

# Capital Gains Tax on Shares in the EU Anno 2020

PKF International Tax Network is pleased to provide you with an overview of capital gains tax on shares realized by private individuals in the EU (incl. Switzerland).

Country	Personal income tax rate	Capital gain tax on shares realized by private individual	If capitals gain tax applies: what rate?	Are changes in tax law expected?
<b>Austria</b>	Progressive tax rates from 25% to 55%	Yes	27.5%	No
<b>Belgium</b>	Progressive tax rates from 25% to 50% (the first EUR 8.800 is tax-exempt)	No	n/a	Unofficially there are rumors to introduce a general 15% capital gain tax in Belgium. However, no amendments to Belgium tax law are made yet.
<b>Bulgary</b>	Flat rate of 10% tax on worldwide income (including the gain)	No	n/a	No
<b>Croatia</b>	Progressive tax rates from 24% (up to HRK 30.000 monthly tax base) to 36% (over HRK 30.000 monthly tax base)	No Unless the shares were held less than 2 years	12% plus city surtax	No
<b>Cyprus</b>	Progressive tax rates from 20% to 35% (the first EUR19.500 is tax-exempt)	No Unless shares of a Company which holds immovable property in Cyprus	20% on the difference in the fair value of the property and the fair acquisition value	No
<b>Czech Republic</b>	15%, with a 7% additional tax rate for income from employment and business income exceeding in total 48 times the average salary	Yes	15%	No
<b>Denmark</b>	Progressive tax rates from approx. 25% to 56,6%	Yes	The total of all realized capital gains and dividends are taxed at 27% below DKK 55,300 (EUR 7,413) and 42% above this threshold.	Recently the 2020 State Budget negotiations took place. Part of these negotiations was to raise the 42% tax limit to 45%, but it did not become a part of the budget.
<b>Estonia</b>	Flat rate of 20% on worldwide income, incl. the gain (the first EUR 6.000 is tax-exempt)	No	n/a	No
<b>Finland</b>	Progressive tax rates up to 56,4%	Yes	30% up to EUR 30.000 and 34% above EUR 30.000	No (plans for) changes have been published until early 2020.
<b>France</b>	Progressive tax rates from 0% to 49%	Yes if the person is a French tax resident.  For foreign tax residents, the sale of French shares can trigger capital gain tax if the individual (and family) has held >25% of the shares of the company at any time during the last 5 years	<ul style="list-style-type: none"> <li>Flat tax of 30%, or;</li> <li>progressive tax rates (for shares held before 2018 possibility to apply a rebate for length of holding) + 17,2%</li> </ul>	No
<b>Germany</b>	Progressive tax rates from 14% to 47,475% (plus church tax, if applicable)	Yes	<ul style="list-style-type: none"> <li>shareholding &lt; 1%: flat rate of 26,375% incl. church tax (or personal tax rate, if lower)</li> <li>shareholding ≥ 1%: 60% of the capital gain at personal tax rate</li> </ul>	The flat rate taxation is criticized, but there are no specific plans for amendments.
<b>Greece</b>	Progressive tax rates from 9% to 44%	Yes  The taxation applies to the sale of: <ul style="list-style-type: none"> <li>shares of non listed enterprises</li> <li>at least 0,5% of shares of listed companies</li> </ul> Gains are exempted from taxation in the following cases: <ul style="list-style-type: none"> <li>sale of shares of listed companies that were acquired before 1.1.2009</li> <li>sale of less than 0,5% of shares of listed companies</li> </ul>	A 15% flat rate applies, whilst capital losses on shares can be carried-forward up to 5 years to be compensated with future gains (immovable property: 0%)	No
<b>Hungary</b>	15%	Yes	15% and an additional 17,5% social contribution tax is due if certain conditions are not met.	Expectedly the social contribution tax rate will be reduced at the end of 2020.
<b>Ireland</b>	Progressive tax rates from 20% to 50%	Yes	33% with an Entrepreneur Relief of 10% for proceeds up to EUR 1m for disposal of certain business assets or shares, if certain conditions are met.	It is hoped that the Entrepreneur Relief may be extended. However, no amendments to Irish tax law have been made yet.
<b>Italy</b>	Progressive tax rates from 23% to 43%	Yes	26% (since 01/01/2019). Before individuals had to apply progressive tax rates on a part of the capital gain.	No
<b>Latvia</b>	Progressive tax rates from 20% to 31,4%	Yes	20%	No

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Lithuania	Progressive tax rate: 15% or 20% which depends on the level of annual income of certain income type, including capital gain on realized shares (in 2020 the rate of 20% applies on income above EUR 104.278)	No	n/a	No
Luxembourg	Progressive tax rates from 0% (up to EUR 11.265) to max 45.78% (as from EUR 200.004) and including the employment fund contribution of max. 9%.	Yes The capital gain equals the difference between sale price and acquisition price	For Luxembourg tax residents: <ul style="list-style-type: none"> <li>Shares held &lt;6 months are taxed at the ordinary progressive income tax rates (max 45.78%) + dependence insurance contribution of 1,4%-</li> <li>Shares held ≥6 months and non-significant (i.e. less or equal to 10% together with his spouse or children) shareholding in the concerned capital company are tax exempt-</li> <li>Shares held ≥6 months and significant shareholding in the concerned capital company: taxed at the ½ global rate (max. 22.89%) + dependence insurance contribution of 1,4%. An allowance/tax rebate of EUR 50.000 (doubled for the spouses/partners jointly taxable) applies to capital gains on disposal of significant shareholdings (and capital gains on disposal of real estate), renewable every 10 years</li> </ul>	No
Malta	Progressive tax rates from 15% to 35%	Yes, although there are some exceptions including: <ul style="list-style-type: none"> <li>transfer of malta Government Bonds and Stocks</li> <li>transfer of shares in a company listed on the Malta Stock Exchange</li> <li>donations to close relatives and philanthropic insitutions approved under the Income Tax Act</li> </ul>	Taxed at the standard progressive personal tax rates	No
Netherlands	Progressive rates from 37,35% (incl. social security) to 49,5%	Yes, in case of a substantial shareholding (typically shareholdings of 5% or more)	From 26,25% (2020) to 26,9% (2021)	No
Poland	Progressive tax rates from 17% to 32%	Yes	19%	No
Portugal	Progressive tax rates from 14,5% to 48%.	Yes	<ul style="list-style-type: none"> <li>Flat rate of 28% with a 50% reduction of the tax basis (effective rate of 14%) for capital gains with the sale of shares issued by micro/small enterprises, or;</li> <li>Option to include the capital gains generated during the year in his/her aggregate tax basis (i.e. together with other categories of income) subject to the standard progressive tax rates (max 48%)</li> </ul>	No
Romania	Flat tax rate of 10%	Yes	10%	No
Slovakia	No input received	No input received	No input received	No input received
Slovenia	Progressive tax rates from 16% to 50%	Yes	27,5% (prior to 2020 the tax rate was 25%)	No
Spain	Progressive tax rates from 19% to 48%	Yes	Progressive tax rates from 19% to 23%	The change of Government could lead to an increase in the tax rate. However, no amendments to Spanish tax law are made yet.
Sweden	Progressive tax rates from 30% to 50%	Yes, however most private individuals can hold in listed shares in a so called ISK (Investment Savings Account) to avoid capital gains tax and tax on dividends	30% (for shares not held in ISK)	Not at the moment, but an extensive overhaul is expected in the future
Switzerland	Progressive tax rates at the federal level (from 0,77% to 11,5%) and in most cantons level (of maximum ca. 41,27%).  Individuals with a taxable income below CHF 14.500 and couples with a taxable income below CHF 28.300 no federal tax is levied. Some cantons have also introduced a flat rate taxation.	Generally no  Private capital gains on movable assets (e.g. shares) are normally tax-exempt throughout Switzerland as long as an individual does not qualify as being a professional securities dealer or unless they have been requalified into a dividend income (e.g. in case of a so-called "transposition" or "indirect partial liquidation")	n/a  If taxed (cfr. exemptions), depending on capital stake / holding period / private business or non-business property status / level of taxation (federal / cantonal) up to 50% of a capital gain / dividend income may be tax exempt.	No
United Kingdom	Progressive tax rates from 20% to 45% (England, Wales and Northern Ireland) and from 19% to 46% (Scotland)	Yes	<ul style="list-style-type: none"> <li>0% if a SEIS or EIS</li> <li>10% if Entrepreneurs' Relief or Investors' Relief qualifies</li> <li>20% otherwise</li> </ul>	There is discussion that Entrepreneurs' Relief may be reformed (as stated in the Conservative Party manifesto) in the Budget which will take place on 11/03/2020.

The content of this overview has been compiled and coordinated on 4 February 2020 by both Kurt De Haen ([kurt.dehaen@pkf-vmb.be](mailto:kurt.dehaen@pkf-vmb.be)) and Janke Tierens ([janke.tierens@pkf-vmb.be](mailto:janke.tierens@pkf-vmb.be)) of PKF-VMB Tax Consultants cvba. Please contact Kurt or Janke should you have any questions, comments or suggestions