrespective of whether their source is in Lithuania or abroad.
• Source rule	Non-resident beneficiaries are subject to inheritance tax only on movable property subject to legal registration in Lithuania and on immovable property located in Lithuania.
Tax rates	The tax rate is 5% for inherited property up to LTL 500,000 (€144,810). If the value exceeds LTL 500,000 (€144,810), the whole amount is subject to a 10% rate.
Exemptions	Personal exemptions: <ul style="list-style-type: none"> • Property inherited from a spouse. • Property inherited by children (adopted children), parents (foster parents), by persons under guardianship, guardians, grandparents, grandchildren, brothers, or sisters.
Allowances	Property with a taxable value not exceeding of LTL 10,000 (€ 2,896) are exempt from inheritance tax.
Deductions	-
Transfer of family-owned or closely held businesses	-
Double taxation relief	
• Unilateral relief	The credit method: It is applicable to almost all EU countries, except from Bulgaria, Cyprus and Malta.
• Bilateral treaties	-
Compatibility with EU law	No potential conflicts identified.
Tax revenue in% of total tax revenue	-

Source: Survey performed by Deloitte for Copenhagen Economics, AGN International (2010) and Global Property Guide.

Luxembourg

	Description
Taxes levied	
• Estate tax	-
• Inheritance tax	Inheritance taxes consists of both a succession tax levied on the estate of a deceased who was a Luxembourg resident at the time of his/her death, and a death transfer tax on Luxembourg situated real estate owned by a deceased who was not resident in Luxembourg at the time of his/her death. Inheritance tax is not levied on the total estate of the deceased but only on the portion transferred to each heir and in view of the relationship between the deceased and the heir.
• Other taxes	-
Connecting factors	
• Personal nexus rule	The residence principle: It applies to, with the exception of real estate located abroad, on the worldwide assets of the Luxembourg tax resident.
• Source rule	Yes, if the deceased is a non-resident Luxembourg inheritance tax is due only on real estate located in Luxembourg, held by the deceased in ownership or in bare ownership.
Tax rates	The basic rates of succession and death transfer taxes depend on the degree of kinship between the heir and the deceased. For residents (succession tax): i. Between spouses without common descendants: 5% ii. Between declared partners for more than 3 years prior to the opening of the succession without common descendants: 5% iii. Between brothers and sisters: o on their intestate portion: 6% o on the exceeding portion: 15% i. Between uncles or aunts and nephews or nieces, as well as between adoptant and adopted: 9% o on their intestate portion: 9% o on the exceeding portion: 15% ii. Between great-uncles or great-aunts and great-nephew or great-niece, as well as between the adoptant and the adopted descendants o on their intestate portion: 10% o on the exceeding portion: 15% iii. Between other relatives or third parties 15% In addition, a progressive surcharge is levied depending on the value of the estate inherited or the real estate transferred: € 10,000 without exceeding € 20,000: 1/10 € 20,000 without exceeding € 30,000: 2/10 € 30,000 without exceeding € 40,000: 3/10 € 40,000 without exceeding € 50,000: 4/10 € 50,000 without exceeding € 75,000: 5/10 € 75,000 without exceeding € 100,000: 6/10 € 100,000 without exceeding € 150,000: 7/10 € 150,000 without exceeding € 200,000: 8/10 € 200,000 without exceeding € 250,000: 9/10 € 250,000 without exceeding € 380,000: 12/10 € 380,000 without exceeding € 500,000: 13/10 € 500,000 without exceeding € 620,000: 14/10 € 620,000 without exceeding € 750,000: 15/10 € 750,000 without exceeding € 870,000: 16/10 € 870,000 without exceeding € 1,000,000: 17/10 € 1,000,000 without exceeding € 1,250,000: 18/10 € 1,250,000 without exceeding € 1,500,000: 19/10 € 1,500,000 without exceeding € 1,750,000: 20/10 € 1,750,000 and exceeding: 22/10 For instance, in the case of legacy to an unrelated person, the basic rate is 15%. If the beneficiary receives assets worth of EUR 140,000, the surcharge will be 7/10, so that the effective rate is 25.5%.

	<p>For non-residents (death transfer tax):</p> <ol style="list-style-type: none"> i. In the direct ascending line: 2% ii. Between spouse having common children or descendants: 5% iii. Between partners, connected by a declaration of partnership registered for more than three years before the opening of the succession, having common children or descendants: 5%
Exemptions	<p>Personal exemptions:</p> <ul style="list-style-type: none"> • The entire share inherited in direct line (except for the share exceeding the intestate share). • The entire share inherited from a spouse or a declared partner for more than 3 years prior to the opening of the succession with whom the heir has common descendants. • The entire share inherited either with the right to derive profit from property, as a pension or as a periodic retribution by the surviving spouse or declared partner more than 3 years prior to the opening of the succession where the descendants of a prior marriage or partnership of the deceased have inherited the full ownership of the assets or are liable for the pension or retribution. • The deceased's real estate located abroad when the deceased is a Luxembourg resident. • Families and personnel of diplomatic agents and European Union officials under certain circumstances. <p>Objective exemptions:</p> <ul style="list-style-type: none"> • Successions where the aggregate value of the estate, net of any debts, does not exceed €1,250. <p>Furthermore, successions received by charitable organisations are subject to the same rates as those applicable to unrelated persons. However, several subjective exemptions apply.</p>
Allowances	A € 38,000 relief is available for the determination of the tax base of the succession tax on the estate inherited by the surviving spouse or declared partner without common descendants with the deceased.
Deductions	<p>The following liabilities are deductible:</p> <ul style="list-style-type: none"> • Debts of the deceased, including accrued interest, debts relating to the deceased's profession. • Debts in relation to domestic expenses, regional or municipal charges. • Taxes levied for the maintenance of polders, water mills and other contributions of the same nature. • Funeral expenses. <p>Debts relating to real estate situated abroad are not deductible and a lump-sum amount proportional to their value is deducted from the qualifying debts of the succession.</p>
Transfer of family-owned or closely held businesses	Luxembourg does not provide specific rules of taxation for inheritance of going concerns, participations in family-owned or closely-held business.
Double taxation relief	
<ul style="list-style-type: none"> • Unilateral relief 	The exemption method: It only applies to movable properties for Luxembourg nationals. There are currently no rules for the avoidance of double taxation where the deceased was a non-resident.
<ul style="list-style-type: none"> • Bilateral treaties 	No inheritance tax treaties are in force between Luxembourg and other Member States.
Compatibility with EU law	No potential conflicts identified.
Tax revenue in% of total tax revenue	0.34% in 2007.

Source: Maisto (2010), Goebel and Schaffner (2010), AGN International (2010) and Global Property Guide.

Netherlands

	Description												
Taxes levied													
• Estate tax	-												
• Inheritance tax	Dutch inheritance tax is due on the value of all that is acquired by an individual or a legal entity as a result of the death of a person. The tax payable is calculated per beneficiary.												
• Other taxes	-												
Connecting factors													
• Personal nexus rule	The residence and nationality principle: If the deceased is a resident (or a deemed resident) of the Netherlands at the time of his death, inheritance tax is due on any value (worldwide) acquired on account of a person's death. A person who dies within ten years after leaving the Netherlands, is deemed resident in the Netherlands if he was a Dutch national at the time of his emigration and of his death.												
• Source rule	No, if the deceased is neither a resident of the Netherlands nor a deemed resident at the time of his death no Dutch transfer tax is due with regard to property located in the Netherlands (this system was put in place as of January 1, 2010).												
Tax rates	The tax rates for spouses and children (group I) and for other beneficiaries (group II) are as follows: <table border="1"> <thead> <tr> <th>Taxable acquisition</th> <th>Inheritance tax Group I</th> <th>Inheritance tax Group I.a</th> <th>Inheritance tax Group II</th> </tr> </thead> <tbody> <tr> <td>0 - € 118.000</td> <td>10%</td> <td>18%</td> <td>30%</td> </tr> <tr> <td>€ 118.000 - and more</td> <td>20%</td> <td>36%</td> <td>40%</td> </tr> </tbody> </table> <p>Properties inherited by two married people are considered one acquisition for inheritance tax purposes unless they are living separated. For descendants of the second or further degree there are special rates in order to avoid generation skipping. The rates are acquired by applying a multiplier of 1.8 to the rates in group I.</p>	Taxable acquisition	Inheritance tax Group I	Inheritance tax Group I.a	Inheritance tax Group II	0 - € 118.000	10%	18%	30%	€ 118.000 - and more	20%	36%	40%
Taxable acquisition	Inheritance tax Group I	Inheritance tax Group I.a	Inheritance tax Group II										
0 - € 118.000	10%	18%	30%										
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Exemptions	Objective exemptions: <ul style="list-style-type: none"> • Acquisitions by the State, province or a municipality in the Netherlands, e.g. acquisitions of pension rights or certain annuities comparable to pension rights. • Acquisitions of public benefit organizations, i.e. charities or social benefit organizations. 												
Allowances	<ul style="list-style-type: none"> • Spouses: € 600.000. Deducted from this amount is the cash value of pension rights derived by a spouse from the death of the deceased. However, a minimum exemption of € 155.000 always remains. • (Grand) children: € 19.000. • Disabled children: € 57.000. • Parents: € 45.000. • Others: € 2.000. 												
Deductions	Deductible are funeral expenses, debts (only if they are enforceable by law at the time of death), legacies and charges as far as they may be taken into account according to article 20 IGTA 1956.												
Transfer of family-owned or closely held businesses	In case a family business is inherited, relief can be provided if the deceased possess a qualifying business for one year and the recipient continues this business for a period of five years after the death of the deceased. The business succession facilities apply to both personal enterprises and enterprises run in the form of a limited liability company in which the deceased had an interest of at least 5% of the issued share capital.												
Double taxation relief													
• Unilateral relief	The credit method: It applies to the inheritance tax levied in the country of residence of the deceased and for inheritance tax on foreign (third country) located assets for foreign immovable property and assets belonging to a foreign permanent establishment. The credit is limited to the tax actually levied abroad (first maximum) or the Dutch tax attributable to the assets situated abroad (second maximum), whichever is lower. The foreign inheritance tax has to be comparable with the Dutch inheritance tax. The second maximum is calculated as follows: (foreign income/total income)* total Netherlands tax due on total taxable income.												

<ul style="list-style-type: none"> • Bilateral treaties* 	Inheritance tax treaties are in force between the Netherlands and the following Member States: Sweden (1952), Finland (1954), the UK (1979), and Austria (2001).
Compatibility with EU law	The following potential conflict has been identified: <ul style="list-style-type: none"> • The rules regarding debts are incompatible with EC law and have to be extended on this point.
Tax revenue in% of total tax revenue	0.77% in 2008 (covers revenue from both inheritance and gift tax).

*Note: * Years in bracket is the year where the treaty entered into force.*

Source: Maisto (2010), Sonneveldt (2010), AGN International (2010) and Global Property Guide.

Poland

	Description																				
Taxes levied																					
• Estate tax	-																				
• Inheritance tax	The inheritance tax is imposed on a person who acquires the deceased's estate. This specific inheritance tax concerns only natural (and not legal) persons. Minors may be payers of this tax. The parents of a minor submit a tax declaration in his or her name; however, they shall not be obliged to pay this tax out of their assets.																				
• Other taxes	-																				
Connecting factors																					
• Personal nexus rule	The nationality and residence principle: It applies to acquisitions of goods and property rights, if at the moment the decedent dies the beneficiary has Polish nationality or has a place of permanent residence in Poland.																				
• Source rule	Inheritance tax is not applicable to inherited movable property located in Poland or rights executed on the territory of Poland if neither heir nor the deceased at the moment of death were citizens of Poland or had a permanent place of residence/stay in Poland.																				
Tax rates	<p>Individuals acquiring the estate belong to different groups:</p> <ul style="list-style-type: none"> • Group I includes the spouse, descendants, ascendants, the stepchild, the son-in-law, the daughter-in-law, siblings, the stepfather, the stepmother and in-laws. • Group II includes descendants of the siblings, siblings of the parents, descendants and spouses of the stepchild, spouses of the siblings and siblings of the spouses, spouses of the siblings of the spouses, spouses of other descendants. • Group III includes the remaining individuals. <table border="1"> <thead> <tr> <th>TAXABLE INHERITANCE, PLN (€) (Excess over Tax-Free Amount)</th> <th colspan="3">TAXABLE RATE ON DIFFERENT CATEGORIES</th> </tr> <tr> <th></th> <th>I</th> <th>II</th> <th>III</th> </tr> </thead> <tbody> <tr> <td>Up to 10,278 (€2,743)</td> <td>3%</td> <td>7%</td> <td>12%</td> </tr> <tr> <td>10,278 – 20,556 (€5,485)</td> <td>5%</td> <td>9%</td> <td>16%</td> </tr> <tr> <td>Over 20,556 (€5,485)</td> <td>7%</td> <td>12%</td> <td>20%</td> </tr> </tbody> </table>	TAXABLE INHERITANCE, PLN (€) (Excess over Tax-Free Amount)	TAXABLE RATE ON DIFFERENT CATEGORIES				I	II	III	Up to 10,278 (€2,743)	3%	7%	12%	10,278 – 20,556 (€5,485)	5%	9%	16%	Over 20,556 (€5,485)	7%	12%	20%
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Exemptions	<p>Exemptions apply for individuals who, at the moment of acquiring the estate, were citizens of Poland or any other country in the European Union or EFTA, or whose place of residence was situated in the territory of the Republic of Poland or EU & EFTA in the following instances (independent of location):</p> <p>Personal exemption:</p> <ul style="list-style-type: none"> • Acquisition by individuals from groups I and II of furnishings, bed linen, clothes, underwear and tools used in the household. • Acquisition by individuals from groups I and II of immovable historic monuments entered onto the list of historic monuments if the acquiring person ensures their protection and conservation in accordance with the binding regulations. • Special exemption rules, dependent on which group the beneficiary belongs to, apply if the estate is composed of a house or a flat. <p>Objective exemptions:</p> <ul style="list-style-type: none"> • Acquisition of works of art and manuscripts being the output of the testator as well as of library materials if the testator dealt with artistic, scientific, educational, literary or publishing work. • Acquisition of movable historic monuments and collections entered onto the list of historic monuments as well as monuments lent to a museum for scientific or exhibition purposes for a period not shorter than 2 years. • Acquisition of copyrights and related rights, rights to inventive designs, trademarks and decorative patterns, and of claims resulting from the acquisition of such rights (in Poland and abroad). • Funds from an employee pension scheme, funds collected on the account of the deceased member of an open pension fund, and funds collected on the individual retirement account. <p>Special exemption rules apply for legal persons.</p>																				

Allowances	Group I: PLN 9,637. Group II: PLN 7,276. Group III: PLN 4,902. See under 'Tax rates' for a definition of the different groups of beneficiaries.
Deductions	Debts and liabilities such as: <ul style="list-style-type: none"> • The costs of medical treatment and care during the last disease of the deceased if these costs were not covered during his time and by his funds. • The costs of the funeral and gravestone. • The costs of inheritance proceedings, remuneration of the executor of the will, legacies and testamentary instructions. • Legitim payments and other liabilities under the inheritance provisions of the Civil Code.
Transfer of family-owned or closely held businesses	Inheritance tax exemption applies to natural persons (in every tax group) acquiring an arable farm or its part provided that the acquiring person runs this farm for at least 5 years from its acquisition date. This exemption concerns only these individuals who, at the moment of acquiring the estate, were citizens of Poland or any other country of the European Union or EFTA, or whose place of residence was situated in the territory of the Republic of Poland or EU & EFTA. The exemption does not cover residential buildings, buildings used for breeding poultry or animals, greenhouses, and fruit storehouses.
Double taxation relief	
• Unilateral relief	No unilateral relief exists in Poland. The only measure applicable for the purposes of avoidance of double taxation of inheritance is the general competence provided to the Minister of Finance to decide in a way of regulation/decreed to refrain from collecting particular tax.
• Bilateral treaties*	Inheritance and estate tax treaties are in force between Poland and the following Member States: Czech Republic (1925), Slovakia (1925), Austria (1926), and Hungary (1928).
Compatibility with EU law	No potential conflicts identified.
Tax revenue in% of total tax revenue	0.2% in 2008 (covering revenue from both inheritance and gift taxes).

Note: * Years in bracket is the year where the treaty entered into force.

Source: Maisto (2010), Kardach and Olesinska (2010), AGN International (2010) and Global Property Guide.

Slovenia

	Description																																			
Taxes levied																																				
• Estate tax	-																																			
• Inheritance tax	Inheritance tax is levied on the transfer of properties upon death and are payable to the municipal government by the beneficiary.																																			
• Other taxes	-																																			
Connecting factors																																				
• Personal nexus rule	The residence principle: It applies to immovable property, movable property, or property right and rights in Slovenia. Securities and cash are considered as movable property.																																			
• Source rule	Yes, inheritance tax is paid on property inherited, including securities, by a non-resident that inherits property located in Slovenia.																																			
Tax rates	<p>The heirs are classified as follows:</p> <ul style="list-style-type: none"> • Class 1: Parents, siblings, and their descendants • Class 2: Grandparents • Class 3: Others <table border="1"> <thead> <tr> <th rowspan="2">TAX BASE, €</th> <th colspan="3">TAX RATE</th> </tr> <tr> <th>Class 1</th> <th>Class 2</th> <th>Class 3</th> </tr> </thead> <tbody> <tr> <td>Up to €10,000</td> <td>5%</td> <td>8%</td> <td>12%</td> </tr> <tr> <td>€10,000 - €60,000</td> <td>6%</td> <td>9%</td> <td>16%</td> </tr> <tr> <td>€60,000 - €160,000</td> <td>7%</td> <td>10%</td> <td>20%</td> </tr> <tr> <td>€160,000 - €360,000</td> <td>8%</td> <td>11%</td> <td>25%</td> </tr> <tr> <td>€360,000 - €660,000</td> <td>10%</td> <td>13%</td> <td>30%</td> </tr> <tr> <td>€660,000 - €1,060,000</td> <td>12%</td> <td>15%</td> <td>35%</td> </tr> <tr> <td>€1,060,000 – €1,460,000</td> <td>14%</td> <td>17%</td> <td>39%</td> </tr> </tbody> </table> <p>The taxable base for immovable property is 80% of its market value.</p>	TAX BASE, €	TAX RATE			Class 1	Class 2	Class 3	Up to €10,000	5%	8%	12%	€10,000 - €60,000	6%	9%	16%	€60,000 - €160,000	7%	10%	20%	€160,000 - €360,000	8%	11%	25%	€360,000 - €660,000	10%	13%	30%	€660,000 - €1,060,000	12%	15%	35%	€1,060,000 – €1,460,000	14%	17%	39%
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Exemptions	<p>Personal exemptions:</p> <ul style="list-style-type: none"> • The spouse, children and grandchildren. <p>Objective exemptions:</p> <ul style="list-style-type: none"> • Taxpayers who inherit a house or apartment and who own only one house or apartment themselves and have lived in the same house as the decedent; • Farmers who inherit agricultural land or an entire farm; Legal persons of private law established for religious, humanitarian, educational, cultural, charitable and certain other activities. • Movable property up to a value of € 5,000. 																																			
Allowances	A tax threshold of € 5,000 applies.																																			
Deductions	-																																			
Transfer of family-owned or closely held businesses	-																																			
Double taxation relief																																				
• Unilateral relief	The exemption method: It applies to the full inheritance if the taxpayers have declared their liabilities to the local tax authority within 15 days of receiving an inheritance.																																			
• Bilateral treaties	-																																			
Compatibility with EU law	No potential conflicts identified.																																			
Tax revenue in% of total tax revenue	-																																			

Source: Survey performed by Deloitte for Copenhagen Economics, AGN International (2010) and Global Property Guide.

Spain

	Description																																																																																								
Taxes levied																																																																																									
• Estate tax	-																																																																																								
• Inheritance tax	The inheritance tax is “a transferred tax”, which means that the legislative and revenue powers of the tax are shared between the State and the Autonomous Communities.																																																																																								
• Other taxes	A transfer tax and stamp duty is levied upon the beneficiary when the ownership of an asset or right, which may be entered into a public register, is to be changed. The taxable base is the value declared, although there are special valuation rules.																																																																																								
Connecting factors																																																																																									
• Personal nexus rule	The residence principle: Residents in Spain has to pay the inheritance tax in the Autonomous Community they reside in and thereby also determines which tax system they are under.																																																																																								
• Source rule	Non-residents are taxed under State legislation (in contrary to residents) and a source applies to movable and immovable assets and rights located in Spain.																																																																																								
Tax rates	<p>In the Autonomous Communities that have adopted their own scale (the Balearic Islands, Cantabria, Catalonia, Madrid and the Valencian Community), the total tax liability and the coefficient used to obtain the amount of tax to be actually paid is calculated applying these scales (not listed here).</p> <p>In the rest of the Autonomous Communities the State legislation is applied. The State scale to be applied to the assessment base is as follows:</p> <table border="1"> <thead> <tr> <th>ASSESSMENT BASE (UP TO)</th> <th>TOTAL TAX LIABILITY (EUROS)</th> <th>REST OF ASSESSMENT BASE, UP TO (EUROS)</th> <th>PERCENTAGE RATE APPLICABLE</th> </tr> </thead> <tbody> <tr><td>0.00</td><td>-</td><td>7,993.46</td><td>7.65</td></tr> <tr><td>7,993.46</td><td>611.50</td><td>7,987.45</td><td>8.50</td></tr> <tr><td>15,980.91</td><td>1,290.43</td><td>7,987.45</td><td>9.35</td></tr> <tr><td>23,968.36</td><td>2,037.26</td><td>7,987.45</td><td>10.20</td></tr> <tr><td>31,955.81</td><td>2,851.98</td><td>7,987.45</td><td>11.05</td></tr> <tr><td>39,943.26</td><td>3,734.59</td><td>7,987.45</td><td>11.90</td></tr> <tr><td>47,930.72</td><td>4,685.10</td><td>7,987.45</td><td>12.75</td></tr> <tr><td>55,918.17</td><td>5,703.50</td><td>7,987.45</td><td>13.60</td></tr> <tr><td>63,905.62</td><td>6,789.79</td><td>7,987.45</td><td>14.45</td></tr> <tr><td>71,893.07</td><td>7,943.98</td><td>7,987.45</td><td>15.30</td></tr> <tr><td>79,880.52</td><td>9,166.06</td><td>39,877.15</td><td>16.15</td></tr> <tr><td>119,757.67</td><td>15,606.22</td><td>39,877.16</td><td>18.70</td></tr> <tr><td>159,634.3</td><td>23,063.25</td><td>79,754.30</td><td>21.25</td></tr> <tr><td>239,389.13</td><td>40,011.04</td><td>159,388.4</td><td>25.50</td></tr> <tr><td>398,777.54</td><td>80,655.08</td><td>398,777.5</td><td>29.74</td></tr> <tr><td>797,555.08</td><td>199,291.4</td><td>above</td><td>34.00</td></tr> </tbody> </table> <p>The coefficient depends on both kinship and pre-existing wealth of the beneficiary:</p> <table border="1"> <thead> <tr> <th>PRE-EXISTING WEALTH (EUROS)</th> <th>KINSHIP Groups I and II</th> <th>KINSHIP Group III</th> <th>KINSHIP Group IV</th> </tr> </thead> <tbody> <tr><td>0 – 402,678.11</td><td>10.000</td><td>15.882</td><td>20.000</td></tr> <tr><td>402,678.11 – 2,007,380.43</td><td>10.500</td><td>16.676</td><td>21.000</td></tr> <tr><td>2,007,380.43 – 4,020,770.98</td><td>11.000</td><td>17.471</td><td>2.200</td></tr> <tr><td>Over 4,020,770.98</td><td>12.000</td><td>19.059</td><td>24.000</td></tr> </tbody> </table> <p>With:</p> <ul style="list-style-type: none"> • Group I: Descendants and adopted children under twenty one years old. • Group II: Descendants and adopted children twenty one year old or over, spouses, ascendants and adoptive parents. • Group III: Second and third degree collateral relatives, ascendants and descendants by marriage. • Group IV: Fourth degree collateral relatives, more distant relatives and non-family. 	ASSESSMENT BASE (UP TO)	TOTAL TAX LIABILITY (EUROS)	REST OF ASSESSMENT BASE, UP TO (EUROS)	PERCENTAGE RATE APPLICABLE	0.00	-	7,993.46	7.65	7,993.46	611.50	7,987.45	8.50	15,980.91	1,290.43	7,987.45	9.35	23,968.36	2,037.26	7,987.45	10.20	31,955.81	2,851.98	7,987.45	11.05	39,943.26	3,734.59	7,987.45	11.90	47,930.72	4,685.10	7,987.45	12.75	55,918.17	5,703.50	7,987.45	13.60	63,905.62	6,789.79	7,987.45	14.45	71,893.07	7,943.98	7,987.45	15.30	79,880.52	9,166.06	39,877.15	16.15	119,757.67	15,606.22	39,877.16	18.70	159,634.3	23,063.25	79,754.30	21.25	239,389.13	40,011.04	159,388.4	25.50	398,777.54	80,655.08	398,777.5	29.74	797,555.08	199,291.4	above	34.00	PRE-EXISTING WEALTH (EUROS)	KINSHIP Groups I and II	KINSHIP Group III	KINSHIP Group IV	0 – 402,678.11	10.000	15.882	20.000	402,678.11 – 2,007,380.43	10.500	16.676	21.000	2,007,380.43 – 4,020,770.98	11.000	17.471	2.200	Over 4,020,770.98	12.000	19.059	24.000
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Allowances	<table border="1"> <thead> <tr> <th>CATEGORY</th> <th>GROUP RELATIONSHIP</th> <th>ALLOWANCE</th> </tr> </thead> <tbody> <tr> <td>I</td> <td>direct and legally adopted descendants under 21 years of age:</td> <td>€47,859 max.</td> </tr> <tr> <td>II</td> <td>direct and legally adopted descendants of 21 years or more, spouse, and direct and adoptive ascendants:</td> <td>€15,957</td> </tr> <tr> <td>III</td> <td>siblings, uncles, aunts, nephews, nieces, and ascendants or descendants by marriage:</td> <td>€7,993</td> </tr> <tr> <td>IV</td> <td>cousins and other more distant relatives and unrelated persons or unknown heirs:</td> <td>none</td> </tr> </tbody> </table> <p>With the different categories being the same as those stated under 'Tax rates'.</p> <p>Special allowances apply to disabled individuals:</p> <table border="1"> <thead> <tr> <th>CONDITION OF BENEFICIARY</th> <th>ALLOWANCE</th> </tr> </thead> <tbody> <tr> <td>Disability: 65% and below:</td> <td>€47,859</td> </tr> <tr> <td>Disability: more than 65%:</td> <td>€150,253</td> </tr> </tbody> </table> <p>In addition to these tax reductions, other specific ones are also envisaged depending on the type of assets transferred.</p>	CATEGORY	GROUP RELATIONSHIP	ALLOWANCE	I	direct and legally adopted descendants under 21 years of age:	€47,859 max.	II	direct and legally adopted descendants of 21 years or more, spouse, and direct and adoptive ascendants:	€15,957	III	siblings, uncles, aunts, nephews, nieces, and ascendants or descendants by marriage:	€7,993	IV	cousins and other more distant relatives and unrelated persons or unknown heirs:	none	CONDITION OF BENEFICIARY	ALLOWANCE	Disability: 65% and below:	€47,859	Disability: more than 65%:	€150,253
CATEGORY	GROUP RELATIONSHIP	ALLOWANCE																				
I	direct and legally adopted descendants under 21 years of age:	€47,859 max.																				
II	direct and legally adopted descendants of 21 years or more, spouse, and direct and adoptive ascendants:	€15,957																				
III	siblings, uncles, aunts, nephews, nieces, and ascendants or descendants by marriage:	€7,993																				
IV	cousins and other more distant relatives and unrelated persons or unknown heirs:	none																				
CONDITION OF BENEFICIARY	ALLOWANCE																					
Disability: 65% and below:	€47,859																					
Disability: more than 65%:	€150,253																					
Deductions	<p>A deduction of 50% - or 99% when the successor is the spouse, descendant or adopted child - is applied if the deceased had his habitual residence at the time of his death and during the five years prior to the day before the tax becomes due in Ceuta or Melilla.</p> <p>The Autonomous Communities may regulate new deductions.</p>																					
Transfer of family-owned or closely held businesses	A reduction of 95% of the value of the business may be made in addition to any other applicable reductions, provided that the acquisition is kept for at least ten years after the death of the deceased.																					
Double taxation relief																						
<ul style="list-style-type: none"> Unilateral relief 	<p>The credit method: Applies only for residents and allows them to deduct from their tax liability the smaller of the two amounts mentioned below:</p> <ul style="list-style-type: none"> The amount of a similar tax paid abroad on the capital gains subject to tax in Spain. The amount obtained applying the effective mean tax rate to the capital gains corresponding to the assets and rights abroad when a similar tax has been levied on them abroad. 																					
<ul style="list-style-type: none"> Bilateral treaties* 	Inheritance treaties are in force between Spain and the following Member States: Greece (1919), Sweden (1963), and France (1963).																					
Compatibility with EU law	<p>The following potential conflict has been identified:</p> <ul style="list-style-type: none"> Beneficiaries are subject to different tax systems (Autonomous Community or State law) in the Basque Country depending on when they resided in the area. 																					
Tax revenue in% of total tax revenue	0.81% in 2008 (incl. revenue from both inheritance and gift tax).																					

Note: * Years in bracket is the year where the treaty entered into force.

Source: Maisto (2010), Spain (2010), AGN International (2010) and Global Property Guide.

United Kingdom

	Description
Taxes levied	
• Estate tax	-
• Inheritance tax	Inheritance tax imposes a charge on the value of an individual's estate on death.
• Other taxes	-
Connecting factors	
• Personal nexus rule	The domicile principle: An individual who is domiciled in the UK is subject to inheritance tax on his worldwide estate. Nationality and residence are irrelevant for these purposes (except in relation to deemed domicile).
• Source rule	Yes, an individual who is not domiciled in the UK is subject to inheritance tax only on their estate situated in the UK. This is achieved by excluding "excluded property" from their estate.
Tax rates	Assets over the value of the tax threshold are charged a 40% inheritance tax. If the deceased dies within 7 years of making a Potentially Exempt Transfers (PET) and a lifetime gift, that gift becomes chargeable for inheritance tax at the death rate. There is a sliding scale for reducing the inheritance tax chargeable on death on both PET's and lifetime gifts chargeable at the time they are made based on the length of time the deceased lives after making the gift, which ranges from 80% (3 to 4 years before death) and down to 20% (6 to 7 years before death). Some lift time gifts are exempt from the inheritance tax.
Exemptions	Personal exemptions: <ul style="list-style-type: none"> • Legacies to spouses (unlimited). Objective exemptions: <ul style="list-style-type: none"> • Legacies to charities (unlimited). • Political parties, housing associations, business and agricultural properties as well as legacies for national purposes (fully or partly). • Failed Potentially Exempt Transfers (PET's) where the transfers are made more than three years but less than seven years before death. • Lifetime transfers who are chargeable when made are taxable at half the death rate.
Allowances	The tax threshold per person is £325,000. The allowance is transferable between spouses.
Deductions	The debts of the deceased can be deducted as well as any liability for income tax arising on death. Liabilities that are encumbrances on any property shall reduce its value. Deductions can also be made for reasonable funeral expenses and the administration of non-UK assets.
Transfer of family-owned and closely held businesses	Any transfer of value (under the inheritance tax rules) made by a close company shall be apportioned to its shareholders, and inheritance tax charged according to those individuals' particular circumstances, albeit that any tax due is primarily recoverable from the company.
Double taxation relief	
• Unilateral relief	The credit method: The credit available against UK tax applies to any foreign tax similar to the inheritance tax or, even if not similar, if it is chargeable on death or a lifetime gift. It is available on assets of all kinds and wherever situated outside the UK.
• Bilateral treaties*	Inheritance tax treaties are in force between UK and the following Member States: France (1964), Italy (1968), Ireland (1978), Netherlands (1980), and Sweden (1981).
Compatibility with EU law	The following potential conflict has been identified: <ul style="list-style-type: none"> • UK does not make charities eligible for exemption granted to domestic entities.
Tax revenue in% of total tax revenue	0.68% in 2005.

*Note: * Years in bracket is the year where the treaty entered into force.*

Source: Maisto (2010), Mckeever and Skeffington (2010), AGN International (2010) and Global Property Guide.

Member States without inheritance or estate taxes

The survey has revealed that 9 of the 27 Member States do not have an inheritance or estate tax.

The absence of inheritance and estate taxes does not imply that no tax is levied on transfers upon death. In all Member States with no inheritance or estate taxes, except Slovakia, other more general taxes may apply to the transfer to the heirs. All of these taxes are, however, not only payable upon death, but also under other circumstances where the value of the assets is realized. A few of the Member States have entered into inheritance tax treaties despite they do not have an inheritance tax themselves.

This section provides a brief overview of the relevant other taxes in these 9 Member States.

Relevant taxes upon death in Member States without inheritance and estate tax

	Relevant taxes and bilateral tax treaties
Austria	Acquisitions of land upon death are subject to land transfer tax. Inheritance tax treaties are in force between Austria and the following Member States: Sweden (1963), Hungary (1976), France (1994), the Czech Republic (2000) and the Netherlands (2003).
Cyprus	Donation taxes are imposed on the transfer of real estate by donation between family members. The tax is levied on the value at the written deed at varying rates, depending on the relationship between the donor and the beneficiary.
Estonia	A state fee is payable on the issue of a succession certificate. Notary fees are also payable on different procedures. There are up to 11 different fees that are payable for deeds related to succession. Most of them are lump sum.
Latvia	Income or assets derived through inheritance are exempt from personal income tax, with the exception of royalties gained from inherited intellectual/artistic property. Sale of an inherited asset would however be subject to capital gains tax, where the taxable profit would be calculated as a difference between the sales price and the inheritance value. The legislation does not differentiate taxation approach, values or rates based on the location of the asset.
Malta	A stamp duty is payable by the heir at 5% of the declared property value. If the property is jointly owned by spouses, and one of the spouses has died, 5% is levied on only half the value of the property. While no relief for double taxation is available in Malta with respect to Maltese stamp duty, current revenue practice is not to impose stamp duty on transfers of foreign immoveable property and foreign marketable securities upon death.
Portugal	A stamp duty applies upon the death of an individual on the transfer of the assets that constitute the succession estate. The stamp duty is a territorial tax of 10%. Descendants, spouses and people living as married couples are tax exempt on transfer upon death, regardless of tax residency.
Romania	A real estate tax is applicable in case of real estate properties transferred from the personal patrimony of individuals. It is provided that in case of transfer of the ownership right over real estate properties by way of inheritance, if the inheritance procedures are not completed in two years periods, the heirs (individuals, both residents and non-residents) are liable to pay towards the State Budget a 1% tax applicable to the value of the real estate properties included in the inheritance.
Slovakia	-
Sweden	- Inheritance tax treaties are in force between Sweden and the following Member States: Hungary (1936), the Netherlands (1952), Belgium (1958), Italy (1958), Austria (1963), Spain (1963), the UK (1980), Nordic countries (1989), Germany (1992), and Germany (1994).

Source: Survey performed by Deloitte for Copenhagen Economics, Fraberger and Stangl (2010), Fernandes Ferreira and Gonçalves (2010), Rijkj rv and Vanasaun (2010), Kristoffersson (2010), Maisto (2010), AGN International (2010) and Global Property Guide.