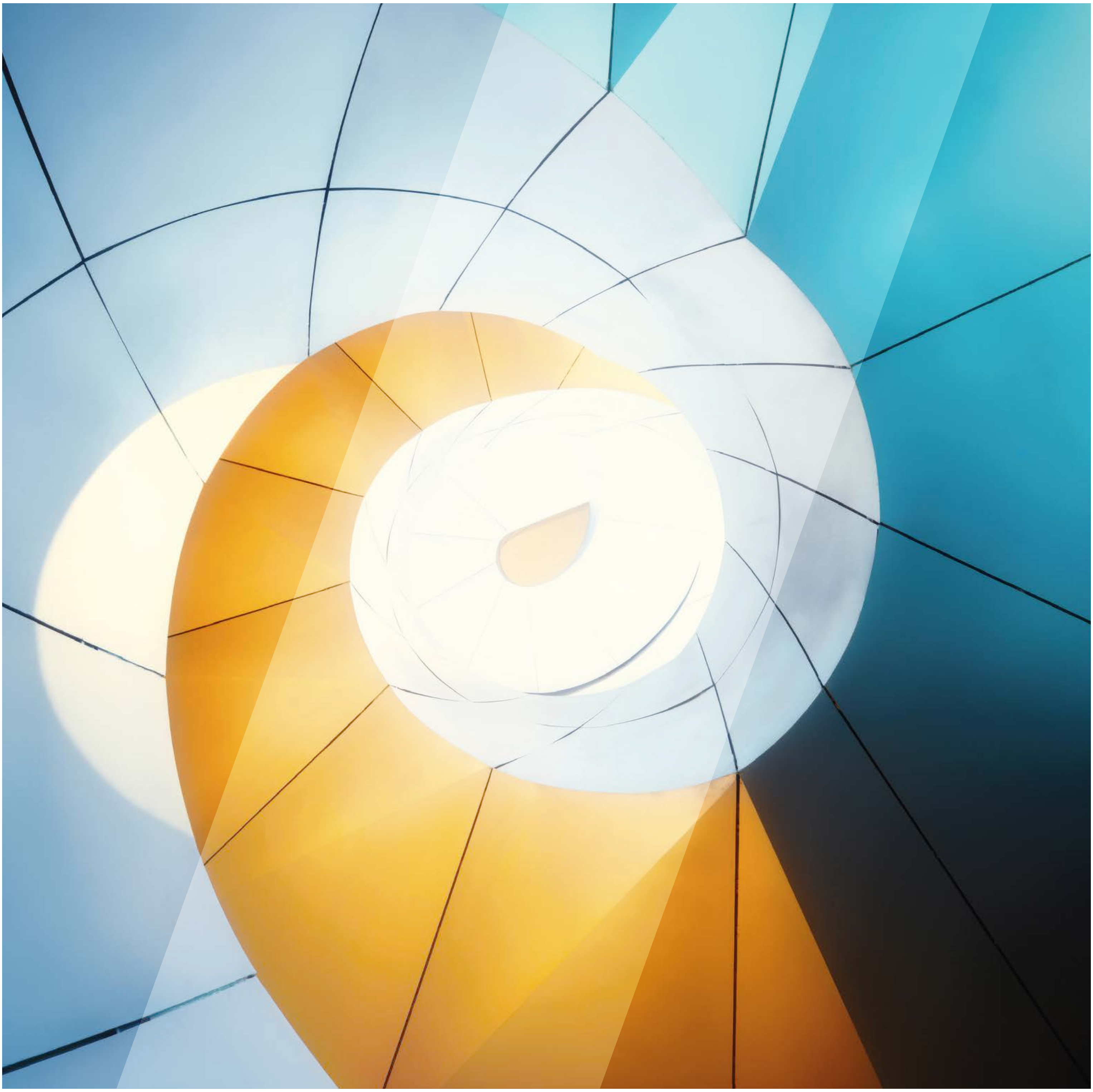

Central and Eastern European tax guide 2026

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Welcome to the CEE tax guide 2026

Welcome to Forvis Mazars' fourteenth annual Central and Eastern European tax guide. The main purpose of our brochure is to provide an overview of the tax systems in the CEE region. Over time, the list of participating countries has continuously expanded: we started out with 15 countries in 2013, and this year's edition now contains data for 25 jurisdictions. Alongside the 'core' Central European countries like Hungary, Czech Republic, Slovakia, and Poland (the so-called Visegrád Group), southeast Europe, Germany, Austria, Ukraine, Romania, Moldova, and the Baltic states are also included. The Forvis Mazars offices in Central Asian countries (Kazakhstan, Kyrgyzstan, and Uzbekistan) have also contributed to the tax guide.

In the first section, the tax systems of the CEE region are presented country-by-country, based on data provided by the relevant Forvis Mazars offices. The end of this guide contains summary tables that allow side-by-side comparisons of the relevant tax environments.

The primary aim of the publication is to allow for comparisons to be made between the fundamental factors of competitiveness in the region. What are these factors? They primarily include the rates of taxes and employment contributions: in addition to listing the relevant tax and contribution rates, we also provide examples for various salary levels and family statuses. Other key factors include the rates and special features of value added tax, as well as the corporate income tax system. A separate table summarizes and compares major CIT characteristics such as tax allowances for research and development activities or loss carry-forward regulations, group taxation, interest deduction limitations, etc. Moreover, readers are also provided a quick overview of the main features of each country's transfer pricing regulations.

Before making any strategic business decisions, further discussion and detailed analysis are always required. To that end, we have included the direct contact information of our offices and experts. Please feel free to get in touch with the relevant people with any questions or clarifications you might have.

We hope you find this guide useful.

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Tax review 2026

An overview of taxation system within CEE

Introduction

This brochure aims to provide current information on taxation in the 22 European states concerned, supplemented by 3 Central Asian countries, effective as of January 2026. This is the fourteenth edition of the guide. We believe it will help investors understand the complexities of the various CEE tax regimes by highlighting the latest developments and trends characteristic of the respective jurisdictions.

Three themes define the 2026 landscape. Personal income tax and VAT rates have risen in several countries, reversing the relative stability of prior years; Pillar II compliance is transitioning from a legislative exercise to an operational reality as first filing deadlines arrive; and mandatory e-invoicing has become a mainstream compliance requirement across the region's largest economies.

Employment Taxes

Nominal tax rates

The tax rates on income and employment continue to show significant differences across the countries in question. 2026 brought slight increase of tax rates in several countries, most notably in the Baltic states. Lithuania has introduced an income-pooling model under which employment, rental and business income is taxed under a unified progressive scale of 20%, 25% and 32%. Dividends and certain capital income continue to attract a flat 15% rate. Slovakia has introduced two new upper PIT brackets — 30% and 35% — extending the existing 19% and 25% scale. Of the flat-rate countries, Romania has raised the dividend rate from 10% to 16%, while Bulgaria, Hungary and Ukraine retain their flat employment rate systems. Greece has moved in the opposite direction: except for the lowest, 9% bracket, all existing PIT brackets have been reduced by two percentage points, with the introduction of a new 39% intermediate bracket.

On average, the costs of social taxes borne by employers in the region remain approximately 17% of gross salaries, with the spread between the lowest (Lithuania, Kosovo, Romania: no more than 5%) and highest (Estonia, Slovakia, Czechia: above 33%) remaining extreme. However, in some cases the level of employees' social and health care contributions are set in a way to offset this; as a consequence, one can see the full picture only by looking at both sides of the equation.

The tax wedge: measuring the overall employment burden

A highly suitable method for comparing employment tax systems across the region is to examine the tax wedge — the ratio of total taxes and contributions paid in connection with employment to the corresponding total labor costs for the employer. The tax wedge shows the percentage of labor costs that, in any form, go to the state budget.

In 2026, at the private-sector average wage, this indicator varies between 13% (Kosovo) and 48% (Germany), with a regional average of 37%. Compared to the OECD average of approximately 35%, the CEE region can be considered relatively high-burden, especially among EU member states, where the average approaches 42%.

The four scenarios presented in the diagrams — average wage and twice the average wage, with and without three children — reveal two structural dynamics that persist across the region.

The first is the progressivity effect. Comparing the tax wedge at the average wage against twice the average wage for an employee (without children), countries with progressive PIT scales show a meaningful increase in burden: Austria rises by 5.6 percentage points, Albania by 6.1, and Latvia and Slovenia by approximately 3 points each. By contrast, flat-rate countries — including Hungary, Romania, Ukraine, Serbia — show a change of less than 1.5 percentage points between the two income levels.

The second dynamic is the family benefit effect. In three-quarters of the countries, employees raising three children experience no material reduction in the tax wedge relative to employees without children. Where benefits do apply, the impact is striking. At the average wage, Hungary records a 23.4 percentage point reduction — from 41.1% to 17.8% — driven by expanded family tax allowance introduced in 2026. Slovakia (−14.0pp), Croatia (−10.2pp), Latvia (−9.2pp), Slovenia

(−8.6pp) and the Czech Republic (−8.3pp) also offer meaningful relief.

At twice the average wage, family benefits persist, but compress. Hungary retains the largest differential (−11.7pp, reducing its tax wedge from 41.1% to 29.4%), followed by Croatia (−6.2pp), Slovenia (−5.0pp) and Latvia (−4.6pp). In progressive systems such as Austria, Slovenia and Slovakia, the absolute tax wedge at twice the average with three children still exceeds 43—45%, confirming that family allowances do not fully offset higher marginal rates. In most remaining countries, the wedge at double income with three children is indistinguishable from the no-children scenario.

Wage levels

The gross minimum wage across CEE countries has continued to rise. The most striking increase is Montenegro's, where the statutory minimum wage has risen by approximately one third to EUR 670. Slovakia (from EUR 816 to 915), the Czech Republic (from CZK 20,800 to 22,400) and Albania (from ALL 40,000 to 50,000) have also recorded double-digit increases in local currency terms. Germany and Austria remain at the top of the regional distribution, with minimum wages of around EUR 2,400.

As for gross average wages, in the private sector across those CEE remain around EUR 1,700, but it shows significant fluctuations across the region. However, when wages — especially net wages — are adjusted for purchasing power parity (PPP)[1] rather than compared at face value in euros, the picture becomes considerably more nuanced. The two highest-paying countries in the region — Austria and Germany — retain a clear lead even after PPP adjustment. Estonia presents the opposite dynamic: a nominally high net wage is substantially eroded by higher price levels. Greece is an equally striking outlier: its nominal net wage is pulled back by the price environment to the point where it falls behind several countries whose headline figures are lower.

At the other end of the spectrum, Montenegro is a notable example where a moderate nominal net wage is paired with one of the lowest price levels in the region, giving workers a purchasing power meaningfully higher than the headline figure would suggest. Poland, Croatia and Romania fall into a similar category: in each case, lower local prices materially improve workers' effective standard of living relative to what the nominal wage data alone would indicate.

Value-Added Tax

Due to EU regulations, the rules of value-added tax are harmonized for the most part, and many non-EU member states are also trying to align themselves to the Community system. However, applicable tax rates show significant differences, and 2026 records an unusually broad simultaneous upward movement. Overall, headline VAT rates are on the rise, while the scope of lower rates keep shrinking. Romania increased its standard rate from 19% to 21% with effect from August 2025, simultaneously consolidating the existing 5% and 9% reduced rates into a single 11% rate. Certain goods previously at 9% — including photovoltaic systems and selected recreational admissions — now bear the full 21% rate. Estonia's standard rate rose from 22% to 24% from July 2025 and applies for the full 2026 year. The most significant rate increase in absolute terms is Kazakhstan's, where the standard rate has risen from 12% to 16% effective January 2026.

Examining the reduced tax rate structures provides an even more diverse picture. Lithuania has eliminated its general 9% reduced rate, transferring district heating and hot water to the standard 21% band, while introducing a new 12% rate for accommodation and cultural services and reducing the rate on books to 5%. Starting from 2026, North Macedonia has extended its 5% VAT rate for residential buildings to December 31, 2028. Greece has extended the VAT suspension on newly built properties to December 31, 2026. In Slovakia, the 19% reduced rate on high-sugar and high-salt food products (confectionery, sugary drinks, ice cream, salty snacks) was abolished; these goods now bear the standard 23% rate.

1 The PPP index is an economic indicator which links exchange rates to the price of a basket of goods in each country, measured in local currency per US dollar.

VAT registration thresholds have been raised in Romania (to EUR 80,000), Moldova (to approx. EUR 75,800) and Poland (to PLN 240,000). More jurisdictions are implementing digital compliance systems. Croatia's Fiscalization 2.0 requires all VAT-registered businesses to issue structured e-invoices in real time from January 2026. Poland's KSeF became mandatory from February 1, 2026 for businesses with turnover above PLN 200 million, and from April 1, 2026 for all other VAT-registered taxpayers. Romania has also extended its SAF-T obligation to all taxpayers from January 2025, completing a rollout previously limited to large and medium enterprises.

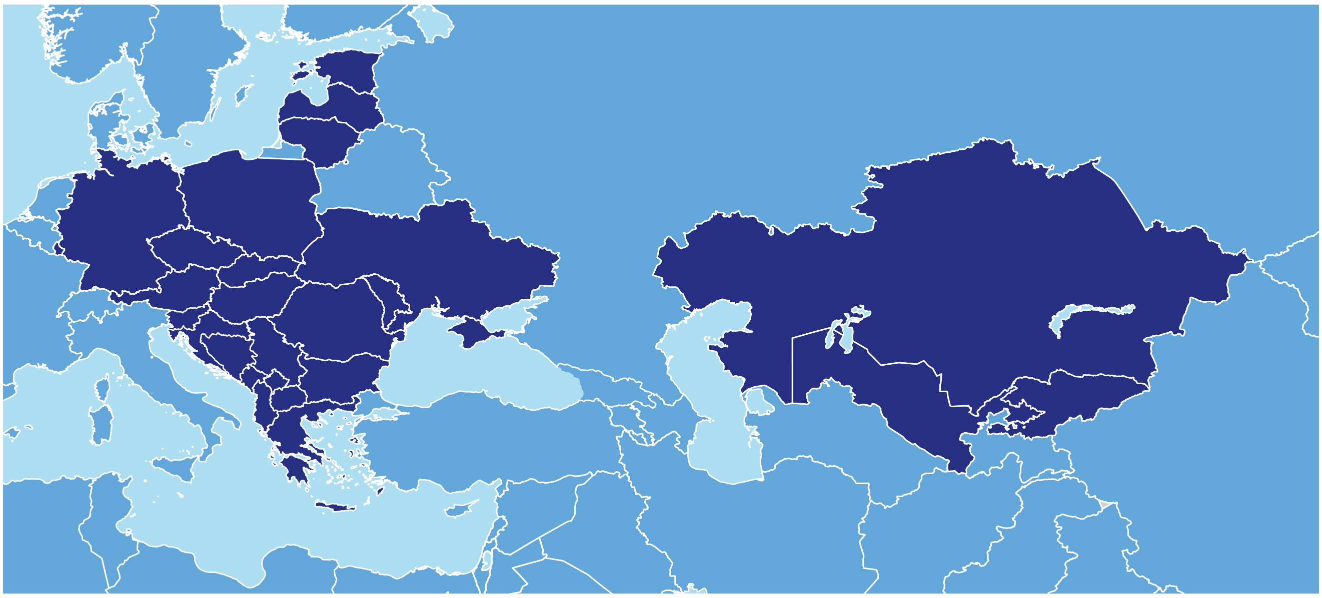
Corporate Income Tax

Countries in the region typically keep headline CIT rates in the 9—24% range, and this range remains broadly stable in 2026. The reality is, however, often more complex, as a number of countries — like Poland and Slovakia — retain beneficial rates for smaller taxpayers, while Hungary's lowest-in-EU 9% rate coexists with sector-specific levies that can raise the effective burden substantially. Lithuania is the only country to raise its standard CIT rate in 2026, from 16% to 17%, and the small company rate from 6% to 7%, as part of a defense-funding fiscal package.

Germany has enacted a long-term CIT reduction plan: the current 15% rate will be reduced by one percentage point per year from 2028, reaching 10% by 2032, bringing the combined tax burden from approximately 30% today to around 25%. Latvia has introduced an alternative CIT regime: companies whose shareholders are exclusively natural persons may elect to apply a 15% tax on distributed profits combined with a 6% PIT withholding on the dividend, rather than the standard 20/80 system.

Many CEE countries offer tax incentives to encourage investment in R&D. The Czech Republic has increased its R&D super-deduction from 110% to 150% for qualifying expenditure up to CZK 50 million, with 100% applying above that threshold; the 60% windfall tax on energy, fossil fuel and banking sector taxpayers expired at end-2025. Romania has introduced an alternative R&D incentive: a 10% refundable tax credit in addition to the existing 50% additional deduction. As a qualified refundable tax credit, it does not reduce the effective tax rate for Pillar II purposes. Hungary has introduced a new CIT allowance for environmental investments of at least HUF 100 million, while the special tax on credit institutions has risen to 10% (below HUF 20bn) and 30% (above HUF 20bn).

Countries included in the publication

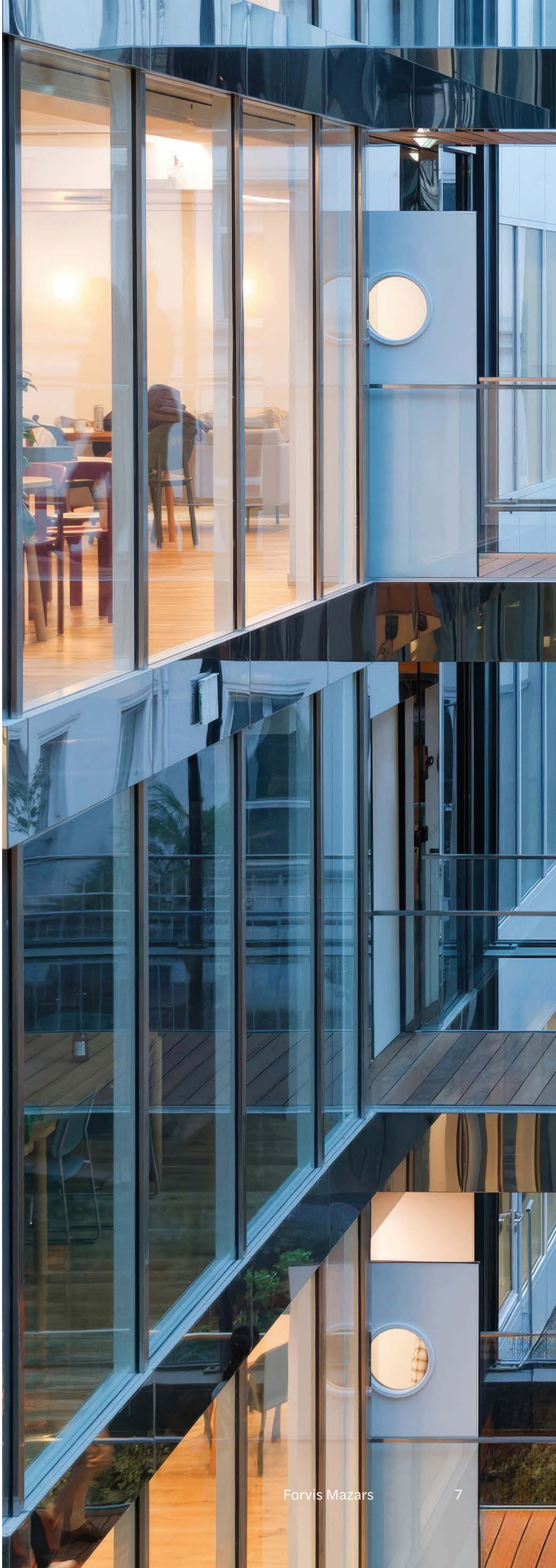


Notably, corporate group taxation is available in Hungary, Austria, Bulgaria, Germany, Poland, Romania, Serbia, Bosnia and Herzegovina (FBiH) and Montenegro. Poland's JPK CIT (SAF-T for corporate income tax and fixed assets) produces its first mandatory filing in March 2026 for entities with annual turnover exceeding EUR 50 million.

Transfer Pricing and Pillar II

Transfer pricing regulations appear in the tax systems of practically all countries covered by the guide, with mandatory documentation obligation in all countries except Kyrgyzstan. Latvia has established a new mandatory TP reporting obligation from January 2026 for controlled transactions with related foreign entities exceeding EUR 250,000 cumulatively, distinct from existing masterfile and local file requirements. Moldova has strengthened its TP documentation framework, clarifying masterfile and local file structure in line with OECD standards. Hungary has introduced a simplified safe harbor from 2026: a 5% mark-up on low-value-adding intragroup services is automatically accepted as arm's length without a study. Poland has also introduced public country-by-country reporting obligations for MNE groups with consolidated revenues above EUR 750 million.

A key focus in international taxation is the transition of Pillar II from legislation to operational reality. EU Directive 2022/2523 has been implemented in fourteen jurisdictions covered by this guide. The most immediate development is the first filing cycle: as a general rule, taxpayers within scope must submit their top-up tax return for the 2024 fiscal year by June 30, 2026. The Czech Republic has secured an extension, thus, the tax return is due by October 2026. Regarding the EU's DAC9 Directive on Pillar II information exchange, Romania transposed the rules in February 2026 and Slovakia in January 2026. It is clear that there are increasingly fewer opportunities for multinational companies to engage in profit-shifting, and the gap between jurisdictions with operational minimum tax frameworks and those still deferring is becoming commercially material.



Albania

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Corporate taxes and other direct taxes

The standard Corporate Income Tax is assessed on a current-year basis at the rate of 15%:

Reduced Corporate Income Tax Rate are applicable for the specific industries;

- 5% for the automotive industry until December 31, 2029;
- 5% for entities which perform their activities in accordance with the Law on Entities of Agriculture Collaboration until December 31, 2029;
- 5% for agritourism industry until December 2029;
- Any entity which operates a 4- or 5-star hotel and that acquires the status of special investor until December 2026 will be exempt from CIT for the first 10 years of their operation.

Transfer pricing in Albania		
Arm’s length principle	✓	–
Documentation liability	✓	–
APA	✓	–
Country-by-Country liability	✓	–
Master file-local file (OECD BEPS 13) applicable	✓	–
Penalty		
lack of documentation	✓	~ Delayed submission of documentation – EUR 100 / for each month of delay.
tax shortage	✓	0.06% on a daily basis (not more than 365 days) + late payment interest.
Related parties	50% >	Holding or controlling 50% or more of shares, or directly or indirectly.
Safe harbors	No	–
Level of attention paid by Tax Authority		**8/10**

Fiscal losses may be carried forward for up to five consecutive years. The law does not provide for consolidated tax returns. Each company forming part of a group must file a separate tax return.

The gross amounts of interest, royalties, dividends, and shares of partnerships’ profits paid to non-resident companies are subject to a withholding tax of 15%, unless a Double Taxation Treaty (DTT) provides for a lower rate. Albania has established agreements with 45 countries. 44 of these have been ratified and are currently in force.

The customs duty rates range between 0% and 15%, depending on the type of goods and the country of the origin. Local taxes consist of different categories of taxes.

VAT and other indirect taxes

Any person (entity or individual) that makes supplies in the course of that person’s independent economic activity is required to pay VAT. For domestic supplies and for services subject to the reverse-charge mechanism, the Albanian taxable person will always be liable to account for the VAT. The obligation to register for VAT purposes and charge VAT is triggered when annual turnover exceeds ALL 10 million (approx. EUR 100,000).

Persons involved in import or export activities and taxpayers supplying professional services must register for VAT regardless of the amount of turnover. The applicable VAT regimes are: 0%, 6%, 10% and 20%.

Customs duty in the Republic of Albania is applied by the customs authorities on the import of goods. The liability to pay duty always falls on the importer of the goods, but it is added to the cost of goods and in this way, it is finally transferred to the consumer. The customs duty rates range between 0% and 15%, depending on the type of goods and the country of the origin.

Personal income tax / Social security system

According to Income Law, personal income is categorized in three types of income;

– employment income
The employment income includes wages, salaries, allowances, other compensations and additions derived from labour or similar relations.

Also,definition of the employment income encompasses the income earned by a self-employed individual if at least 80% of the revenue earned is derived directly or indirectly from a single customer or if at least 90% of the total revenue earned is derived from 2 clients. However, such criteria do not apply if the self-employed individual provides services only to non-tax residents in Albania

A progressive rate is applicable on employment income; 13% for yearly income up to ALL 2,040,000 and 23% for the amount over ALL 2,040,000.

However Taxpayers can deduct specific amounts from their annual tax base, such as:

- Up to 600,000 ALL/year: Full deduction.
- Over 600,000 ALL/year up to 720,000 ALL/year: 420,000 ALL/year.
- Over 720,000 ALL/year: 360,000 ALL/year.

Additional deductions include 48,000 ALL for each dependent child under 18 years and education expenses up to 100,000 ALL/year if the income is less than 1,200,000 ALL/year.

– business income
The income derived for the business activity of the self-employed or entrepreneurs, are considered as bussines income and are taxed;

Net business income up to ALL 14 million 15% personal income tax, net bussines income over ALL 14 million 23% personal income tax.

Entrepreneurs and self-employed individuals realizing an annual turnover up to ALL 14 million shall continue to be subject to 0% tax until 2029.

– income from investments
Is taxed with flat rate at 15%.

Mandatory social security and health insurance contributions are due on employment income. The social security contribution is calculated on a monthly gross salary, from a minimum amount of ALL 50,000 (approximately EUR 500) to a maximum amount of ALL 186,416 (approximately EUR 1,864). The social contribution payable by the employer is 15%, while the rate payable by the employee is 9.5%. The health insurance contribution rate is 1.7% for both the employer and the employee.

Wage related taxes in Albania	Minimum wage		Average wage in private sector	
Exchange rate ALL/EUR 100	in EUR	in ALL	in EUR	in ALL
	500	50,000	839.06	83,906
Total wage cost	**583.5**	**116.70%**	**979.18**	**116.70%**
Social & health contribution	83.5	16.70%	140.12	16.70%
Gross salary	**500**	**100.00%**	**839.06**	**100.00%**
Social & health contribution	56	11.20%	93.97	11.20%
PIT	0	0%	70.08	8.35%
Net salary	**444**	**88.80%**	**675.01**	**80.45%**

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Corporate taxes and other direct taxes

Under domestic tax laws, corporations are deemed to be tax resident in Austria if they have either their registered seat or their effective place of management in Austria. In this case, the global income of the corporation is generally subject to Austrian corporate income tax. Other corporations are subject to Austrian corporate income tax only on the basis of income generated from Austrian sources. Partnerships are not subject to CIT. The corporate income tax rate is 23%.

The tax base is generally determined based on the result of the income statement under commercial law, which is then amended insofar as the tax law contains deviating rules (e.g. tax exemptions, restrictions of deductions, or tax-specific valuation rules).

Transfer pricing in Austria		
Arm's length principle	✓	–
Documentation liability	✓	–
APA	✓	–
Country-by-Country liability	✓	–
Master file-local file (OECD BEPS 13) applicable	✓	–
Penalty		
lack of documentation	✓	Up to EUR 50,000.
tax shortage	✓	Potential fines according to Tax Criminal Law.
Related parties	> 50%	Persons who are linked directly or indirectly by ownership (capital) or control.
Safe harbors	No	not applicable
Level of attention paid by Tax Authority		**8/10**

There is a yearly minimum CIT amounting to EUR 3,500 for public companies (AG) and EUR 500 for limited liability companies (GmbH). Any unused minimum amounts can be offset against future CIT payment obligations.

Tax losses can be carried forward indefinitely (but only 75% of the profit of a single year can be offset).

Thin capitalization rules (TCR) are in place in accordance with the EU-ATAD (Anti-Tax Avoidance Directive). Further restrictions relate to the deduction of interest paid to intercompany recipients. CFC rules were introduced in accordance with the EU-ATAD.

Some 100 double tax treaties are in place. Withholding tax can be reduced at source to treaty rates or under the EU-Parent-Subsidiary Directive, if formal requirements are met.

VAT and other indirect taxes

The harmonized EU-VAT-system applies. The general rate for the sale of goods and services is 20%. Reduced rates of 4.9%, 10% or 13% apply, for example, to agricultural products, real estate rentals with a residential purpose, entertainment, and art. Many exemptions are in place (e.g. exports, interest, insurance premiums, sale of real estate). Entrepreneurs with annual sales not exceeding EUR 55,000 are exempt from VAT obligations. Non-residents trading in Austria (B2C) are subject to registration immediately, unless they apply the OSS system (central VAT compliance in their EU-home country). Monthly/quarterly returns are filed electronically, and annual returns must be completed by June 30 of the following year. Companies represented by a tax advisor can have the deadline extended substantially.

Excise for certain alcoholic drinks (e.g. wine, beer), natural gas, oil, coal, etc., in line with the EU system.

Personal income tax / Social security system

According to the domestic tax law, individuals are deemed to be tax resident in Austria if they have their residence or habitual abode in Austria. In this case, the individual's global income is subject to Austrian income tax. Other individuals are subject to tax on income from their Austrian sources.

The term income is specified in the Income Tax Act. Tax rates are progressive from 0% (for yearly income up to EUR 13,539) to 55% (for yearly income exceeding EUR 1,000,000). Certain allowances are available depending on the taxpayer's family status. Income tax on wages is withheld and directly paid to the tax office by the employer.

Investment income (e.g. interest, dividends, capital gains from investments) is generally subject to a separate tax rate of 27.5%. Capital gains from real estate are subject to a tax rate of 30%.

Certain private expenses are deductible under various conditions (e.g. donations to charities, churches, tax advisory fees, tax losses carried forward).

Partnerships are subject to either income tax or corporate income tax at the level of the partners.

A compulsory public social security system is in place in Austria.

Social security contributions for employees are partly borne by the employee and partly by the employer. The base is the gross salary and benefits. A maximum contribution base of EUR 97,020 per year applies for 2026. Social security contributions amount to 39.05% (18.07% employee and 20.98% employer). In Vienna, both rates are increased by 0.25%; the total rate for Vienna therefore is 39.55%. Additionally, employers are obliged to pay other payroll-related costs amounting to approximately 8.6%.

For self-employed persons, the same maximum contribution base is used (EUR 97,020 per year for 2026).

Social security contributions amount to 26.83%. This insurance covers health, pension, and accident insurance. For the first 3 years, lower contribution bases are applicable.

No social security contributions are due for income not exceeding EUR 551.10 per month.

Wage related taxes in Austria	Minimum wage		Average wage in private sector	
	in EUR		in EUR	
	2,438.33		5,496.75	
Total wage cost	**3,154.06**	**129.35%**	**7,110.22**	**129.35%**
Employer's social security contributions and other payroll taxes	715.73	29.35%	1,613.47	29.35%
Gross salary	**2,438.33**	**100.00%**	**5,496.75**	**100.00%**
Employee's social security contributions	370.42	15.19%	997.19	18.14%
Wage tax	99.42	4.08%	566.82	10.31%
Net salary	**1,968.49**	**80.73%**	**3,932.74**	**71.55%**

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Corporate taxes and other direct taxes

It is important to note that Bosnia and Herzegovina (BiH) is divided into three tax jurisdictions: the Federation of BiH (FBiH), the Republika Srpska (RS) and Brčko District (BD). For simplicity's sake, we will focus on the RS and FBiH.

CIT is set at a flat rate of 10%. A company in the FBiH/RS is considered resident if it is registered as a legal entity in the relevant jurisdiction, or in case its activities in BiH, qualifies as PE. Losses can be carried forward for up to 5 years in all tax jurisdictions. Loss carryback is not permitted. There are no special limitations in the case of M&A transactions. In FBiH, interest expenses taken from related parties are tax deductible in a debt/equity ratio of 4:1 (thin cap rule). In the RS, interest expenses are not recognized for the amount of net interest expenses that exceed 30% of the tax base (without financial items). In the RS, R&D costs are recognized in line with IAS. In the FBiH and BD, R&D costs are recognized.

Profit on dividends is not included in the calculation of the tax base. In the FBiH, taxpayers who invest their own resources in production equipment to a value exceeding 50% of the profit for the current tax period see a reduction in corporate income tax liabilities for 30% of the amount for the year of the investment.

Any taxpayer who invests more than 20 million in BAM (EUR 10.2 million) over five consecutive years (minimum investment in the first year is equal to 4 million BAM (EUR 2.04 million) reduces its CIT liability by 50% of the investment in each of the 5 years.

The withholding tax rate for dividends amounts to 5% in the FBiH unless a DTT applies (currently, there are around 38 active DTT's). Interests, royalties, and technical fees paid by a BiH company to a foreign company are subject to withholdings at a rate of 10%. In the RS, there is a flat-rate withholding tax (10%) on all payments to foreign legal persons in which there is an obligation to pay withholding tax. The group taxation concept is allowed in the BiH for a group of resident companies, with a minimum of 90% (FBiH). Moreover, the parent company and its subsidiaries constitute a group of companies if they have direct or indirect control over 50% or more of the shares or stakes.

In cases of real estate acquisition in the FBiH, the transfer is taxable at the canton level. In the RS, there is no transfer tax, but the owner of the real estate has to pay property tax of up to 0.20% of the market value. (Decreased rules for production RE apply).

Transfer pricing in Bosnia and Herzegovina		
Arm's length principle	✓	–
Documentation liability	✓	–
APA	✓	–
Country-by-Country liability	✓	–
Master file-local file (OECD BEPS 13) applicable	✓	–
Penalty		
lack of documentation	✓	EUR 1,524—50,867 for legal and EUR 1,278—EUR 7,669 for responsible person.
tax shortage	No	–
Related parties	25% (25%) <	Direct or indirect control /a common managing director/ significant influence.
Safe harbors	✓	FBiH-Rate for support services is 5% (administration, legal services, HR, etc.).
Level of attention paid by Tax Authority		**7/10**

VAT and other indirect taxes

The general rate is 17%. There are no reduced rates apart from the 0% rate. Main VAT-exempt services include banking services, insurance, healthcare, etc. Export exemption and exemption for deliveries to free zones apply. Specific thresholds are as follows.

Amendments to the VAT rulebook have been officially introduced as of August 2, 2020. The Rulebook prescribes the conditions and manner in which VAT refunds for VAT paid by non-residents in BiH can be claimed.

Both custom duties and excise duties on goods imported into BiH constitute types of indirect taxation in BiH.

Personal income tax / Social security system

In the FBiH, personal income is taxed at a flat rate of 10%, and is applicable for active income and passive income. Dividends are not taxable in the BiH.

In the RS, personal income is taxed at a rate of 8%, assignment fees at a rate of 13%, and all other passive income at a rate of 10% (interest, real estate rental, etc.).

In the RS, employees contribute 31% of the gross salary. In the FBiH, employer contributions are set at 10.5% and employee contributions at 31% of the gross salary.

Wage related taxes in Bosnia and Herzegoniva	Minimum wage in FBiH		Minimum wage in the RS	
Exchange rate BAM/EUR 1.95	in EUR	in BAM	in EUR	in BAM
	798.64	1,562	771.03	1,508
Total wage cost	**847.68**	**106.14%**	**771.03**	**100.00%**
SSC (employer)	49.04	6.14%	–	–
Gross salary	**798.64**	**100.00%**	**771.03**	**100.00%**
SSC (employee)	247.58	31%	239.02	31%
PIT	39.77	4.98%	20.74	2.69%
Net salary	**511.29**	**64.02%**	**511.27**	**66.31%**

Wage related taxes in Bosnia and Herzegoniva	Average wage in FBiH		Average wage in the RS	
Exchange rate BAM/EUR 1.95	in EUR	in BAM	in EUR	in BAM
	1,295.61	2,534	1,196.93	2,341
Total wage cost	**1,375.07**	**106.13%**	**1,196.93**	**100.00%**
SSC (employer)	79.46	6.13%	–	–
Gross salary	**1,295.61**	**100.00%**	**1,196.93**	**100.00%**
SSC (employee)	401.64	31%	371.05	31%
PIT	74.06	5.71%	54.85	4.58%
Net salary	**819.91**	**63.28%**	**771.03**	**64.42%**

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Corporate taxes and other direct taxes

Bulgaria has a flat corporate income tax rate of 10%, applied to the annual tax profit reduced by tax losses carried forward within five subsequent years. Bulgaria applies thin capitalization rules to interest expenses from loans or leasing provided or guaranteed by related parties. Advance tax payments should be made each month or quarter, based on the estimated tax profit for the current year.

Withholding tax rates are 5% for dividends and 10% for exhaustively listed other income from source in Bulgaria, including capital gain, gain from sale of immovable property, interests and royalties. (Double Tax Treaties can be applied to decrease or eliminate the withholding tax). There is no withholding tax if the dividends, interests, and royalties are paid in favour of a parent company registered in an EU Member State subject to some additional requirements.

Transfer pricing in Bulgaria		
Arm's length principle	✓	–
Documentation liability	✓	–
APA	✓	–
Country-by-Country liability	✓	–
Master file-local file (OECD BEPS 13) applicable	✓	–
Penalty		
lack of documentation	✓	0.5% for lack of local file; BGN 5,000 to 10,000 for lack of a master file.
tax shortage	✓	BGN 1,500 to BGN 5,000
Related parties	50% <	Direct or indirect control, or personally related.
Safe harbors	No	–
Level of attention paid by Tax Authority		**10/10**

1) Bulgaria has National top-up tax on profits of multinational enterprise (MNE) groups and large-scale domestic groups. There is a threshold of 750 million euro (for the previous two years) on group level calculated in the consolidated report of the group. The Global Minimum Tax could be applied if the criteria for the national top-up tax are not met. The rate is a maximum of 15% on the profits.

2) Local taxes are determined by each municipality within the ranges stated in the Local Taxes and Fees Act. Local taxes and fees include:

- real estate tax: the tax rate is in the range of 0.1% to 4.5%. The base for taxation of non-residential real estates of companies is the higher of the book value or the value calculated by municipality tax valuation. The base for taxation of all residential real estate is the municipality's tax valuation;
- transportation vehicle tax: determined as an exact amount, depending on vehicle type and power;
- gift tax: applied to gifts of all kinds, with very limited exemptions. Applies also to forgiven payables. There are two ranges of rates applicable: between 0.4% and 0.8% for gifts between siblings and their children; and between 3.3% and 6.6% for all other gifts;
- tax on the acquisition of property for a consideration: applies to real estate, vehicles, and limited real estate rights acquired for a consideration. The tax rate range is between 0.1% and 3% of the value of the property, or, in the case of exchange, the value of the more expensive property;
- inheritance tax: exempt to a limited extent (family members);
- patent tax: applied to micro enterprises or individuals whose activities are small services such as tailoring, very small stores, carpentry, etc. These are fixed amounts, determined by each municipality;
- a wide range of other fees (such as tourist tax; tax on the carriage of passengers by taxi; refuse

collection fee) or other fees usually imposed for specific services, such as social services, technical, and other.

VAT and other indirect taxes

The standard VAT rate is 20% and reduced rate is 9% or 0%.

The tax rate is 9% for exhaustively listed supplies, such as hotel services, books, baby items. Provision of a general tourist service, Intra-Community Delivery and other specific supplies are subject to 0%.

Services exempt from VAT are exhaustively listed, such as financial and insurance services, transfer of buildings, educational services, medical and social services, etc.

VAT payers are required to submit monthly VAT returns, sales and purchase registers, VIES, and Intrastat returns.

Excise duties (on mineral oils, spirits, beer, wine, tobacco and tobacco products, natural gas, electricity, and solid fuels).

Personal income tax / Social security system

Personal income tax is applied at a flat rate of 10% on most of the income. The tax rate for dividends or liquidation shares paid in favour of an individual is 5%. The tax rate for amounts received from the expiry of life insurance, if its duration was more than 15 years, is 7%.

Income from employment and self-employment is subject to social security and health insurance contributions. In the case of employment, the employee's contribution amounts to 13.78% (10.58% social security and 3.2% health insurance). For the employer, this contribution is 18.92% (14.12% and 4.8%, respectively). There are different contribution rates for specific positions involving higher risk (miners, pilots, workers in chemical and other harmful production facilities, etc.). The maximum assessment base for social and health insurance contributions is BGN 3,400 (approx. EUR 1,739).

Wage related taxes in Bulgaria	Minimum wage		Average wage in private sector	
	in EUR		in EUR	
	551		1,291	
Total wage cost	**655.69**	**119.00%**	**1,536.29**	**119.00%**
Social security contribution – employer	77.14	14%	180.74	14%
Health insurance – employer contribution	27.55	5%	64.55	5%
Gross salary	**551**	**100.00%**	**1,291**	**100.00%**
Employee's contribution	77.14	14%	180.74	14%
Calculated personal income tax after employees' contributions	55.10	10%	129.10	10%
Net salary	**418.76**	**76.00%**	**981.16**	**76.00%**

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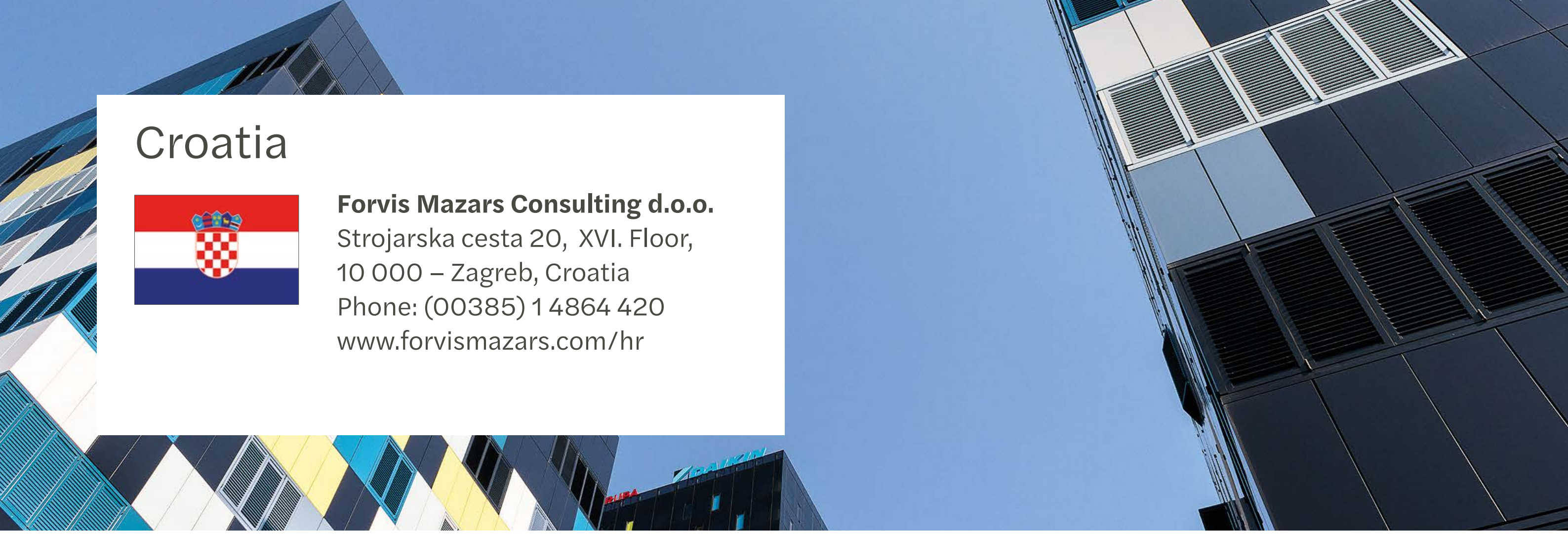

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Corporate taxes and other direct taxes

In Croatia, Corporate Income Tax (CIT) rates depend on annual revenues: 18% applies to revenues exceeding EUR 1,000,000 while 10% applies to revenues below EUR 1,000,000. Enterprises with annual revenues below this threshold have the option to determine their CIT base using the cash flow principle. Tax losses can be carried forward for up to five years. Croatia applies a thin capitalization rule (4:1); however, this does not apply if shareholders are financial institutions or CIT/PIT payers in Croatia. Additionally, various tax incentives are available, including allowances for new investments, R&D activities, and employee education.

A 15% withholding tax (WHT) is applied to interest and royalty payments made by a Croatian company to a foreign company. As of October 12, 2023, there is no longer an obligation to withhold tax on payments for market research services, tax and business consulting, and auditing services—except when paid to entities in EU non-cooperative jurisdictions. The WHT rate on dividends, profit shares, and payments to foreign performers is set at 10%. Croatia currently has 70 active double tax treaties. A 25% withholding tax applies to all payments made to offshore companies for services not explicitly exempted under Croatian tax law. Additionally, EU Directives on withholding tax are applicable. The exemption from withholding tax on interest and royalty payments between affiliated companies extends beyond EU-based entities to include companies from EEA countries (Norway, Iceland, and Liechtenstein) and Switzerland.

A 3% Real Estate Transfer Tax (RETT) applies to the transfer of immovable property. The taxable base is the market value of the property at the time the tax liability arises, and the taxable person is the buyer.

Transfer pricing in Croatia		
Arm's length principle	✓	–
Documentation liability	✓	–
APA	✓	–
Country-by-Country liability	✓	–
Master file-local file (OECD BEPS 13) applicable	✓	–
Penalty		
lack of documentation	✓	Not specifically stated, general rules apply (up to EUR 26,545).
tax shortage	✓	Additional tax charged and 100% of that tax is non-deductible.
Related parties	50% (25%) <	Direct/indirect control (25% commonly used) or control functions.
Safe harbors	✓	Interest rates on loans / low-value adding services.
Level of attention paid by Tax Authority		**9/10**

VAT and other indirect taxes

In Croatia, the standard VAT rate is 25%. A reduced rate of 13% applies to services involving the preparation and serving of meals, tourist accommodation services, newspapers, the supply of electrical energy, etc., while a reduced rate of 5% applies to milk, books, etc. The VAT rate of 5% will be applicable to supplies of gas and heating from thermal units, firewood, pellets, briquettes, and wood chips until March 31, 2025.

The most important VAT-exempt services are banking services, insurance, educational services (under certain conditions), gambling, certain services provided by medical professionals and dentists, and certain other activities. The zero VAT rate (0%) also applies to the supply and installation of solar panels on private residential buildings and public buildings. Activities of public interest are exempt from VAT regardless of their institutional form. As from January 1, 2025, Entrepreneurs are obliged to register for VAT purposes during the calendar year in which the total value of supplies exceeds a threshold of EUR 60,000.

Excise duties, real estate tax, special tax on motor vehicles, special tax on coffee and non-alcoholic beverages, etc.

Personal income tax / Social security system

Units of local and regional self-government apply tax rates within the following range, depending on the given local and regional self-government unit: lower rate: 15%–23% (monthly tax base up to EUR 5,000 /annual tax base up to EUR 60,000) and higher rate: 25%–33% (monthly tax base above EUR 5,000 /annual tax base above EUR 60,000). The 12% rate is withheld from certain types of income, e.g. dividends, capital gains, lease of real estate, etc. The payment of occasional awards up to an amount not exceeding EUR 700 (e.g. Christmas bonus, etc.) and payment of a premium performance award (e.g. bonuses) up to EUR 1,200 per employee per annum is deemed as non-taxable. Also, it should be noted that there are many other non-taxable receipts (employee meal costs, rental costs, etc.). Tax regulations prescribe a non-taxable flat-rate compensation to cover the costs of employees working from home to an amount not exceeding EUR 4 per day working from home, or EUR 70 per month. Basic personal allowance amounts to EUR 600.

Active incomes fall under the scope of the SSC system: individual pension social contributions equal 20% (employee contribution) and health. As from January 1, 2025, employers will no longer have a five-year exemption from paying health insurance contributions for employees under 30. Instead, a one-year exemption will apply only to workers starting their first job (signing a permanent employment contract for the first time). Passive incomes are generally only subject to taxes.

Wage related taxes in Croatia	Minimum wage		Average wage in private sector	
	in EUR		in EUR	
	1,050		2,093	
Total wage cost	**1,223.25**	**116.50%**	**2,438.35**	**116.50%**
Employer's contribution	173.25	16.5%	345.35	16.5%
Gross salary	**1,050**	**100.00%**	**2,093.00**	**100.00%**
Employees' contributions	233.10	22.2%	665.57	31.8%
Net salary	**816.90**	**77.80%**	**1,427.43**	**68.20%**

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Corporate taxes and other direct taxes

The general corporate income tax (CIT) rate is 21%, with a 5% rate for basic investment funds and 0% for pension funds.

Tax losses may be carried forward for up to 5 taxable periods and also carried back for 2 taxable periods. The maximum amount that may be carried back from one taxable period is limited to CZK 30 million (approx. EUR 1.2 million).

An R&D tax allowance of up to 150% of eligible R&D costs can be deducted from base deduction.

Thin capitalization rules limit tax-deductible financial expenses from related parties exceeding 4× equity (6× for banks and insurance companies).

The EU ATAD rules appy - covering deductibility of exceeding borrowing costs; CFC rules; Exit taxation; Hybrid mismatch rules.

Transfer pricing in Czech Republic		
Arm's length principle	✓	–
Documentation liability	✓	–
APA	✓	–
Country-by-Country liability	✓	–
Master file-local file (OECD BEPS 13) applicable	✓	–
Penalty		
lack of documentation	No	–
tax shortage	✓	20% on tax underpayment or 1% of decreased tax loss. + late payment interest
Related parties	25% <	Direct or indirect control or personally related.
Safe harbors	✓	Low value-added services: 3%—7% mark-up.
Level of attention paid by Tax Authority		**9/10**

Investment incentives in a form of tax relief are available for up to 10 taxable periods.

A 15% withholding tax generally applies to dividends, royalties, interest, and Czech sourced income, unless reduced by a double tax treaty (DTT). The Czech Republic has over 90 DTTs concluded. If there is no DTT or agreement for the exchange of information in place, the payments are subject to a 35% withholding tax.

Dividend distributions and capital gains on subsidiary shares are tax-exempt if conditions are met. Interest and royalty payments may also be exempt under the EU Interest and Royalty Directive with tax authority approval.

Road tax is imposed on selected heavy trucks and trailers.

A real estate tax applies to land and buildings, with tax rates generally depending on the type of property, while the final amount of tax may also be influenced by local rates (applied by local authorities). There is no real estate transfer tax.

VAT and other indirect taxes

The standard VAT rate is 21%, the reduced VAT rate is 12%. The reduced VAT rate is applicable, for example, on foodstuffs, selected beverages such as tap water, milk and milk-based beverages, selected medical/sanitary goods, certain pharmaceuticals, certain newspapers and magazines (excluding those predominantly containing advertising), child car seats, plants and seeds, live trees and other plants, drinking water and sewerage charges, public transport, heat and cooling, accommodation services, food-serving services including serving of selected beverages; social and health services, home care for children, the elderly, the ill and disabled people, and admission to sports and cultural events.

The turnover threshold for mandatory VAT registration of a Czech based taxable person (or a taxable person established outside the Czech

Republic but registered under the VAT regime for small business in the Czech Republic) is CZK 2,000,000/yr (approx. EUR 82,000). Once this threshold is exceeded, the person becomes a VAT payer as of 1 January of the calendar year immediately following the year in which the threshold was exceeded. However, if the turnover in the relevant calendar year exceeds CZK 2,536,500 (approx. EUR 104,000), the taxable person becomes a VAT payer on the day following the day on which this higher threshold was exceeded.

Exempt supplies (without the right to deduct input VAT include), for example, financial and insurance services, the lease or supply of immovable property, and selected education, health care and social services. Exempt supplies (with the right to deduct input VAT include), for example, intra-Community supplies of goods, exports of goods outside the EU or supplies of books, e-books and audiobooks, including lending.

The domestic reverse-charge regime applies to specific domestic supplies between VAT payers (regardless of whether they are established in the Czech Republic). The obligation to declare and pay VAT is shifted to the customer and it applies to selected construction works, supply of building, IT equipment, selected waste and scrap etc.

VAT payers are generally obliged to submit VAT reports on a monthly, or quarterly basis (under the certain conditions). VAT reports must be filed electronically within 25 days following the end of the relevant tax period, and any VAT liability must be paid within the same deadline.

Other indirect taxes include excise duties (on mineral oils, spirits, beer, wine, raw tobacco, tabacco products and other non-tabacco nicotine products) and an enviromental (energy) tax (on natural gas, electricity, and solid fuels).

Personal income tax / Social security system

Personal income tax is applied at progressive rates of 15% and 23% on all types of income (employment, self-employment, rental incomes, capital gains, interest) with exceptions for certain types to dividends and interest which are taxed at a flat rate of only 15%.

Czech social security contributions of 24.8% are assessed on a capped annual assessment base of CZK 2,350,416.

Czech health insurance contributions of 9% are assessed on an uncapped assessment base.

Wage related taxes in Czech Republic	Minimum wage		Average wage in private sector	
Exchange rate CZK/EUR 24.19	in EUR	in CZK	in EUR	in CZK
	925.81	22,400	2,023.85	48,967
Total wage cost	**1,238.73**	**133.80%**	**2,707.91**	**133.80%**
Employer social security contribution	229.60	24.80%	501.91	24.80%
Employer health insurance contribution	83.32	9.0%	182.15	9.0%
Gross salary	**925.81**	**100.00%**	**2,023.85**	**100.00%**
Employee social security contribution	65.73	7.1%	143.69	7.1%
Employee health insurance contributions	41.66	4.50%	91.07	4.50%
Czech personal income tax	138.87	15.0%	303.58	15.0%
Personal tax allowance	-106	-11.45%	-106	-5.24%
Net salary	**785.55**	**84.85%**	**1,591.51**	**78.64%**

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Estonia

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Corporate taxes and other direct taxes

Income derived by a resident company is not taxed if retained. The taxation of profit distribution (dividends) is cash-based and the tax rate applied will therefore depend on the date of the profit distribution. Upon distribution, CIT is levied at a rate of 22/78 (28.21%) of the net amount of the profit distribution, corresponding to 22% on the gross amount (distribution + CIT) of the distribution. Resident credit institutions and Estonian branches of non-resident credit institutions are required to make quarterly advance payments of income tax on the previous quarter's profit, at a rate of 18%. These advance payments can be taken into consideration when distributing profits and calculating income tax liability.

The following payments are subject to withholding tax (unless tax treaty restricts or reduces the rate):

Transfer pricing in Estonia		
Arm's length principle	✓	–
Documentation liability	✓	–
APA	✓	–
Country-by-Country liability	✓	–
Master file-local file (OECD BEPS 13) applicable	✓	–
Penalty		
lack of documentation	No	–
tax shortage	✓	22/78 tax on gross value of underpayment + late payment interest
Related parties	Broad definition	The concept of a related person encompasses a wide range of relationships.
Safe harbors	No	–
Level of attention paid by Tax Authority		**9/10**

1) Royalties (including payments for the use of industrial, commercial, or scientific equipment) paid to non-residents are generally subject to 10% withholding tax under domestic law.

2) 22% on rental payments to non-residents for the use of immovable property located in Estonia, and movable property subject to registration in Estonia.

3) Interest, royalties, and rental payments to resident individuals.

4) 10% on payments to non-resident companies for services provided in Estonia.

5) Salaries, directors' fees, and service fees paid to individuals.

6) 10% on payments for the activities of non-resident artists or athletes carried out in Estonia.

Starting January 1, 2025, the preferential 14/86 tax rate on dividends will be replaced by a standard 22/78 rate.

VAT and other indirect taxes

VAT applies to the supply of goods and services performed by a taxable person in the course of their business activities in Estonia.
A taxable person is one who is engaged in business, that is, independent economic activity in the course of which goods or services are supplied, and is registered or required to register for VAT.
The standard 24% rate applies to the supply of all goods and services not qualifying for the reduced rate of 9%, 13% or exemption. A reduced rate applies to accommodation, books, certain periodicals, listed pharmaceutical products, and medical devices.
The VAT rate on the export of goods, and the intra-Community supply of goods and certain services is 0% (i.e. exemption with credit).

VAT and all other taxes are administered by the Estonian Tax and Customs Board (www.emta.ee).
The following transactions are subject to Estonian VAT:

1) The supply of goods and provision of services with a place of supply in Estonia;

2) The import of goods into Estonia;

3) Intra-Community acquisition of goods in Estonia;

4) The supply of goods or services specified in the Estonian VAT Act, providing the taxable person has opted for taxation thereof.

Certain forms of supply are subject to a 0% rate, including, but not limited to:

1) The export of goods;

2) Intra-Community supply of goods;

3) The products listed in Annex V of the VAT Directive and which can be placed into a licensed VAT warehouse;

4) Supply of services which are not deemed to be supplied in Estonia.

Other indirect tax types in Estonia include excise duty and the environmental protection charge.

Personal income tax / Social security system

Estonia has a proportional (i.e. flat) tax rate of 22% which applies to all items of income derived by any resident taxpayer. The gross income of resident individuals includes their worldwide income from all sources, irrespective of the origin of the income. Taxable income includes both active income such as employment and business income, as well as passive income. An annual basic exemption of 7,848 euros is provided for an annual income of up to 14,400 euros. If annual income increases from 14,400 euros to 25,200 euros, the basic exemption decreases proportionally. If annual income is above 25,200 euros, the basic exemption drops to 0.

The Estonian social tax of 33% (comprising 20% social security contributions and 13% health insurance contributions) must be paid by employers in addition to the gross salary. Currently, employees are not required to make any personal social tax contributions. The Estonian pension system is based on three pillars.

Wage related taxes in Estonia	Minimum wage		Average wage in private sector	
	in EUR		in EUR	
	886		1,981	
Total wage cost	**1,185.47**	**133.80%**	**2,650.58**	**133.80%**
Social tax	292.38	33%	653.73	33%
Employer unemployment insurance premium	7.09	0,8%	15.85	0.8%
Gross salary	**886.00**	**100.00%**	**1,981**	**100.00%**
Employee’s unemployment insurance premium	14.18	1.6%	31.70	1.6%
Personal income tax	48	5.42%	318	16.05%
Net salary	**823.82**	**92.98%**	**1,631.30**	**82.35%**

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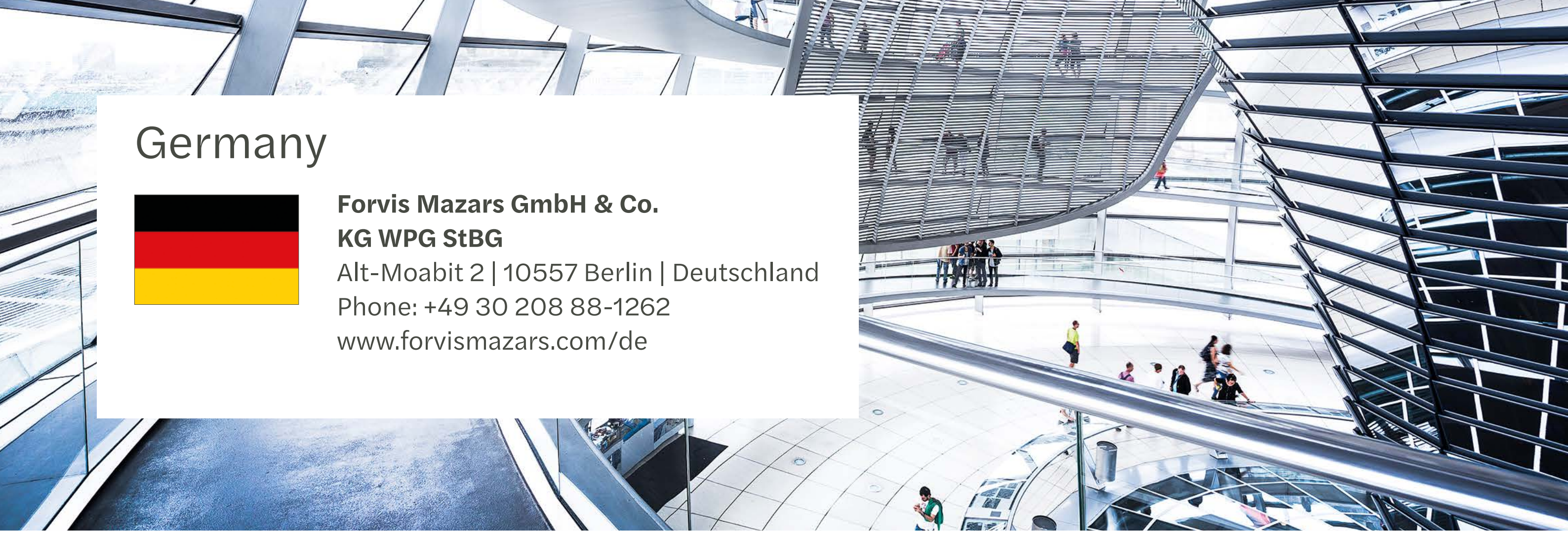

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Corporate taxes and other direct taxes

Corporations (capital companies, associations and estates) are subject to unlimited corporate income tax liability if either their registered seat or their effective place of management is located in Germany (so-called tax residents). In this case, the worldwide income of the corporation is subject to German corporate income tax (taxation on the basis of universal principle). Non-tax resident corporations are taxed with their domestic income (taxation on the basis of the territorial principle). The corporate income tax rate is 15%. The solidarity surcharge amounts to 5.5% and is levied additionally on the corporate income tax and not on the income (i.e. overall tax burden 15.825%).

Transfer pricing in Germany		
Arm's length principle	✓	–
Documentation liability	✓	–
APA	✓	–
Country-by-Country liability	✓	–
Master file-local file (OECD BEPS 13) applicable	✓	–
Penalty		
lack of documentation	✓	Authorities may estimate tax basis, penalty 5—10% of estimated additional income.
tax shortage	✓	Subject to fines and imprisonment in severe cases. Self-denunciation possible.
Related parties	≥ 25%	Direct / indirect control, entitlement of profits or the proceeds of liquidation.
Safe harbors	✓	(revenue-based for master and local file)
Level of attention paid by Tax Authority		**9/10**

Partnerships are generally tax transparent, however, it is possible to opt for a non-transparent taxation.

In addition, German municipalities levy trade tax if the taxpayer (individual or corporation) conducts a business through a German permanent establishment in Germany. The tax rates depend on the municipality in which the business is conducted and vary between 7% (minimum tax rate) and 31.5%. In most cases, the tax rate is 14%.

Germany levies withholding taxes on dividends and interest (26.375%) and on royalties (15.825%). Non-tax residents are generally not subject to income tax on interest income, provided the underlying receivable is not secured in rem. If a lower tax treaty rate, the PSD / IRD applies, payments may be made at a lower tax rate only if specific conditions are met; if not, a reimbursement procedure applies (1.5—2 years).

Strict anti-avoidance regimes in Germany limit directive or treaty relief.

Germany has a large treaty network with double tax conventions on income and capital with over 90 jurisdictions (as of January 1, 2026).

Germany has specific rules in the External Tax Relations Act for foreign income with provisions i. a. on transfer pricing, CFC-taxation and switch-over clause for foreign PE-income. Furthermore, Germany introduced in 2021 the Combating Tax Havens Act implementing all proposed measures of the EU. Jurisdictions qualify as non-cooperative tax jurisdictions, if they are blacklisted by the EU.

Germany does not levy a wealth tax, even though the provisions still exist. In politics the reactivation as well as the introduction of one-time levy is sometimes discussed, but currently it is not on the table.

Germany levies a gift and inheritance tax with tax rates depending on the kinship and the value of the transfer (0—50%).

VAT and other indirect taxes

Germany complies with the VAT directive 2006/112/EC. Germany has made use of various options granted by the directive. It is possible to set up a VAT group between two VAT-tax payers. Specific deliveries and other services are tax-exempt.

The VAT rate in Germany is 19%. A reduced rate of 7% applies to certain foodstuff and other selected items. In addition to VAT, there are various excise duties on imported goods as well as real estate transfer tax (see below).

The transfer of real estate is taxed. In order to mitigate this tax often complex share- or interest deal structures are set up, and less than 90% of the respective shares or interest in the real-estate holding entity are transferred. Additionally, specific exemptions may be applicable.

The rate differs depending on the state, in which the real estate is located. The rates range between 3.5% and 6.5%.

Germany also levies excise taxes (some harmonized by EU law, others not).

Personal income tax / Social security system

Individuals are subject to unlimited income tax liability if their domicile or habitual abode is in Germany (tax residents). In this case, they are taxed on their worldwide income (universal principle). Non-residents are taxed on their domestic income (territorial principle). Resident tax payers can deduct specific living and extraordinary expenses.

The taxable income of each individual is subject to the tax schedule. Spouses may opt for the spouses' tax schedule. The basic tax allowance in 2026 amounts to EUR 12,348 (for individuals).

Capital income is taxed with a final tax of 26.375% on a gross basis. Dividends in business assets are taxed with the partial income method (60% taxable). Real estate sales can be tax-exempt if the property is held in private assets for more than ten years or if another exemption applies, especially for owner-used residential real estate.

The German social security system consists of five pillars. Contributions are evenly split between the employee and the employer, except for the accident insurance, which is only paid by the employer. The 2026 contribution rates are:

a) Health insurance: 14.6% (split evenly), plus an additional contribution (on average 2.9%, also split evenly).

b) Pension insurance: 18.6% (split evenly).

c) Unemployment insurance: 2.6% (split evenly).

d) Nursing care insurance: 4.2% (for employees without children: 1.8% employer / 2.4% employee; for employees with one child: 1.8% employee share; further reductions of the employee share for additional children).

e) Accident insurance: paid only by the employer (on average between 1.1 and 1.6%).

Wage related taxes in Germany	Minimum wage		Average wage in private sector	
	in EUR		in EUR	
	2,409		4,784	
Total wage cost	**2,918.50**	**121.15%**	**5,795.82**	**121.15%**
Employer´s social security contributions	509.50	21.15%	1,011.82	21.15%
Gross salary	**2,409**	**100.00%**	**4,784**	**100.00%**
Employee´s income tax	148.64	6.17%	720.47	15.06%
Employee´s social security contributions	523.96	21.75%	1,040.52	21.75%
Net salary	**1,736.40**	**72.08%**	**3,023.01**	**63.19%**

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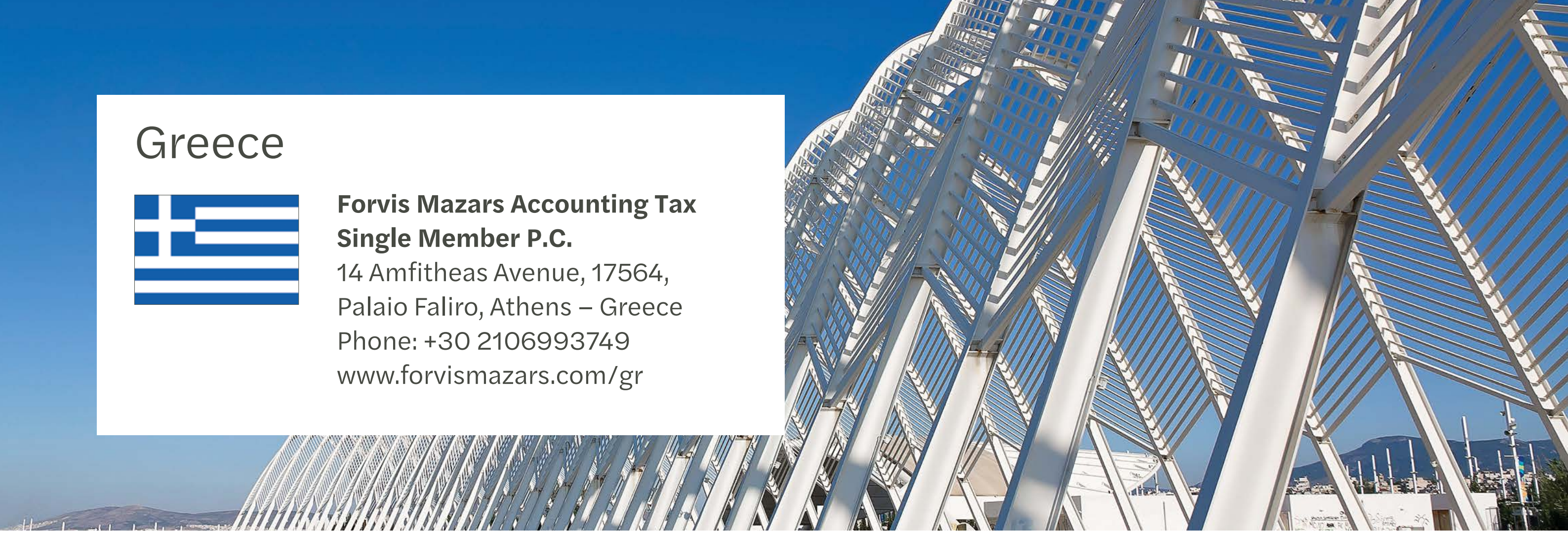

Greece

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Corporate taxes and other direct taxes

Greece levies corporate income tax at a flat rate of 22% on Greek tax resident legal entities. Non-resident entities are subject to tax in Greece only on Greek-source income. Taxable profits are determined after the deduction of business expenses, tax depreciation, and bad debt provisions, subject to statutory conditions. Notable tax adjustments and non-deductible items include payments made outside the banking system, transfer pricing adjustments, personal consumption expenditure, bad debts not pursued through legal action, payments to entities in low-tax jurisdictions, unpaid social security contributions, and interest subject to thin capitalization rules, to the extent that such interest exceeds 30% of EBITDA or EUR 3 million. Corporations are also subject to an annual business levy of up to EUR 1.000 and an advance payment equal to 80% of the following year’s corporate income tax, calculated on the basis of current-year income. For newly established businesses, the advance payment is reduced to 50% for the first three years of operation.

In Greece, dividends are subject to 5% withholding tax, interest to 15%, and royalties to 20%, unless reduced by treaty or otherwise exempt. In particular, the EU Parent-Subsidiary and Interest and Royalties Directives have been implemented into Greek law, granting exemptions on qualifying intra-EU dividends, interest, and royalties, subject to statutory conditions. Capital gains derived by a Greek tax-resident legal entity from the transfer of shares in an EU entity are tax exempt if conditions are met, with similar exemptions available in certain cases for non-EU entities.

The Unified Real Estate Ownership Tax (ENFIA), in force since 2014 (Law 4223/2013) and currently governed by Law 5219/2025 (Property Tax Code), is imposed annually, as of 1 January of each year, on all in rem rights over real estate located in Greece. Natural persons are subject to a main tax calculated per property based on its characteristics (including geographical location, area, use, age, floor, and number of building facades) and an additional charge where total real estate value exceeds EUR 500.000. Legal entities are subject to a main tax plus an additional tax on aggregate property value. A 20% reduction (or 10% above EUR 500.000) applies to insured individuals’ residential properties, provided that insurance coverage was in place for more than three months in the preceding year. As of 2026, a 50% reduction applies to Greek tax residents whose main residence is located in villages with up to 1.500 inhabitants (1.700 in Evros), excluding Attica (except its islands), provided that the taxable value of the full ownership right does not exceed EUR 400.000.

Transfer pricing in Greece		
Arm’s length principle	✓	–
Documentation liability	✓	–
APA	✓	–
Country-by-Country liability	✓	–
Master file-local file (OECD BEPS 13) applicable	✓	–
Penalty		
lack of documentation	✓	1% transactions (EUR 500—2K) for inaccuracy if Summary Table late, total > EUR 200K.
tax shortage	✓	Fine 1‰ transactions (EUR 2.5K—10K) for non-submission; up to EUR 20K for missing doc.
Related parties	33% <	Direct/indirect control, management dependence, or decisive influence.
Safe harbors	No	–
Level of attention paid by Tax Authority		**10/10**

VAT and other indirect taxes

Greece's VAT rates are 24% (standard), 13% (reduced), 6% (super-reduced), and 4% (only for services removing architectural barriers for persons with disabilities). The 13% rate covers basic goods and services such as accommodation, care, food outlets, transport, gyms, cinemas, and public health. The 6% rate applies to medicines, books, newspapers, theatre tickets, and utilities. A 30% proportional reduction of all VAT rates applies on qualifying islands (including those in the North Aegean Region, Samothraki, and Dodecanese islands with up to 20.000 residents as of January 2026), except for tobacco and means of transport, which remain subject to 24%.

Digital Transaction Fee applies to transactions like loans, commercial leases, deposits, sales of movable/intangible goods, business transfers, and inheritance. It must be declared and paid by the end of the month following the transaction, with parties deciding on the tax cost distribution. Tax rates are: 3,60% for transactions between individuals, property leases, compensation invoices, and transactions with the State or municipalities, 2.40% for loans between businesses, 1.20% for payments to individuals or board members, and deposits/withdrawals from legal entities, and 0.30% for checks presented to financial institutions.

Personal income tax / Social security system

In Greece, taxable employment income includes all remuneration in cash and in kind. Personal income tax is progressive, while tax reductions are provided for employees with dependent children and specific relief is available for young taxpayers, subject to conditions, as of January 2026.

In Greece, employment income is subject to mandatory social security contributions, with standard rates of 13.37% withheld from the employee and 21.79% paid by the employer on gross salary, covering both full-time and part-time workers, funding pension and healthcare coverage (and related insurance branches such as unemployment), up to a monthly cap of EUR 7.761,94 as of 1 January, 2026. Employers are responsible for both their own contributions and withholding employee contributions, which must be promptly remitted to the social security system.

Wage related taxes in Greece	Minimum wage		Average wage in private sector	
	in EUR		in EUR	
	880		1,400	
Total wage cost	**1,071.75**	**121.79%**	**1,705.06**	**121.79%**
Employer contribution	191.75	21.79%	305.06	21.79%
Gross salary	**880**	**100.00%**	**1,400**	**100.00%**
Employee's contribution	117.66	13.37%	187.18	13.37%
Withholding tax	19.08	2.17%	116.80	8.34%
	–	–	–	–
Net salary	**743.26**	**84.46%**	**1,096.02**	**78.29%**

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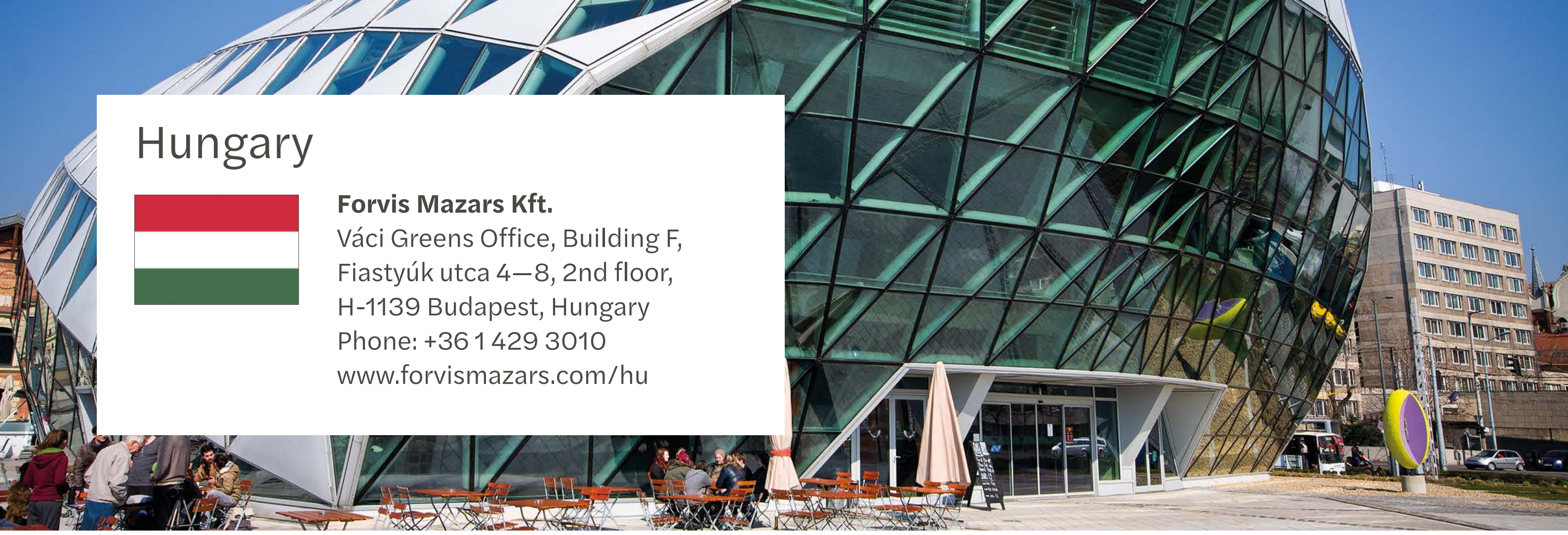

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Corporate taxes and other direct taxes

In Hungary, a corporate income tax rate of 9% is applicable, which is the lowest rate in the EU. The tax base is the adjusted pre-tax profit. Losses can be carried forward for 5 years and may be used to reduce the tax base up to a maximum of 50% of the tax base. Thin capitalization rules have been replaced by the interest-limitation rules set out by ATAD (30% of EBITDA or approx. MEUR 2.5). Exit tax and hybrid mismatch regulations are also applied. Group taxation is available in Hungary for CIT purposes, which allows related parties to avoid some of the transfer pricing documentation obligations. IFRS accounting is optional for larger companies (above approx. MEUR 1.5 of revenue or 50 employees) and is obligatory for financial institutions and listed companies. There is a wide range of tax allowances for new investments, as well as for R&D activities. Hungary provides a tax exemption for holding structures: capital gains on shares and intellectual property under certain conditions are tax free, and a 50% tax allowance is applicable on royalty incomes.

Transfer pricing in Hungary		
Arm's length principle	✓	–
Documentation liability	✓	–
APA	✓	–
Country-by-Country liability	✓	–
Master file-local file (OECD BEPS 13) applicable	✓	–
Penalty		
lack of documentation	✓	TEUR 12 / missing documentation, doubled for a recurrence.
tax shortage	✓	50% on tax underpayment+ late payment interest.
Related parties	> 50%	Direct or indirect control or common managing director.
Safe harbors	✓	Min. 5% mark-up for rendering and max. 5% for receiving such services.
Level of attention paid by Tax Authority		**9/10**

There is no withholding tax on dividends, interest, and royalties paid by a Hungarian company to a foreign company. Hungary has a wide international treaty network with more than 80 treaties on the avoidance of double taxation. However, the United States-Hungary tax treaty has been terminated as of 2024.

Local business tax of up to 2% is payable on net sales revenue. A number of windfall taxes were introduced for the financial years 2022–2024. Several of these were already abolished (e.g. for pharmaceutical manufacturers) and some of them were incorporated into permanent legislation as of 2026 (e.g. taxes for the banking, insurance and energy sectors).

VAT and other indirect taxes

The standard VAT rate is 27%, while the reduced rates are 18% (e.g. bread, milk) and 5% (e.g. some dairy products, eggs, newspapers, books, medicines, certain meat products, new residential real estate, internet access services, accommodation services and restaurant services). Hungary introduced the online cash registers and online invoice data reporting obligation; taxpayers are required to use billing software capable of automatically providing the tax authority with real-time data. Furthermore, the so called e-VAT system has been introduced in 2024 with the aim of making VAT administration easier. Under this regime, the Tax Authority provides taxpayers with draft VAT statements based on online invoice reporting data. At the end of 2025, the e-receipt system was also launched, as a result of which the issuance of cash register receipts will be gradually shifted to electronic formats by 2028, replacing the current paper-based system.

Other indirect tax types in Hungary include excise duty on energy products, alcohol and tobacco products, financial transactional tax, insurance tax, "chips tax" (levied on unhealthy foods and drinks), and retail tax. The previous green tax on products heavily polluting the environment (e.g. all kinds of electric equipment, accumulators and batteries, packaging materials, etc.) has been replaced by EPR (Extended Producer Responsibility) fees.

Personal income tax / Social security system

PIT has a flat rate of 15%, and it is generally applicable both to active (e.g. salaries, assignment fee) and passive incomes (e.g. capital gains, dividend, and interest). Tax payable on active income can be reduced by family tax allowance amounting to THUF 20 (approx. EUR 50) in the case of 1 child, THUF 40 (approx. EUR 100) in the case of 2 children; and THUF 66 (EUR 170) from 3 children per month per child. Mothers raising or having raised 3 or more children, mothers under 30 (regardless of the number of children) and mothers under 40 with at least 2 children enjoy personal income tax exemption for employment income. Employees under 25 years of age are tax exempt in the case of they are EEA or Serbian/ Ukrainian citizens. Benefits-in-kind are taxed at two rates, depending on the type of benefit: PIT plus social tax calculated on a special tax base altogether amounting to 33.04% or 28%, respectively, which is to be paid only by the employer.

Active income falls under the scope of the SSC system: the social security contribution payable by the individuals concerned is 18.5%; the employer's social tax is 13%. Some passive incomes are also subject to 13% social tax (e.g. interest, dividend); however, there is an upper limit in the case of dividends. Other types of passive income (e.g. capital gains on shares in stock exchange listed companies) are exempt from social tax.

Wage related taxes in Hungary	Minimum wage		Average wage in private sector	
Exchange rate HUF/EUR 384.41	in EUR	in HUF	in EUR	in HUF
	839.73	322,800	1,948.03	748,841
Employer's contributions	**948.89**	**113.00%**	**2,201.27**	**113.00%**
Social contribution tax	109.16	13%	253.24	13%
Gross salary	**839.73**	**100.00%**	**1,948.03**	**100.00%**
Employees' contributions	155.35	18.5%	360.38	18.5%
Personal income tax	125.96	15%	292.20	15%
Net salary	**558.42**	**66.50%**	**1,295.45**	**66.50%**

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Corporate taxes and other direct taxes

In general, the concept resembles the CIT concept applied in developed countries worldwide. Taxable income is calculated as annual income minus expenses. It is possible to deduct expenses linked to incomes recognized for CIT purposes, provided that such expenses are properly documented. Dividends and capital gains are not excluded from taxable income by default, it is necessary to analyze who is the beneficiary etc. to identify the applicable taxation regime. There are certain limits on deductibility of expenses such as: up to 3% of taxable profit for certain fees paid to companies from offshore jurisdictions, up to 4% of taxable profit for sponsorship fees. Also, thin capitalization rule is applied to interest on related party loans. The list is not exhaustive. Depreciation expenses on fixed assets differ from IFRS principles and are calculated on a group basis based on tax book value as of the reporting date. Loss carry-forward can be done within the following 10 calendar years inclusively, the rule on the carrying forward of losses does not apply to losses generated from the sale of securities, etc. There are Controlled Foreign Company rules (CFCs).

Transfer pricing in Kazakhstan		
Arm’s length principle	✓	–
Documentation liability	✓	–
APA	✓	–
Country-by-Country liability	✓	–
Master file-local file (OECD BEPS 13) applicable	✓	–
Penalty		
lack of documentation	✓	From EUR 880 to EUR 8,800.
tax shortage	✓	From 20% up to 300% of tax shortage.
Related parties	✓	TP rules apply to all cross-border transactions, regardless of whether the parties are related. If the transaction price deviates from the market price range, the tax authorities may adjust the taxable base.
Safe harbors	✓	For transactions involving agricultural products, tax adjustments are made only when the transaction price deviates from the market price by more than 10%.
Level of attention paid by Tax Authority		**8/10**

WHT applies to incomes paid to non-residents who are not registered for tax purposes in Kazakhstan. Taxable incomes are listed in the Tax Code. Kazakhstan has signed 55 treaties on the avoidance of double taxation. The treaty rates prevail over the Tax Code; however, any non-residents are required to have a duly issued tax residency certificate in order to apply the treaty. The multilateral instrument (MLI) entered into force in Kazakhstan from October 2020; however, it is important to check the MLI accession documents signed with each country as some of them have not signed/ratified the MLI or have done so under certain conditions.

Small and medium businesses may enjoy a special tax regime, according to which the Unified Tax on income is paid. Such tax replaces CIT.

VAT and other indirect taxes

The VAT concept is quite similar to the concept applied in developed countries worldwide. The VAT applicable to turnover is in general based on the total value of sales (Output VAT). VAT payable to suppliers (input VAT) is offset against from Output VAT. Input VAT cannot be offset if goods, works, and services purchased are not related to taxable turnover, a VAT-invoice is not issued by a supplier or is issued with the violation of the legal requirements, the supplier is declared by a court to be an inactive entity, etc. The VAT rate for export goods is 0%, and there is a certain procedure for the refund of the related input VAT. Special VAT procedures apply to the export/import of goods to/from the countries belonging to the Eurasian Economic Union such as Russia, Belarus, Kyrgyzstan, and Armenia.

Excise Tax is paid by importers or sellers of

1) all types of alcohol
2) alcoholic products
3) tobacco products
4) heated tobacco products and nicotine-containing liquids for use in electronic cigarettes
5) gasoline (except for jet fuel), diesel fuel ethanol mix petrol (gasohol), phenol, nephras, mixed light hydrocarbons, ecological fuel
6) motor vehicle
7) crude oil, gas condensate
8) alcohol-containing medical products registered in accordance with the legislation of the Republic of Kazakhstan as medicinal products.

Sellers of fuel and diesel are also liable for Excise Tax.

Personal income tax / Social security system

A resident of the Republic of Kazakhstan shall be any individual who stays in the country at least 183 calendar days in any consecutive 12-month period ending in the current tax period (calendar year) or, though not permanently residing in the Republic of Kazakhstan, whose center of vital interests is within the Republic of Kazakhstan.

Income from employment is taxed at the rate of 10% regardless of the tax residency status of an individual. For other types of incomes, the rate depends on the type of income and tax residency status of an individual.

Social Tax, Social Contributions, social health insurance contributions and employer's pension fund contributions are paid at the expense of an employer. Mandatory pension fund contributions and mandatory social health insurance contributions are withheld from employment income by the employer.

Wage related taxes in Kazakhstan	Minimum wage		Average wage in private sector	
Exchange rate KZT/EUR 593.44	in EUR	in KZT	in EUR	in KZT
	143.23	85,000	722.90	429,000
Total wage cost	**167.26**	**116.78%**	**840.59**	**116.28%**
Social tax	7.56	5.28%	38.17	5.28%
Pension contributions by employer	5.01	3.50%	25.30	3.50%
Social contributions	7.16	5.00%	32.53	4.50%
Medical insurance contributions by employer	4.30	3.00%	21.69	3.00%
Gross salary	**143.23**	**100.00%**	**722.90**	**100.00%**
Personal income tax	0	0.00%	41.75	5.78%
Pension contributions	14.32	10.00%	72.29	10.00%
Medical insurance contributions	2.86	2.00%	14.46	2.00%
Net salary	**126.05**	**88.01%**	**594.40**	**82.22%**

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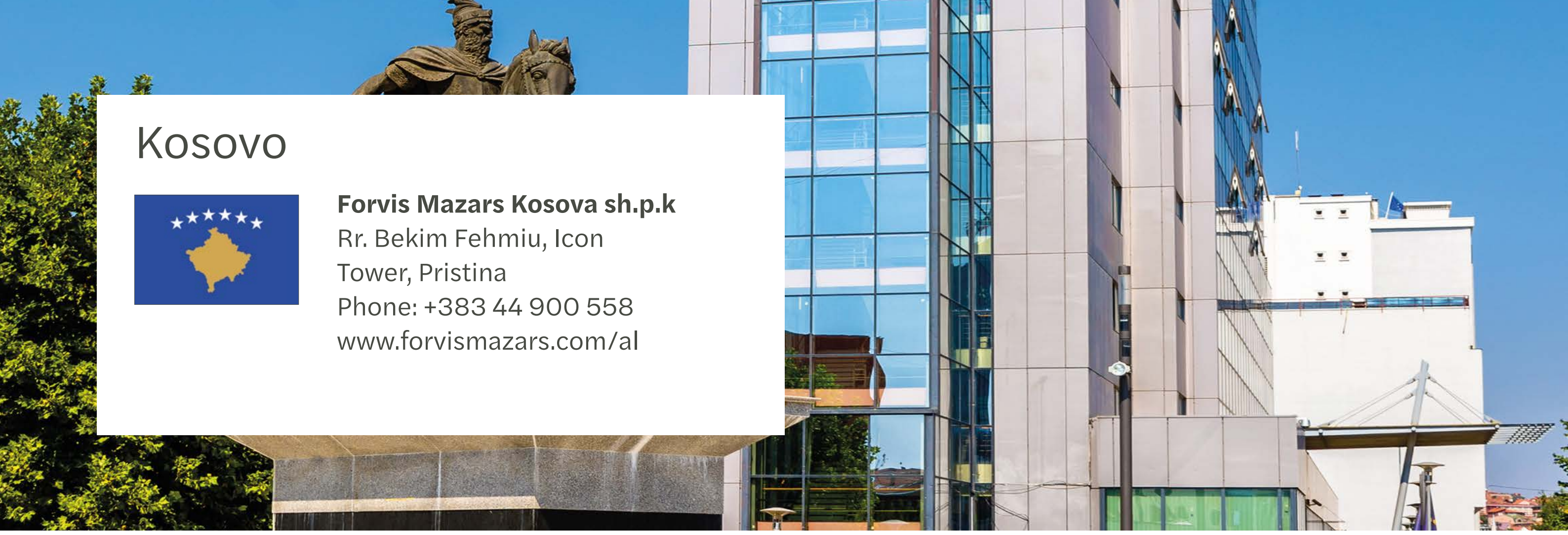

Kosovo

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Corporate taxes and other direct taxes

Resident companies are taxed on their worldwide income, while non-residents are taxed only on income from Kosovo sources. Kosovo's Corporate Income Tax (CIT) follows worldwide taxation principles. The annual turnover threshold for CIT has been reduced from EUR 50,000 to EUR 30,000. Companies or sole traders with gross income above EUR 30,000 must pay CIT, while those below can choose a special quarterly payment. The CIT rate is 10%, paid quarterly. Taxable income is the difference between gross income and allowable deductions, with the tax period being the calendar year. Losses can be carried forward for six years.

Withholding tax applies to income from interest, royalties, rents, and games of chance for both residents and non-residents. All income, except rent (9%), is taxed at 10%. Even if the recipient is subject to corporate income tax, withholding tax applies and is offset against the annual tax return.

Transfer pricing in Kosovo		
Arm's length principle	✓	–
Documentation liability	✓	–
APA	✓	–
Country-by-Country liability	✓	–
Master file-local file (OECD BEPS 13) applicable	✓	–
Penalty		
lack of documentation	✓	A maximum of EUR 2,500.
tax shortage	N.A.	N.A.
Related parties	50% <	Direct or indirect control or common managing director.
Safe harbors	✓	Low value-added services: mark-up to a maximum 7%.
Level of attention paid by Tax Authority		**9/10**

Transfer pricing (TP) regulations, effective from 2017, govern pricing between affiliated entities with at least 50% ownership or voting rights. Taxpayers engaging in controlled transactions above EUR 300,000 annually must submit a form by 31 March, of the following year. The rules apply only to cross-border transactions, with safe harbors allowing a 7% profit markup on low value-adding services without a transfer pricing study.

VAT and other indirect taxes

In Kosovo, VAT applies to goods or services supplied for payment by a taxable person and on imported goods. A taxable person is anyone independently carrying out economic activities. Exports are exempt from VAT, with input VAT deductions allowed. VAT on imports is collected at the border based on customs value and duties. The VAT rate is 18% standard and 8% reduced, excluding exempt or export supplies.

No other indirect tax are applicable.

Personal income tax / Social security system

Resident taxpayers are taxed on income from Kosovo and abroad, while non-residents are taxed only on Kosovo-sourced income. Gross income includes wages, rent, business activity, interest, capital gains, and other income that increases net worth. Taxpayers include individuals, businesses, and companies. Personal Income Tax is applied at progressive rates (0% to 10%) for the calendar year.

The Kosovo Pension Savings Fund is responsible for administering and managing individual pension saving accounts. This fund obliges the employee and the employer to contribute to financing the employee's pension at the rate of 5% from the employee's salary and 5% from the employer.

Wage related taxes in Kosovo	Minimum wage		Average wage in private sector	
	in EUR		in EUR	
	425		500	
Total wage cost	**442.50**	**104.12%**	**525.00**	**105.00%**
Contributions social 5% of gross salary	17.50	4.12%	25	5.00%
Gross Salary	**425**	**100.00%**	**500**	**100.00%**
Contributions social 5% of gross salary	17.50	4.12%	25	5.00%
Personal income tax	8.01	1.88%	18.50	3.7%
Net salary	**399.49**	**94.00%**	**456.50**	**91.30%**

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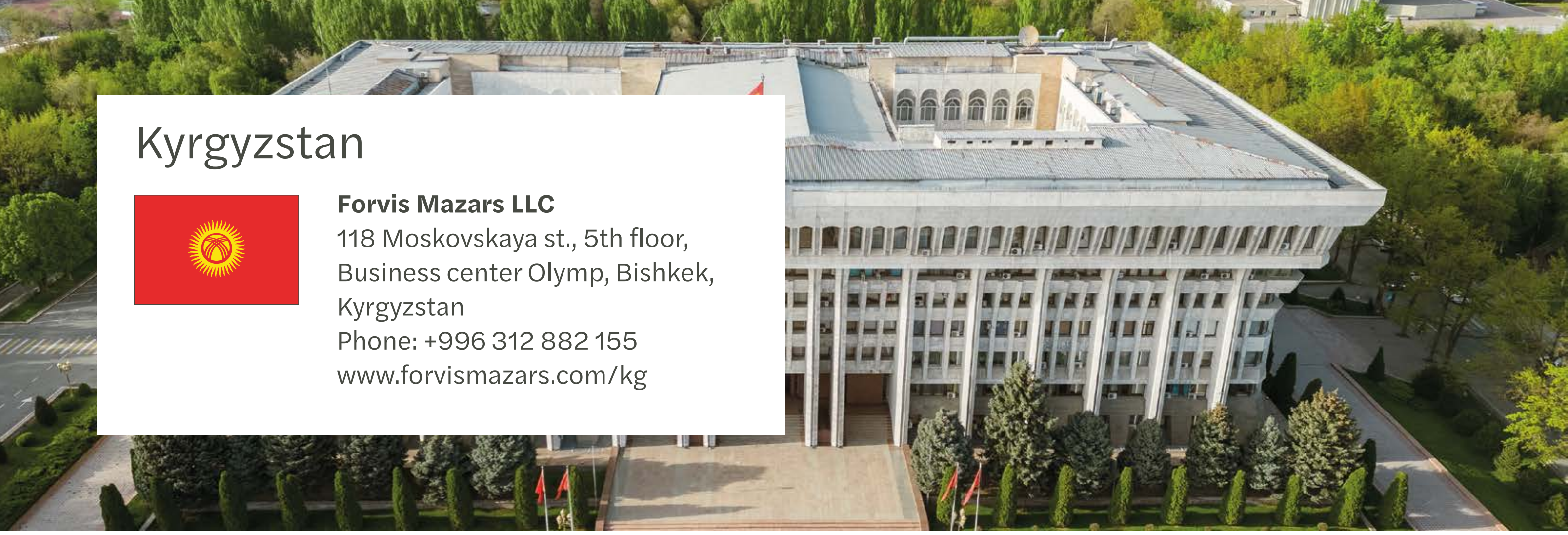

Kyrgyzstan

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Corporate taxes and other direct taxes

Taxable profit in the Kyrgyz Republic (KR) is determined as the difference between aggregate annual income and deductible expenses. Only properly documented expenses directly related to the generation of taxable income and compliant with the requirements of the Tax Code of the KR are deductible. Dividends received from resident companies are generally excluded from taxable income, subject to compliance with the conditions established by law. Capital gains are included in taxable income in accordance with the procedure set out in the Tax Code, depending on the type of asset and the taxpayer's status. Depreciation rates for fixed assets are established by the Tax Code of the KR. Depreciation is calculated based on prescribed asset groups using maximum statutory rates. While the general approach to recognition and allocation of asset costs is broadly comparable to IFRS principles, it is applied within the framework of tax accounting. Tax losses may be carried forward for the following five calendar years inclusive. Losses incurred during periods when a company benefited from tax exemptions or incentives may not be carried forward. Thin capitalization rules are not established in the Kyrgyz Republic.

Transfer pricing in Kyrgyzstan		
Arm's length principle	✓	–
Documentation liability	✓	–
APA	No	–
Country-by-Country liability	No	–
Master file-local file (OECD BEPS 13) applicable	No	–
Penalty		
lack of documentation	No	–
tax shortage	✓	From 10% to 100% of the tax shortage.
Related parties	> 20%	Entities are related when direct or indirect ownership by any party exceeds 20%.
Safe harbors	20%	N/A
Level of attention paid by Tax Authority		**8/10**

Withholding tax (WHT) in the Kyrgyz Republic (KR) applies to certain types of income paid to non-residents that are not registered with the tax authorities of the Kyrgyz Republic. The list of income subject to withholding tax is established by the Tax Code of the KR and generally includes, inter alia, dividends, interest, royalties, certain types of services, and other Kyrgyz-source income. Kyrgyzstan has concluded 32 double taxation treaties (DTTs). Where an applicable treaty provides for a reduced rate or exemption, the provisions of the international treaty prevail over the norms of the Tax Code. However, in order to apply treaty benefits, the non-resident must provide a duly executed and, where required, legalized tax residency certificate confirming its residence in the relevant country for the respective period. The Multilateral Instrument (MLI) is currently not applicable (has not entered into force) in the Kyrgyz Republic.

No other direct tax regulations exist.

VAT and other indirect taxes

The VAT concept is quite similar to the concept applied in developed countries worldwide. Turnover subject to VAT is in general the total value of sales (Output VAT). VAT paid to suppliers (input VAT) is deducted from Output VAT. Input VAT cannot be offset if the goods, works, or services purchased are not related to the taxable turnover, the VAT-invoice is not issued by a supplier or is issued in violation of legal requirements, the supplier is declared by court as inactive entity, etc. The VAT rate for the export of goods is 0% and there is a procedure for refund of the related input VAT. A special VAT procedure applies to the export/import of goods to/from the countries belonging to the Eurasian Economic Union such as Russia, Belarus, Kazakhstan, and Armenia.

Sales Tax — an indirect turnover tax applied to sales of goods, works and services, with rates generally from 0% up to 5% depending on activity and payment method; it differs from VAT and is calculated on gross receipts. Excise Tax — imposed on production, import and sale of certain goods, including alcoholic beverages, tobacco products and oil products (among other excisable items).

Personal income tax / Social security system

The following are recognized as tax residents: citizens of the Kyrgyz Republic and any individual remaining in the Kyrgyz Republic for at least 183 calendar days in any consecutive 12-month period ending in the current tax period (calendar year).

All types of income are taxed at a rate of 10% regardless of the tax residency status of the individual and the type of incomes received.

The following social contributions are withheld from employee income: 8% to the Pension Fund, 2% to the State Pension Fund. The following social contributions are paid by an employer on employee income: 2% to the Compulsory Health Insurance Fund, and 0.25% to the Employee Health Improvement Fund.

Wage related taxes in Kyrgyzstan	Minimum wage		Average wage in private sector	
Exchange rate KGS/EUR 101	in EUR	in KGS	in EUR	in KGS
	185.42	18,727.5	370.84	37,455
Total wage cost	**189.59**	**102.25%**	**380.11**	**102.50%**
Social contributions	4.17	2.25%	9.27	2.50%
Gross salary	**185.42**	**100.00%**	**370.84**	**100.00%**
Personal income tax	16.69	9.00%	33.36	9.00%
Social contributions	18.54	10.00%	37.08	10.00%
Net salary	**150.19**	**81.00%**	**300.40**	**81.01%**

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Corporate taxes and other direct taxes

Generally, CIT is payable only on the distribution of profit: dividends (also interim dividends), payments qualifying as dividends, non-business expenses, loans issued to related parties, interest payments subject to thin capitalization rules, bad debts to be written off, transfer pricing adjustments, liquidation quota, etc. The CIT rate is 20% of the gross taxable value (expense/distribution value) or 25% of the net value (i.e. a 20/80 rate).

As of January 1, 2026, companies whose shareholders in the tax period in which dividends are calculated, are natural persons, are entitled to choose to apply the alternative tax rate of 15% from gross dividends calculated in the tax period. In this case, additional PIT at the rate of 6% shall be applied at the recipient level.

Transfer pricing in Latvia		
Arm's length principle	✓	–
Documentation liability	✓	–
APA	✓	–
Country-by-Country liability	✓	–
Master file-local file (OECD BEPS 13) applicable	✓	–
Penalty		
lack of documentation	✓	Penalty of up to 1% of the controlled transaction, but not exceeding EUR 100K.
tax shortage	✓	20% tax on gross value of underpayment + late payment interest.
Related parties	> 20%	There are specified conditions listed by law.
Safe harbors	✓	Low value-added services: 5% mark-up.
Level of attention paid by Tax Authority		**9/10**

The following general thin capitalization rules are applicable, however exemptions also may be applied: (1) the debt/equity ratio exceeds 4 to 1; (2) if the amount of net interest expense exceeds EUR 3 million, the deductible interest amount of 30% of EBITDA applies. The appropriate interest excess part will be subject to 25% CIT effective rate. If either of the two thin capitalization thresholds are exceeded, the result leading to highest tax liability would apply.

Tax exempt capital gains: distributed profit from the sale of directly owned shares (except for shares of low/tax free companies) is not subject to CIT unless the company has held the relevant shares for less than 36 months, or the shares belong to a company the majority of whose assets by value is comprised of real estate located in Latvia. Exemption does not apply where the main purpose of setting up the taxpayer or the structure is to benefit from the holding regime (i.e. tax optimization or avoidance of taxes has taken place).

Tax exemption is not applicable to profits from the sale of financial instruments (e.g. investment fund notes, securities, bonds, etc.) or to royalties and interest received.

WHT of 20% is applied to management and consulting service fees paid by Latvian companies to foreign companies, unless eliminated under Double Tax Treaty; 3% WHT - to remuneration paid to a foreign company for the disposal of real estate located in Latvia; 5% WHT - to remuneration paid to a foreign company for renting or leasing of real estate in Latvia; and 20% WHT is applied to all payments to offshore companies.

VAT and other indirect taxes

The general VAT rate is 21% for the sale of goods and services. A reduced rate of 12% is used, for example, for medical goods, periodicals, accommodation services, and thermal energy supplied to private individuals. Furthermore, a reduced 5% VAT rate is applicable for the supply of fruit and vegetables typically grown in Latvia. The VAT rate for books, news websites, etc. has been reduced from 12% to 5%, and on e-books from 21% to 5%. A 0% tax rate is applicable for the export of goods and supplies in customs territories. Exemptions are in place for postal services, medical and health services, certain financial services, etc. Entrepreneurs with annual sales of less than EUR 50,000 are exempt from VAT obligations. Monthly returns are electronically recorded. The options/limits based on the EU Directive are determined in the VAT Act.

Other indirect tax types in Latvia include excise and customs duties, and some transactions related to public administration (e.g. submitting application forms, issuing certificates, granting permissions, etc.) are also subject to stamp duty.

Personal income tax / Social security system

25.5% is applied for income of less than EUR 105,300 per year; and 33% for income exceeding EUR 105,300 per year.

The tax on annual income of more than EUR 105,300 per year is calculated in a recapitulative order when submitting the annual income declaration. If a payroll tax book is not submitted at a place of employment, the salary tax rate is 25.5% regardless of monthly income.

Also, from January 1, 2026, the non-taxable minimum is EUR 550 (please see wage calculations below).

Income from capital and capital gains is taxed with a 25.5% PIT rate.

An additional 3% rate is applicable to the total excess of taxable annual income over EUR 200,000 (including capital gains and non-taxable dividends).

Yet, additional 6% PIT rate is applicabe where alternative 15% CIT rate is chosen for distributed dividends to shareholders - private individuals.

Active incomes fall under the scope of the SSC system: individual social contributions equal a total of 34.09%, of which the employer's contribution is 23.59% and the employee's contribution is 10.5%. Benefits in kind earned within employment are taxed with PIT and SSC at standard rates.

A maximum amount for the object of social contribution tax is in the amount of EUR 105,300.

Wage related taxes in Latvia	Minimum wage		Average wage in private sector	
	in EUR		in EUR	
	780		1,666	
Total wage cost	**964.00**	**123.59%**	**2,059.01**	**123.59%**
Social contribution tax	184.00	23.59%	393.01	23.59%
Gross salary	**780**	**100.00%**	**1,666**	**100.00%**
Employee social contribution	81.90	10.5%	174.93	10.5%
Personal income tax	37.77	4.84%	239.97	14.40%
Net salary	**660.33**	**84.66%**	**1,251.10**	**75.10%**

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Corporate taxes and other direct taxes

The general rate for corporate income tax is 17% in Lithuania. An incentive corporate income tax rate of 7% is applied to small companies with an annual turnover of up to EUR 300,000 and with no more than 10 employees. Small companies can apply a 0% corporate income tax rate for the first two financial years.

In Lithuania, the ordinary losses incurred may be carried forward to the subsequent taxable periods for an unlimited time, as long as the entity continues the activities that generated the losses. The amount of losses carried over to the subsequent taxable periods is limited to 70% of taxable profit for the corresponding taxable period. The 70% limit does not apply to small companies. Capital losses associated with the transfer of derivative financial instruments and securities may only be carried forward for 5 years and can only be covered from future capital gains.

Under certain conditions there is no withholding tax on dividends, interest, or royalty paid by a Lithuanian company to a foreign company. Lithuania has a wide international treaty network with more than 60 double tax treaties.

The standard withholding tax rate on dividends 17%.

Companies are also subject to two types of taxes on capital:

- Immovable property tax: tax on property deemed to be immovable by law and located in Lithuania (buildings and constructions, unfinished constructions excepted). The annual tax rate varies from 0.5% to 3% of the taxable value of immovable property. Tax rates are set by municipalities according to the territory where the immovable property is located. The tax period is a calendar year.
- Land tax: tax on land owned in Lithuania, to be paid by both resident and non-resident entities and individuals. The tax rate varies from 0.01% to 4% of the taxable value of the land. Tax rates are set by municipalities and depend on the location of the land. The tax period is a calendar year.

Transfer pricing in Lithuania		
Arm's length principle	✓	–
Documentation liability	✓	–
APA	✓	–
Country-by-Country liability	✓	–
Master file-local file (OECD BEPS 13) applicable	✓	–
Penalty		
lack of documentation	✓	EUR 1,820—5,590 (EUR 3,770—6,000 for recurrences).
tax shortage	✓	20%—100% on tax underpayment + late payment interest.
Related parties	> 25%	Direct or indirect control.
Safe harbors	✓	Low value-added services: 5% mark-up.
Level of attention paid by Tax Authority		**9/10**

VAT and other indirect taxes

The general rate is 21%, the reduced rates are 12% (e.g. public transportation, tourist accommodation, cultural activities) and 5% (e.g. medicine, books, journals, newspapers, and technical aids for the disabled). The options/limits based on the EU Directive are presented within the VAT legislation.

Other types of indirect tax in Lithuania include excise duty, the environmental protection charge, and the data storage device tax.

Personal income tax / Social security system

Total annual income from employment, board member fees, royalties from an employer, and management fees from a small partnership (MB) are taxed as follows:

- 20%: For the portion of annual income up to EUR 83,237;
- 25%: For the portion between EUR 83,237 and EUR 138,270;
- 32%: For the portion exceeding EUR 138,270 (above 60 AMW).

Income from distributed profits (dividends) is taxable at a flat PIT rate of 15%. This income is not aggregated with employment income and does not trigger the higher progressive tiers (25% or 32%).

Other income (e.g., interest, royalties from non-employers, capital gains, rental income) is subject to a dual-layered system:

- 15%: Applies to the portion of such income that does not exceed EUR 27,746 per year;
- Progressive Aggregation: The portion exceeding EUR 27,746 is added to the "total annual income pool" (along with the salary) and taxed at 20%, 25%, or 32%, depending on the total combined amount.

The gross salaries of employees are also subject to social contributions at a rate of 19.5%, which the employer is required to deduct. The employer also has to pay 1.77% in social contributions on top of the employee's gross salary. An additional 3% contribution may be paid by individuals who have decided to accumulate an additional pension (the employer is required to deduct this tax).

Lithuania is subject to EU regulations laying down social security principles for persons migrating between EU Member States.

Wage related taxes in Lithuania	Minimum wage		Average wage in private sector	
	in EUR		in EUR	
	1,153		2,336	
Total wage cost	**1,173.41**	**101.77%**	**2,377.35**	**101.77%**
Social contribution tax	20.41	1.77%	41.35	1.77%
Gross salary	**1,153**	**100.00%**	**2,336**	**100.00%**
Personal income tax*	230.60	20%	467.20	20%
Employees' social contributions	224.84	19.5%	455.52	19.5%
Net salary	**697.56**	**60.50%**	**1,413.28**	**60.50%**

* Non taxable allowance of EUR 747 (on minimum wage) and EUR 167.33 (on average wage).

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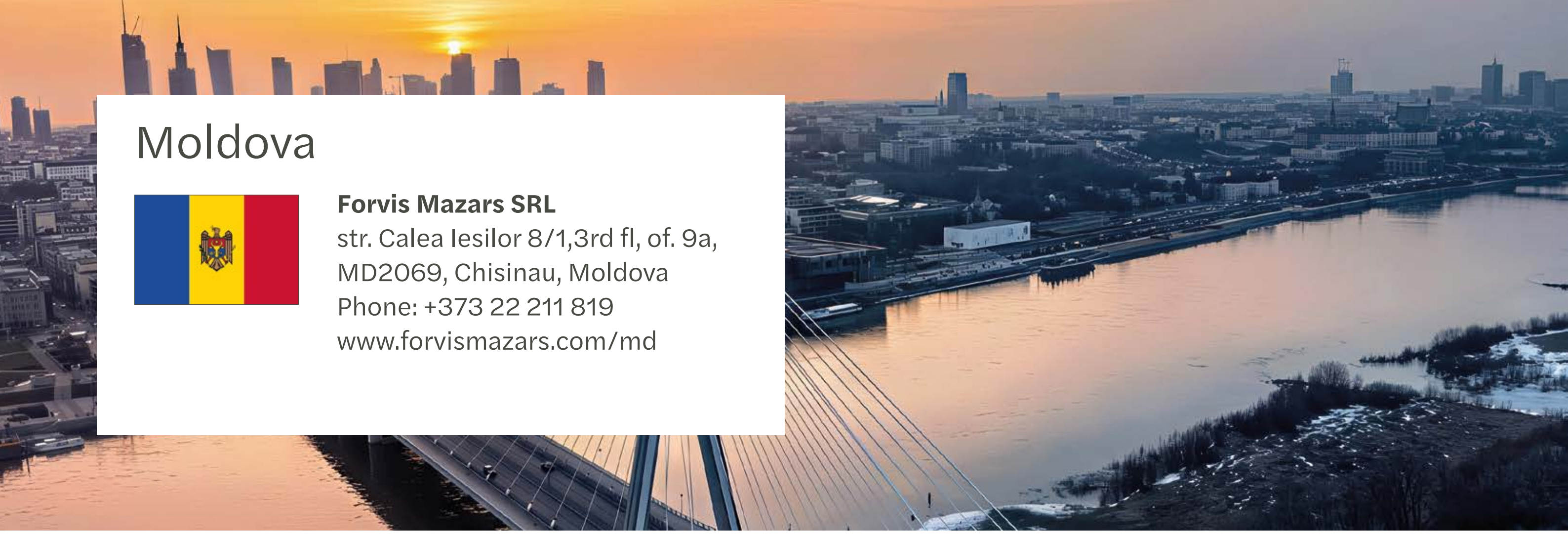

Moldova

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Corporate taxes and other direct taxes

CIT rate of 12% for resident companies.

A reduced CIT rate of 7% applies to Individual farmer households.

Tax losses may be carried forward over five consecutive fiscal years and deducted in chronological order.

Special Tax Relief for SMEs (2023 - extended through 2026): eligible SMEs may opt to pay CIT only upon distribution of dividends. Financial institutions and insurance companies are excluded from this regime.

As of 2026, Moldova has a network of 51 Double Tax Treaties (DTTs).

Dividends (to resident individuals): 6% withholding tax, 15% applies to dividends distributed from retained earnings of 2008—2011. Applies to non-resident individuals unless treaty provides otherwise

Interest (to resident individuals): 6% withholding tax (banks and similar institutions).

Royalties (to resident individuals): 12% withholding tax.

Rental income (from individuals not carrying out business activity) 12% withholding tax (or 7% if the individual registers and pays tax directly under the simplified regime).

Agricultural products purchased from individuals: 6% withholding tax.

Consignment sales (individuals): 12% withholding tax.

Gambling winnings: 18% (with certain exemptions).

A 12% withholding tax generally applies to Moldovan-sourced income paid to non-residents (services, royalties, leasing, commissions, capital gains, etc.), unless reduced under an applicable DDT.

Micro-Enterprise Regime - Companies not registered for VAT and with annual revenues below MDL 1,500,000 (≈ EUR 75,800) may apply a 4% tax on total revenue instead of standard CIT.

IT Park Regime - 7% single tax on monthly sales revenue. This tax replaces corporate income tax (CIT), personal income tax (PIT), social security contributions, compulsory health insurance contributions, local taxes, real estate tax, and road usage tax. The single tax must not be less than 30% of the average monthly salary per employee forecast by the government for that year. For 2026 (forecasted average salary: MDL 17,400), the minimum monthly tax per employee is MDL 5,220 (approx. EUR 264 at 19.7672 MDL/EUR).

Eligibility Criteria: At least 70% of a resident's sales must derive from IT services listed in the law, including software development, technical consultancy, and data processing.

Transfer pricing in Moldova		
Arm's length principle	✓	–
Documentation liability	✓	–
APA	✓	–
Country-by-Country liability	✓	–
Master file-local file (OECD BEPS 13) applicable	✓	–
Penalty		
lack of documentation	✓	Non submission: ≈ EUR 15,200—5,200
tax shortage	✓	Submission with inaccurate information: ≈ EUR 7,500—10,100
Related parties	> 25%	Direct or indirect ownership or effective control.
Safe harbors	No	–
Level of attention paid by Tax Authority		**Increased scrutiny**

VAT and other indirect taxes

VAT Registration Threshold:
Mandatory VAT registration applies when taxable supplies exceed 1,500,000 MDL (≈75,800 EUR) within a period of 12 consecutive months.

Standard VAT Rate:
20% for most goods and services.

Reduced VAT Rates:
8% for essential goods (bread, milk, medicines), hospitality, and cultural services.

VAT-Exempt Activities:
Medical, financial, insurance, educational services, and real estate sales.

VAT Refunds and Deductions:
Input VAT is deductible for taxable activities.

Exports are subject to 0% VAT with full input VAT recovery.

Reverse Charge:
Applies to services from non-residents.

Excise and environmental tax.

Personal income tax / Social security system

Flat rate tax:
Flat Rate: A uniform 12% tax is applied to the total taxable income for both residents and non-residents.

Annual Personal Exemption: Taxpayers are entitled to an annual personal exemption of MDL 29,700.

Dependent Exemption: An additional exemption of MDL 9,900 per year is available for each dependent.

Dividends: Subject to a 6% tax rate.

Gambling Revenues: Taxed at 18%.

Income from Farming Enterprises: Subject to a 7% tax rate.

Social Security Contribution (SSC):
Employer Contribution: A flat rate of 24% is applicable to the gross salary of employees.

Application to Meal Vouchers: The 24% SSC rate is also applicable to the value of meal vouchers provided to employees.

Health Insurance Contribution (HIC):
Employee Contribution: Employees are required to contribute 9% of their gross salary towards health insurance. This contribution is deducted directly from the employee's salary.

Minimum Monthly Gross Wage:
Effective of January 1, 2026, the minimum monthly gross wage in the real sector has been set at MDL 6,300.

Wage related taxes in Moldova	Minimum wage		Average wage in private sector	
Exchange rate MDL/EUR 19.76	in EUR	in MDL	in EUR	in MDL
	278.24	5,500	826.42	16,336
Total wage cost	**345.02**	**124.00%**	**1,024.76**	**124.00%**
The employer's social security contribution	66.78	24%	198.34	24%
Gross salary	**278.24**	**100.00%**	**826.42**	**100.00%**
Personal income tax	33.39	12%	99.17	12%
The employee's social security contribution	25.04	9%	74.38	9%
Net salary	**219.81**	**79.00%**	**652.87**	**79.00%**

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Corporate taxes and other direct taxes

Since FY2022, the corporate income tax rate has been progressive and dependent on taxable profits realized (compared to the 9% flat rate that had been previously applicable), and it applies to both resident and non-resident companies. Resident companies are taxed on their worldwide income, while non-residents are taxed only on income generated in Montenegro. The tax base is the pre-tax profit modified by several increasing and decreasing items.

For taxable profits lower than EUR 100,000, a 9% rate is to be applied. For taxable profits in the bracket between EUR 100,000.01 and EUR 1,500,000, income tax will be calculated as EUR 9,000+12% rate applicable to the amount over EUR 100,000.01. For taxable profits higher than 1,500,000.01, income tax will be calculated as EUR 177,000+15% rate applicable to the amount over EUR 1,500,000.01.

Transfer pricing in Montenegro		
Arm's length principle	✓	–
Documentation liability	✓	–
APA	No	–
Country-by-Country liability	No	–
Master file-local file (OECD BEPS 13) applicable	No	–
Penalty		
lack of documentation	✓	Penalty between EUR 1,000—EUR 20,000.
tax shortage	No	Not specifically stated.
Related parties	25% <	Parties which can directly impact the conditions of a transaction.
Safe harbors	✓	Safe harbor rules in relation to intercompany loans and interest rates.
Level of attention paid by Tax Authority		**6/10**

Capital gains are included in the annual corporate profits tax return and taxed at progressive tax rates. In Montenegro, losses can be carried forward for 5 years while the carry back of losses is not permitted.

In Montenegro, there are no specific thin capitalization rules, except that interest paid to a non-resident must be on arm's length terms.

A 15% withholding tax is applicable to dividends, interests, capital gains, royalties and other intellectual property rights, fees for the lease of movable and immovable property, consulting services, market research, and audit services, which are paid to a non-resident legal entity. Montenegro has a wide international treaty network with over 40 double tax treaties.

A progressive transfer tax rate starting from 3% is levied on the transfer of immovable property starting from 2024. Namely, transfers of immovable property up to EUR 150,000 are taxed at 3%, transfers of immovable property in the amount above EUR 150,000 are taxed at EUR 4,500 + 5% to be applied for the amount above EUR 150,000.01, while transfer of property valued above EUR 500,000.01 is taxed at EUR 22,000 + 6% rate to be applied above EUR 500,000.01.

Property tax is levied on the ownership/use of property at rates ranging from 0.25% to 1% for real estate that is the residence of the taxpayer. Secondary real estate (not used as a residence) is taxed at rates ranging from 0.3% to 1.5%. Illegally built property is taxed at a rate ranging from 0.3% and 2%, whereas undeveloped construction land is taxed at 0.3% to 5% range.

VAT and other indirect taxes

The general rate is 21%, a reduced rate of 7% is applied on the supply of bread, milk, medications, drinking water (except bottled watter), public hygiene service, baby diapers and other. Furthermore, starting from 2025 a reduced VAT rate of 15% has been introduced for the supply of accommodation services, services of preparing and serving food, drinks and beverages, except alcoholic beverages and other.

A 0% VAT rate is applicable on export of goods, services related to the export of goods, vessels intended for navigation on the open sea, which transport passengers for a fee, personal needs of foreign staff, diplomatic and consular representative offices, supply of goods to free zones and other.

VAT-exemption is available for public postal services, health services, social security services and the supply of goods directly related to these services, transfer of real estate, except for the first transfer of ownership rights and other.

Taxpayers with revenues in excess of EUR 30,000 must register for VAT purposes. The options/limits are based on the VAT Act in Montenegro.

The other indirect tax type in Montenegro is excise duty.

Personal income tax / Social security system

In Montenegro, resident individuals are taxed based on their worldwide income, and non-residents are taxed only on income derived from Montenegro. Montenegro has progressive taxation for salaries (taxed at the rate of 0% / 9% / 15%) and income stemming from primary self-employment (taxed at a rate of 0% / 9% / 15%). There is also a flat rate of 15%, which is applicable for other sources of income (e.g. supplementary entrepreneurial, occasional self-employment, capital gains, interest, etc.).

Active incomes fall under the scope of the SSC system: an individual's social contributions equal 10.5% altogether. These include contributions for pensions (10%) and unemployment (0.5%). The employer's contribution is at a rate of 1.17% of an employee's salary. This includes unemployment insurance (0.5%), and contributions to the Chamber of Commerce (0.27%) Labor fund (0.2%) and Labor union fund (0.2%). Also, a local surtax, calculated based on PIT assessed, is paid by the employer to the municipality of the taxpayer's seat. Surtax rates range from 10% to 15%, depending on municipality, with most municipalities having a 13% rate.

Wage related taxes in Montenegro	Minimum wage		Average wage in private sector	
	in EUR		in EUR	
	670		1,206	
Total wage cost	**677.84**	**101.17%**	**1,220.10**	**101.17%**
SSC employer	7.84	1.17%	14.10	1.17%
Gross salary	**670**	**100.00%**	**1,206**	**100.00%**
PIT and SSC employee	70.35	10.50%	184.53	15.30%
Net salary	**599.65**	**89.50%**	**1,021.47**	**84.70%**

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Corporate taxes and other direct taxes

There is a 10% flat general corporate income tax rate for all taxpayers in North Macedonia. Exceptionally, companies with a total revenue of up to 3 million denars (MKD) are exempt from the payment of CIT, and companies with a total revenue between 3,000,001 and 6,000,000 denars have the option to pay CIT at 1% of their total revenue.

The tax base is the pre-tax profit modified by several increasing and decreasing items. Losses can be carried forward within a limited period of 3 years. Losses cannot be carried back.If, upon transformation, the carrying amounts of assets and liabilities remain unchanged, there is no tax impact.The tax base is reduced by the amount of the investment of profits (reinvested profit) for development purposes, i.e. investments in tangible assets (property, plant, and equipment) and intangible assets (computer software and patents) intended to expand the activity of the taxpayer. North Macedonia applies thin capitalization (3:1). Thin capitalization rules also apply to loans from banks if they are granted in relation to a deposit of the shareholder in that particular bank. Also, thin capitalization rules do not apply for newly established companies for the first three years of their operation.

Transfer pricing in North Macedonia		
Arm's length principle	✓	–
Documentation liability	✓	–
APA	✓	–
Country-by-Country liability	✓	–
Master file-local file (OECD BEPS 13) applicable	✓	–
Penalty		
lack of documentation	✓	~ EUR 2,500—3,000 / missing document
tax shortage	✓	Up to 10 times the amount of the understatement of tax.
Related parties	20% <	Entities (control, significant inf.), family, members of Board, foreign entities.
Safe harbors	✓	Interest from the loans as EURIBOR+1% (SKIBOR+1% for loans extended in MKD).
Level of attention paid by Tax Authority		**7/10**

Withholding tax 10% in North Macedonia applies to income earned by foreign legal entities from dividends and profit distributions, interest from loans and debt securities, royalties and intellectual property rights, income from entertainment, cultural and sports activities performed in North Macedonia, management and consulting services, financial services including guarantees, trading, leasing and insurance intermediation, research and development, market research and promotion, insurance and reinsurance premiums, telecommunication services, and the lease of real estate located in North Macedonia.Taxpayers must annually report paid withholding tax using Form "DD-I" to the Public Revenue Office by 15 February. North Macedonia has concluded double taxation treaties with many countries, which may allow for a reduction or exemption from withholding tax. However, prior approval from the tax authorities is required in order to apply the treaty rates.

Other applicable taxes include personal income tax, property tax with rates from 0.10% to 0.20%, and real estate transfer tax with rates from 2% to 4%.

VAT and other indirect taxes

North Macedonia has concluded double taxation treaties with many countries, which may allow for a reduction or exemption from withholding tax. However, prior approval from the tax authorities is required in order to apply the treaty rates.

The general rate is 18%; a reduced rate of 5% is applicable for food products, pharmaceuticals, production equipment, computers, and public transportation. A reduced rate of 10% was recently introduced for hotel and restaurant services. Exports are zero-rated. VAT-exempt services are mainly banking services, insurance, certain services provided by medical doctors and dentists, certain types of education and training, as well as other activities that are tax-exempt with regard to their public interest or special nature.

Other indirect taxes in North Macedonia include excise duties, gambling and lottery taxes, real estate transfer tax.

Personal income tax / Social security system

Personal income includes all types of income earned in North Macedonia and abroad, including:income from employment,income from self-employment,income from copyrights and related rights,income from the sale of own agricultural products,income from industrial property rights,income from leases and subleases,capital income,capital gains,gambling winnings,insurance income, andother income.

All these incomes are subject to a flat personal income tax rate of 10%, except gambling winnings, which are taxed at 15%.

In North Macedonia, social security contributions are calculated on a minimum base of 50% of the average salary (MKD 34,570) and a maximum base of 16 times the average salary for employees (MKD 1,106,256) or 12 times for self-employed (MKD 829,692). Total contributions are 28% (pension 18.8%, health 7.5%, occupational health 0.5%, unemployment 1.2%). Employers withhold contributions and personal income tax (10%) from salaries. Monthly personal allowance is MKD 10,932.

Wage related taxes in North Macedonia	Minimum wage		Average wage in private sector	
Exchange rate MKD/EUR 61.49	in EUR	in MKD	in EUR	in MKD
	513.47	31,577	1,124.30	69,141
Total wage cost	**513.47**	**100.00%**	**1,124.30**	**100.00%**
Gross salary	**513.47**	**100.00%**	**1,124.30**	**100.00%**
Pension insurance 18.8%	96.53	18.80%	211.36	18.80%
Health insurance 7.5%	38.51	7.50%	84.32	7.50%
Unemployment 1.2%	2.56	0.50%	5.62	0.50%
Additional health insurance 0.5%	6.16	1.20%	13.49	1.20%
Personal tax 10%	51.34	10.00%	112.42	10.00%
Net salary	**318.37**	**62.00%**	**697.08**	**62.00%**

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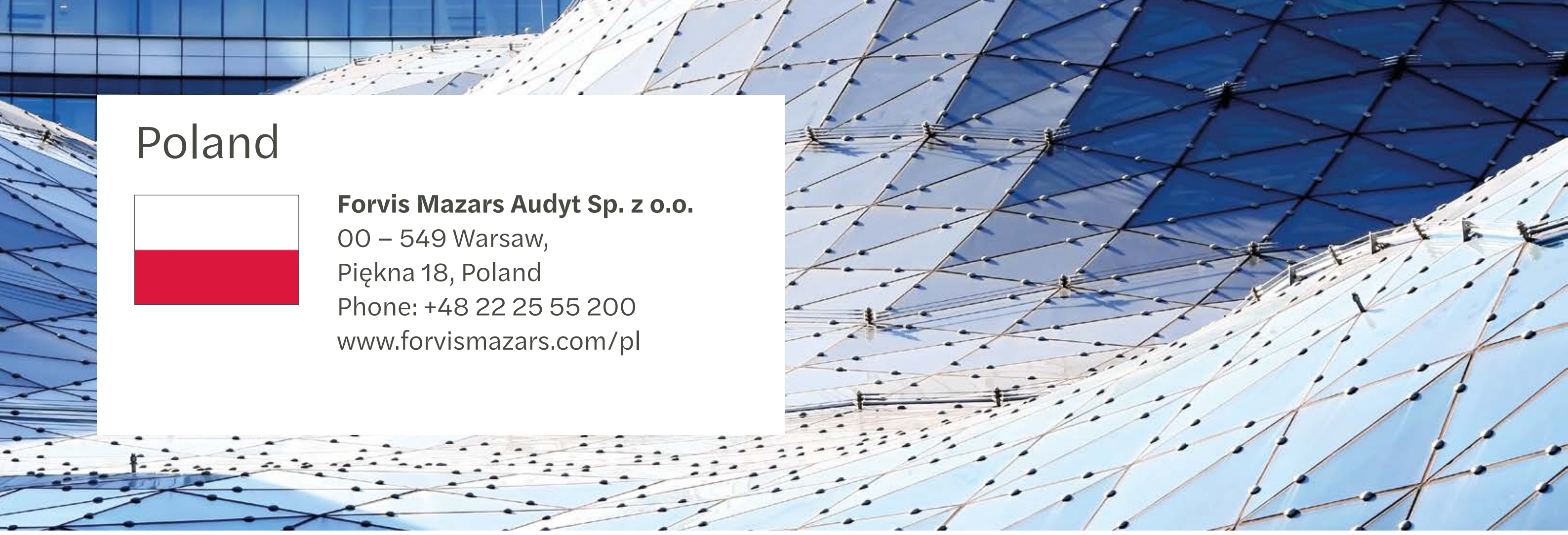

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Corporate taxes and other direct taxes

Polish companies are taxable on their worldwide income. Non-resident companies are taxable only on Polish sources of income, subject to DTT. The standard CIT rate is 19%. The preferential CIT rate for "small taxpayers" (whose sales revenue in the previous FY did not exceed the PLN 2M) is 9%. This rate also applies for newly-created entities (additional requirements also apply). In Poland, CIT is generally payable on income. Tax deductible costs exceeding revenues in any given FY constitute a loss which may be deducted from income over the next 5 consecutive years (no more than 50% of a loss can be offset in any one year). Starting from tax losses incurred in FY2019, it is possible to activate the tax loss of a given tax year as a one-off amount up to PLN 5M. The surplus may be settled in line with the general rule described above. As of January 1, 2022, changes in the regulations concerning debt financing costs entered into force. Expenses for debt financing are qualified as tax deductible costs to an amount of no more than 30% of EBITDA or an amount not exceeding PLN 3M (depending on which amount is higher).

Transfer pricing in Poland		
Arm's length principle	✓	–
Documentation liability	✓	–
APA	✓	–
Country-by-Country liability	✓	–
Master file-local file (OECD BEPS 13) applicable	✓	–
Penalty		
lack of documentation	✓	20% (30%) of the amount of overstated loss/ under income + % + personal liability.
tax shortage	✓	10% of overstated loss/ under income + late payment interest/ incorrect pricing.
Related parties	25% <	Direct or indirect capital relations, personal relations.
Safe harbors	✓	Low value added services and loans.
Level of attention paid by Tax Authority		**10/10**

Interest, royalties, and certain types of immaterial services paid to non-Polish residents are, as a rule, subject to a 20% WHT rate, and dividends are subject to a 19% WHT rate. As of January 2022, a pay & refund mechanism entered into force. This only applies to passive payments exceeding PLN 2 Million per annum summed for one non-resident. The excess amounts are subject to a base WHT rate pursuant to the CIT Act (19% or 20%) and the tax remitter can only apply for a WHT refund if the payment could be exempt or qualifies for a reduced rate from the proper DTT. It is also possible to apply for an opinion on the application of preference (additional requirements also apply). There are also strict restrictions concerning due diligence procedures.

Real property tax and transport tax are charged as local taxes in Poland. Real property tax is paid by owners of real estate. Banks and financial institutions are taxable at a 0.0366% rate of their total assets.

VAT and other indirect taxes

As a rule, the standard VAT rate is 23%. Preferential rates of 8% and 5% apply to certain goods and services. Other goods and services (e.g. exports, intra-Community supplies of goods, international transport services) may be zero-rated or exempt.

Other indirect tax types in Poland include excise duty and gambling tax. Some civil acts such as contracts of sale, loan agreements, and foundation deeds of partnerships or companies, if not subject to VAT, may be subject to civil law activity tax (CLAT), the rates of which range from 0.1% to 2%. Transactions related to filling a power of attorney and public administration actions (submitting application forms, issuing certificates, granting permissions, etc.) are subject to stamp duty.

Personal income tax / Social security system

PIT is calculated on income. However, the income calculation differs depending on the source from which the income is earned. PIT is calculated according to a progressive tax scale at a rate of 12% (below income amount of PLN 120k per year) to 32% (above income amount of PLN 120k per year). A specific rate also applies to individuals pursuing business activities as sole proprietorships or partners in partnerships, who may opt for a flat 19% PIT rate. The tax-free amount is PLN 30K (depending on the value of the tax base). The income of taxpayers who are under the age of 26 can be tax-free up to an amount of income not exceeding PLN 85,528 in the given tax year.

Employee Capital Plan (ECP): Payments to PPK are made both by the employer and the plan participant. The basic payment to PPK made by the plan participant is equal to 2% (as of January 1, 2022, this could be 0.5% when additional requirements are fulfilled) of the salary used as the base for the calculation of retirement and disability SSC, while the employer pays 1.5% of the salary used as the base for the calculation of retirement and disability SSC.

Personal income falls under the social insurance system: employee's SC (capped) equals 13.71%; employer's contributions equal approximately 20.48%. Additionally, the individual is required to pay a 9% health insurance contribution.

Wage related taxes in Poland	Minimum wage		Average wage in private sector	
Exchange rate PLN/EUR 4.21	in EUR	in PLN	in EUR	in PLN
	1,108.05	4,666	2,155.82	9,078,16
Total wage cost	**1,351.60**	**121.98%**	**2,629.67**	**121.98%**
Social security contribution (employer)	226.93	20.48%	441.51	20.48%
Contribution to PPK (employer)	16.62	1.5%	32.34	1.5%
Gross salary	**1,108.05**	**100.00%**	**2,155.82**	**100.00%**
Social security contribution (employee)	151.91	13.71%	295.56	13.71%
Healthcare insurance	99.72	9%	194.02	9%
Tax deductible costs	-58.60	-5.29%	-58.60	-2.72%
PIT	132.97	12%	258.70	12%
Personal allowance	-70.31	-6.35%	-70.31	-3.26%
Contribution to PPK (employee)	22.16	2%	43.12	2%
Net salary	**830.20**	**74.92%**	**1,493.33**	**69.27%**

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Corporate taxes and other direct taxes

CIT is 16%. To calculate the taxable profit, the accounting profit is adjusted upwards (with non-deductible expenses) or downwards (with non-taxable revenues). An additional deduction of no more than 50% can be applied for certain R&D expenses.

Entities with a turnover over EUR 50 million are required to pay a minimum 0.5% tax applied to adjusted turnover if the CIT under general rules is lower than the 1% turnover tax. 2026 is the last year in which the minimum tunover tax is applicable. Operators in the oil and gas sectors pay a 0.5% tax applied to adjusted turnover, while credit institutions pay a 4% turnover tax for 2026.

Capital gains arising from the sale of participations held in any state that Romania has a DTT with are non-taxable. Tax consolidation is applicable in the field of CIT at the level of two or more legal entities. Once tax consolidation has been opted for, it must be applied for 5 years. Tax losses can be carried forward for a period of 5 years and offset with taxable profits up to 70%.

Transfer pricing in Romania		
Arm's length principle	✓	–
Documentation liability	✓	–
APA	✓	–
Country-by-Country liability	✓	–
Master file-local file (OECD BEPS 13) applicable	✓	–
Penalty		
lack of documentation	✓	Penalties and adjustment of tax base plus ancillary tax debt.
tax shortage	✓	Regular tax regime.
Related parties	> 25%	Direct or indirect control.
Safe harbors	No	OECD's simplified approach on low value adding services is not applicable.
Level of attention paid by Tax Authority		**10/10**

Treaty network consisting of around 90 DTTs. The WHT on Dividends, Interest and Royalties is 16%. Capital gains from the sale of shares are tax exempt (certain conditions apply).

Shareholders with more than 25% shares in a micro-company cannot have additional shareholdings in other companies that apply the same regime.

Micro enterprises are subject to a flat tax rate of 1%.

VAT and other indirect taxes

Starting August 1, 2025, the standard VAT rate is increased to 21%, while the former reduced rates of 5% and 9% are consolidated into a single reduced rate of 11%. Certain transactions that previously benefited from reduced VAT rates (e.g. photovoltaic and heating systems, veterinary medicines, access to cultural, recreational and sporting events) are now subject to the standard VAT rate.

A temporary reduced VAT regime for residential housing continues to apply until July 31, 2026, under strict transitional conditions, for contracts concluded and advance payments made by August 1, 2025. Certain medical and social activities remain VAT exempt.

E-invoicing is mandatory for B2B transactions and, as of January 1, 2025, also for B2C transactions where the place of supply is considered to be in Romania. The electronic invoice (XML file validated in the RO e-Invoice system) represents the original invoice for VAT deduction purposes.

Starting September 1, 2025, Romania has implemented new VAT registration exemption rules for small enterprises, increasing the mandatory VAT registration threshold to the maximum level allowed under EU legislation, i.e., RON 395,000, and introducing cross-border application of the exemption regime within the EU, subject to an overall turnover cap of EUR 100,000. Taxpayers must register for VAT immediately upon exceeding this threshold.

Romania continues to expand its digital VAT compliance framework, with SAF-T mandatory for all taxpayers (including non-established) and increased reliance by the tax authorities on data extracted from e-Invoice, SAF-T, and e-VAT returns to generate pre-filled.

SAF-T is implemented and mandatory for all taxpayers.

Personal income tax / Social security system

A 10% flat tax rate is applicable to revenues from dependent activities (e.g. employment or activities assimilated to employment) or independent activities (freelancers). Income tax due for dividends is 16%.

SSC are the following: Social Security Contribution (25% – employee part), Health Insurance Contribution (10% – employee part) and Work Insurance Contribution (2.25% – employer part).

Income received from dependent activities is subject to SSC at the employee (35%) and employer level (2.25%).

As regards the Pension Contribution due for income received from independent income and IP rights, this is due in case the income is at least 12 times the minimum gross wage (e.g. RON 4,050 for 2025, thus RON 48,600 per annum).

The 25% is applied to the following computation base regardless of the level of revenues obtained:

- base of 12 times the minimum gross wage in case the level of the obtained revenue is between 12 and 24 times the minimum gross wage;
- base of 24 times the minimum gross wage in case the level of the obtained revenue exceeds 24 times the minimum gross wage.

The Health Insurance Contribution (HIC) is applied to the annual net income obtained by the freelancer and the taxable base cannot be higher than 72 times the minimum gross wage (capped). For other types of income (rental income, dividend, capital gain, etc. – except salary income), the HIC is due as follows:

- base of 6 times the minimum gross wage in case the level of the obtained revenue is between 6 and 12 times the minimum gross wage;
- base of 12 times the minimum gross wage in case the level of the obtained revenue is between 12 and 24 times the minimum gross wage;
- base of 24 times the minimum gross wage in case the level of the obtained revenue exceeds 24 times the minimum gross wage.

Wage related taxes in Romania	Minimum wage		Average wage in private sector	
Exchange rate RON/EUR 5.09	in EUR	in RON	in EUR	in RON
	795.60	4,050	1,693.35	8,620
Total wage cost	**813.60**	**102.26%**	**1,732.35**	**102.30%**
Work insurance contribution (2.25% – employer part)	18	2.26%	39	2.30%
Gross salary	**795.60**	**100.00%**	**1,693.35**	**100.00%**
Social security contribution (25% – employee part), health insurance contribution (10% – employee part) and personal income tax of 10%.	322	40.47%	719	42.46%
Net salary	**473.60**	**59.53%**	**974.35**	**57.54%**

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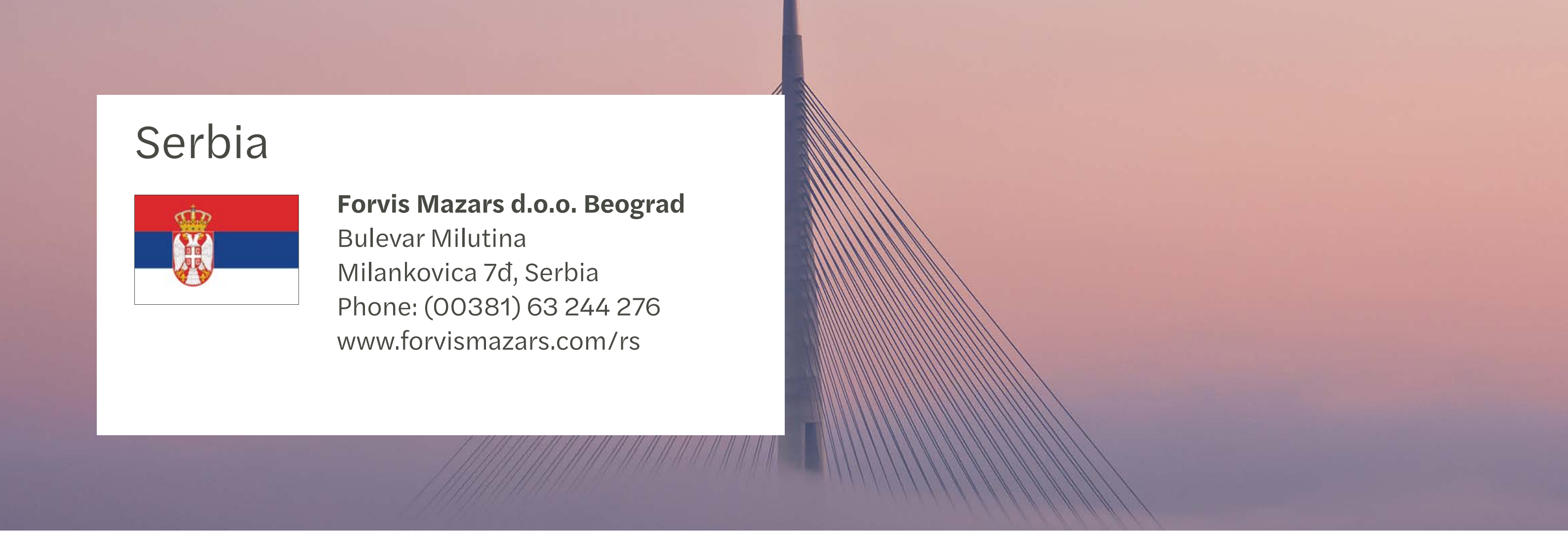

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Corporate taxes and other direct taxes

There is a flat 15% general corporate income tax rate. Tax is levied on both resident and non-resident companies. Resident companies are taxed on their worldwide income, and non-residents are taxed only on income generated in Serbia. The tax base is the pre-tax profit modified by several increasing and decreasing items. Capital gains are also included in the tax return for annual corporate profits. Losses can be carried forward for 5 years, but the carry back of losses is not permitted. There are several tax deductions available on investments in relation to the number of employed persons and investment funds, investing into the capital of newly incorporated companies performing innovative activities, and income from the use of deposited IP rights. Serbia applies a thin capitalization ratio of 4:1 (10:1 for banks).

A 20% withholding tax is applied to dividends, interests, capital gains, royalties and other intellectual property rights, income from rent of immovable and movable property, and income from specific services such as market research, accounting, auditing, and other services related to business and legal consulting. There is also a tax rate of 25% applicable to revenues realized by non-resident legal persons from jurisdictions with a preferential tax system. Serbia has a wide international treaty network with more than 60 double tax treaties.

Transactions between related parties must be at arm's length. The comparable uncontrolled price method may be used, but in the absence of this method, taxpayers can use the cost-plus method, the resale price method, the profit-sharing method, or the net profit method. There is an obligation to enclose transfer pricing documentation with the annual tax returns.

A transfer tax of 2.5% is applied to transfers listed in the Property Tax Act. There is no surtax or alternative minimum taxes.

Transfer pricing in Serbia		
Arm's length principle	✓	–
Documentation liability	✓	–
APA	No	–
Country-by-Country liability	✓	–
Master file-local file (OECD BEPS 13) applicable	No	–
Penalty		
lack of documentation	✓	Up to ~ EUR 16,900 for missing documentation.
tax shortage	✓	30%—40% on tax underpayment + late payment interest.
Related parties	25% <	Direct or indirect control or common managing director, close family members.
Safe harbors	✓	Interest as described in the Governmental Rulebook.
Level of attention paid by Tax Authority		**7/10**

VAT and other indirect taxes

The general rate is 20%, reduced rates are 10% (e.g. bread, milk, accommodation services, medications, fertilizer, etc.) and VAT-exemption is provided for exports and for transport and other services that are associated with the importation of goods. Taxpayers with revenue in excess of approximately EUR 68,000 must register for VAT purposes. Non-residents may register for VAT purposes only through a tax representative.

The other indirect tax type in Serbia is excise duty.

Personal income tax / Social security system

In Serbia, resident individuals are taxed based on their worldwide income, while non-residents are taxed only on income in Serbia. There is a flat rate of 10% for gross salaries. Capital gains are taxed at 15%. Furthermore, the tax rate on income from agriculture and forestry is 10%. Income from the letting of real estate is taxable at 20%, but before that, the gross basis is reduced by standardized costs equaling 25%. The tax rate on income from royalties and other intellectual property amounts to 20%.

Active incomes fall under the scope of the SSC system: social contributions payable by employees amount to 19.90% of the gross salary. These include contributions for pension and disability insurance (14%), health insurance (5.15%), and unemployment insurance (0.75%). Contributions payable by the employer amount to 15.15% and include contributions for pension and disability insurance totaling 10%, and health insurance (5.15%). There is no unemployment insurance payable on behalf of the employer. Personal deductions are applicable.

Wage related taxes in Serbia	Minimum wage		Average wage in private sector	
Exchange rate RSD/EUR 117.30	in EUR	in RSD	in EUR	in RSD
	621.17	72,864	1,298.11	152,271
Total wage cost	**715.28**	**115.15%**	**1,494.77**	**115.15%**
SSC paid by the employer	94.11	15.15%	196.66	15.15%
Gross salary	**621.17**	**100.00%**	**1,298.11**	**100.00%**
SSC paid by the employee	123.61	19.90%	258.32	19.90%
PIT	62.12	10%	129.81	10%
Net salary	**435.44**	**70.10%**	**909.98**	**70.10%**

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Corporate taxes and other direct taxes

The general CIT rate in Slovakia is 21%. Starting from 2025 tax periods, the taxpayers whose taxable income (revenues) exceeds in tax period 5 million EUR will apply increased CIT rate of 24% and if their taxable income does not exceed EUR 100,000 (small and medium-sized enterprises) they will apply the 10% CIT rate.

A minimum tax (from EUR 340 to EUR 3,840; for the tax periods starting from 2026 up to EUR 11,520 depending on taxable income) applies to legal entities that report a tax liability lower than the established amount. Tax losses can be deducted for a maximum of five consecutive tax periods, up to 50% of the taxpayer's tax base.

Transfer pricing in Slovakia		
Arm's length principle	✓	–
Documentation liability	✓	–
APA	✓	–
Country-by-Country liability	✓	–
Master file-local file (OECD BEPS 13) applicable	✓	–
Penalty		
lack of documentation	✓	Up to EUR 10,000 / missing documentation (recurrent basis).
tax shortage	✓	10% p.a. of tax underpayment (up to 100% of the underpayment).
Related parties	25% <	Direct or indirect control, common managing director, close relatives, etc.
Safe harbors	✓	Transactions below EUR 10,000/EUR 50,000 in case of loans.
Level of attention paid by Tax Authority		**9/10**

There are several types of tax incentives potentially available.

Business restructuring (mergers, acquisitions, etc.) can be carried out solely at fair market values.

Participation exemption rules for capital gains on the sales of shares (ownership interest) can be applied under specific conditions.

Withholding tax (under Slovak law):

- 0% on dividends if paid to a company that is a tax resident of 'cooperative jurisdiction' and the beneficial owner of a dividend income;
- 19% on interest, royalties, income of authors of articles, etc.:
- 35% on payments to a resident of a non-cooperative country not included in the list issued by the Slovak Ministry of Finance (e.g. country that has neither a DTT nor a treaty on tax information exchange with Slovakia), or where the beneficial owner cannot be proven;

Interests and royalties paid by Slovak tax residents to related EU entities – exempt from tax (specific rules apply).

WHT may be reduced by provisions of applicable DTT (currently, DTTs have been concluded with 75 jurisdictions).

Real estate tax is imposed on real estate owners based on the type of property – land, buildings and apartments. The tax liability is calculated by the municipal authorities and depends on various factors.

Motor vehicle tax is imposed on the user/owner of the motor vehicle used for business purposes. Tax rates differ based on technical parameters.

Other taxes: insurance tax increased from 8% to 10% starting from 2026, special levy in regulated industries, tax from financial transactions applied to selected payment transactions executed by businesses through bank accounts within Slovakia. New tax on the extraction of primary raw materials (gravel, sand, building stone and gravel sand) is being introduced in 2026.

VAT and other indirect taxes

The basic VAT rate is 23%. The reduced rate of 5% applies e.g. to selected basic foods (meat, milk, sour cream, potatoes, bakery products and others), medicines, pharmaceutical products, medical supplies, books, accommodation services, etc. The reduced rate of 19% applies e.g. to electricity, other food, restaurant and catering services. Starting from 2026 the VAT rate on food with high sugar and salt content (sweets, confectionery, ice cream, jams, sweetend soft drinks, salty snacks) will increase from 19% to 23%.

VAT payers are obliged to report to the Slovak Tax Authorities all bank accounts used for economic activities that are subject to VAT. Payment of the supplier's invoice to a bank account which was not listed at the time of payment may lead to application of joint liability for VAT.

Other indirect tax types in Slovakia include excise taxes on wine, beer, tobacco, spirits, mineral oils, electricity, coal, natural gas and sugar tax.

Personal income tax / Social security system

The PIT rate is progressive and depends on the amount of income earned. In 2026 the PIT rate is:

= 19% for a tax base up to EUR 43,983.32/year,

= 25% for amounts exceeding EUR 43,983.32/year and up to EUR 60,349.21/year,

= 30% for amount exceeding EUR 60,349.21/year up to EUR 75,010.32,

= 35% for amount exceeding EUR 75,010.32.

Certain tax allowances (e.g. personal, spouse allowance, tax bonus for children) may be claimed on personal income.

The 15% tax rate applies to natural persons achieving income from entrepreneurial (other self-employed) activities, provided their income does not exceed EUR 100,000/year.

Dividends (from profit generated after January 1, 2025) and some other income are subject to taxation at 7% (capped by DTT for non-residents) or at 35% (for "non cooperative jurisdiction").

Both employers and employees are subject to social security and health insurance contributions on the employee's gross monthly salary. The rates are 36.2% for employers and 14.4% for employees. Social security contributions are capped by a maximum assessment base of EUR 16,764 (in 2026). There is no maximum assessment base for health insurance contributions. A health insurance allowance (annually up to EUR 4,560) can be applied by low-income employees for employee contributions.

A minimum health insurance contribution for the employee is EUR 45.45/month (in 2026).

Wage related taxes in Slovakia	Minimum wage		Average wage in private sector	
	in EUR		in EUR	
	915		1,569	
Total wage cost	**1,246.23**	**136.20%**	**2,136.98**	**136.20%**
Employer's SS and HI contributions	331.23	36.2%	567.98	36.2%
Gross salary	**915**	**100.00%**	**1,569**	**100.00%**
Employee's SS and HI contributions	131.76	14.4%	225.94	14.4%
Payroll tax (19% / 25% / 30% / 35% from tax base)	54.35	5.94%	160.71	10.24%
Net salary	**728.89**	**79.66%**	**1,182.35**	**75.36%**

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Corporate taxes and other direct taxes

From January 1, 2024, to December 31, 2028, the corporate income tax (CIT) rate increases to 22% (previously 19%). The tax base is the pre-tax profit, adjusted by specific items. A 0% rate applies to investment funds, pension funds, and insurance undertakings for pension plans under certain conditions.

Companies in international maritime shipping can opt for the tonnage tax regime with prior notification. Tax losses can be carried forward up to five tax periods, but used only up to 50% of the tax base, with special rules for M&A.

Tax allowances exist for new investments, R&D, employment of disabled persons, donations, and since 2022, for the digital and green transition.

Transfer pricing in Slovenia		
Arm's length principle	✓	–
Documentation liability	✓	–
APA	✓	–
Country-by-Country liability	✓	–
Master file-local file (OECD BEPS 13) applicable	✓	–
Penalty		
lack of documentation	✓	Penalty up to EUR 30,000.
tax shortage	✓	30% of underpaid tax for micro and small legal entities.
Related parties	✓	Transfer pricing regulations is based on OECD guidelines.
Safe harbors	✓	Administratively determined recognized interest rate for all loans between RPs.
Level of attention paid by Tax Authority		**9/10**

The amendment from 2024 allows the unused portion of the digital and green transition investment allowance to be used over five tax periods after the investment period. This applies to investments made after the amendment becomes applicable.

GAAR and CFC rules apply since 2019. Interest deduction is limited to 30% of EBITDA or EUR 3 million (whichever is higher), following ATAD.

A withholding tax of 15% is applied to dividends, interest, royalties, and rental income paid by a Slovenian company to a foreign company. However, if conditions are met, an exemption (or decrease in the percentage of withholding tax) is applicable to payments to EU residents (under the Parent Subsidiary Directive & the Interest and Royalty directive), and under international double taxation treaties (there are currently over 60 treaties).

- Real estate transfer tax (RETT) is applied on the transfer of immovable property at the rate of 2% if the transaction is not subject to VAT, where the tax base is the sale price.
- DAC7 obligatory reporting from period 2023 onwards - with first reporting due date on January 31, 2024.
- On December 13, 2023, the National Assembly adopted the Minimum Tax Act. In brief, the new act will introduce an additional tax liability from 2024 onwards for groups whose annual revenue in at least two of the last four financial years amounts to EUR 750 million or more on a consolidated level.

This is so-called top-up tax, which is levied on the excess profits if a group reaching the threshold does not reach the minimum effective tax rate of 15% in a specific jurisdiction. Obliged groups will be required to prepare an annual return as well as a domestic top-up tax return, whether they are liable to pay it.

VAT and other indirect taxes

The general tax rate is 22%; a reduced rate of 9.5% applies to some goods, e.g. foodstuffs, water supply, carriage of passengers and their personal luggage, and a reduced rate of 5% applies to books and newspapers, regardless of whether they are delivered on physical media or electronic forms. VAT-exempt services include services of public interest, as well as banking services, insurance, investment-related services, gambling, certain services provided by medical doctors and dentists, etc. EC Sales lists (IC report) are obligatory in Slovenia and should be submitted by the 20th day of the month following the taxable period. Mandatory submission of records of VAT charged and VAT deduction records by the deadline for submitting the VAT return (as of July 1, 2025).

Other indirect tax types in Slovenia include excise duty, insurance tax, tax on financial services, motor vehicle tax, customs, etc.

Personal income tax / Social security system

Personal income tax rates are progressive (16%, 26%, 33%, 39%, and 50%), and apply on active income sources. Capital and rental income is taxed at a flat rate (dividends at 25%, interest at 25%, capital gains from 0% to 25%), depending on the holding period; rental income is taxed at 25% (10% lump sum costs or actual costs deductible).

Social security contributions are applicable on income from employment and are 17.10% for the employer and 23.10% for the employee. From January 2024 onwards there is also a separate flat monthly fee for mandatory medical insurance (from March 2026 the amount is EUR 39.36). From July 2025, the mandatory new Long-term care contribution is also applicable on imcome from employment and is charged at 1% for the employer and employee each.

Self-employed individuals (business income) pay their own social security contributions depending on the circumstances of the case. The examples below show the cost of the employer and the employee in case of the minimum wage level and the average wage in the private sector. There are a number of personal allowances that apply individually depending on the personal status of the individual.

Wage related taxes in Slovenia	Minimum wage		Average wage in private sector***	
	in EUR		in EUR	
	1,277.72		2,591.63	
Total wage cost	**1,496.21**	**117.10%**	**3,034.80**	**117.10%**
Employer's contribution**	218.49	17.1%	443.17	17.1%
Gross salary	**1,277.72**	**100.00%**	**2,591.63**	**100.00%**
Employees' contributions**	295.15	23.1%	598.67	23.1%
Employees' contributions**	39.36	3.08%	39.36	1.52%
Tax and surtax*	60	4.70%	351	13.54%
Net salary	**883.21**	**69.12%**	**1,602.60**	**61.84%**

* Tax base differs from the gross salary, deductions apply.
** In the case of a minimum wage, a higher calculation base must be used to calculate social security contributions.
*** Latest available information about average wages in the private sector is November 2025.

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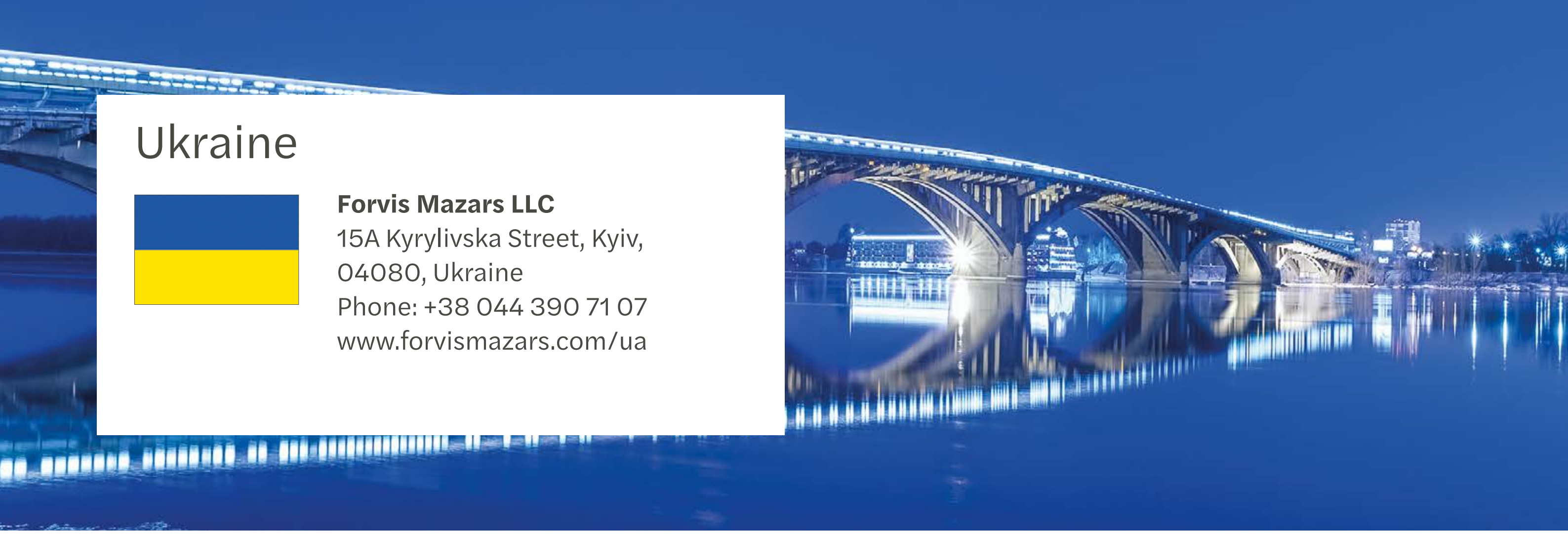

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Corporate taxes and other direct taxes

The standard CIT rate of 18% applies to the worldwide income of resident companies. The CIT rate for banks and financial organisations: 25%.

Non-resident companies and their permanent establishments (PE) pay CIT on income received from Ukrainian sources.

Taxable profit is calculated as financial profit before tax, adjusted with certain tax adjustments.

Thin capitalization rules apply to loans granted by any non-resident (the debt-to-equity ratio is 3.5), with exceptions for certain financial and leasing entities.

Tax losses can be carried forward indefinitely with limitations for large taxpayers. Loss carry back is not permitted.

Transfer pricing in Ukraine		
Arm's length principle	✓	–
Documentation liability	✓	–
APA	✓	–
Country-by-Country liability	✓	–
Master file-local file (OECD BEPS 13) applicable	✓	–
Penalty		
lack of documentation	✓	3% of the value of controlled transactions, max — UAH 605,600 (approx. EUR 12K).
tax shortage	✓	25% of tax underpayment; 50% in case of recurrent violation within 1,095 days.
Related parties	> 25%	Direct/indirect or common control.
Safe harbors	No	–
Level of attention paid by Tax Authority		**7/10**

Companies with annual income below UAH 40 million (approx. EUR 800K) are entitled not to apply any tax adjustments (except for tax losses carried forward).
A 15% withholding tax (WHT) is imposed on passive income paid to non-residents.
Payment for services is WHT-exempt. WHT is also levied on other payments to non-residents, e.g. constructive dividends, alienation of shares in Ukrainian asset-rich companies, freight, etc.
A lower WHT rate or exemption may apply under a double tax treaty (DTT). Ukraine has a wide DTT network (more than 70). A "look-through approach" is available. The application of DTT benefits is restricted by a "principal purpose test".

Transfer pricing (TP) rules apply to controlled transactions (CT) with related non-residents and with non-related foreign companies registered in low-tax jurisdictions or not paying income tax. TP rules apply if the company's annual revenue exceeds UAH 150 million (approx. EUR 3 million), and its CT with the same counterparty exceed UAH 10 million (approx. EUR 200K). Transactions between non-resident and its PE fall under TP control if the amount exceeds UAH 10 million. CbCR and Master File requirements apply to MNE groups, with CbCR triggered at EUR 750 million consolidated revenue (subject to additional conditions) and Master File required for groups with income of at least EUR 50 million. APA is formally available under Ukrainian legislation for large taxpayers, although no APA cases have been implemented in practice to date.

Undistributed profits of controlled foreign companies are taxed at 18% at the level of Ukrainian company or individual (subject to exemptions).
Non-residents operating in Ukraine through PE should register with the tax authorities and file their CPT returns.
Sole traders, companies with annual income below UAH 10 million (approx. EUR 200K), and agricultural producers may apply for the simplified taxation system.

VAT and other indirect taxes

As a non-EU member, Ukraine has not implemented EU VAT Directives.

The standard VAT rate is 20% (14% for the import of some agricultural products; 7% for the supply of pharmaceuticals and some services; 0% for the export of goods and the import of certain goods and services).

Under the general rule, the place of the supply of services is the place where the supplier is registered. However, there are some exceptions (e.g. for consulting, marketing, information services, etc.). The reverse-charge mechanism applies to services provided by a non-resident.

A so-called "Google tax" of 20% is imposed on the provision of electronic services by non-residents to individuals within the customs territory of Ukraine.

Ukrainian VAT is administrated through an electronic system. The taxpayer is entitled to issue VAT invoices for the amount within a certain cap.

There are VAT exemptions (tobacco products, gold) and temporary VAT incentives for the supply of certain goods and services (electric vehicles, equipment for renewable energy, etc.). Until the end of martial law, the import of certain military goods is exempt from VAT.

The other indirect tax in Ukraine is excise tax. Excisable goods are spirits, beer, tobacco, petroleum, cars, trailers, motorcycles, and electricity. Certain military purpose goods are exempt until the end of martial law.

Personal income tax / Social security system

The flat PIT rate of 18% is imposed on both active income and passive income for residents and non-residents.

Ukraine tax residents pay PIT on their worldwide income. Non-residents pay PIT on their Ukrainian sourced income.

Dividends are subject to 5% PIT, except for dividends distributed by Ukrainian CIT payers, which are subject to 9% PIT.

There is a temporary military levy at a rate of 5% that applies to all income subject to PIT.

During martial law, the income and gains of combatants and individuals living in combat areas received from charitable organizations are PIT-exempt. Also, financial support provided to law enforcement officers and military personnel is not subject to a military levy.

A reduced PIT rate of 5% applies to salaries of individuals employed by DiiaCity, to the remuneration of gig-experts, and to the remuneration of authors.

Most forms of active income fall under the scope of social security contribution (SSC) with an employer's contribution of 22%; there is no employee's contribution. The minimum monthly SSC is UAH 1,902 (approx. EUR 38), the maximum monthly SSC is UAH 172,940 (approx. EUR 3,459).

Wage related taxes in Ukraine	Minimum wage		Average wage in private sector	
Exchange rate UAH/EUR 49.57	in EUR	in UAH	in EUR	in UAH
	161.36	8,000	547.95	27,167
Total wage cost	**196.86**	**122.00%**	**668.50**	**122.00%**
Social contribution tax	35.50	22%	120.55	22%
Gross salary	**161.36**	**100.00%**	**547.95**	**100.00%**
Personal income tax	29.04	18%	98.63	18%
Military tax	8.07	5%	27.40	5%
Net salary	**124.25**	**77.00%**	**421.92**	**77.00%**

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Corporate taxes and other direct taxes

In general, the concept is similar to the CIT approach used in developed countries worldwide. Taxable income is calculated as annual income minus expenses. It is only possible to deduct properly documented expenses provided that the expenses are connected with the taxable income. Dividends and capital gains are excluded from taxable income. The percentage of depreciation norms for fixed assets is set out in the Tax Code and is substantively similar to IFRS principles. Losses can be carried forward without limitation. The rules on the carrying forward of losses do not apply to losses generated during periods when a company has enjoyed tax benefits. There are thin capitalization rules. A CFC rule exists.

WHT applies to incomes paid to non-residents that are not registered for tax purposes in Uzbekistan. Taxable incomes are listed in the Tax Code. Uzbekistan has signed 54 treaties on avoidance of double taxation. Although the treaty rates prevail over the Tax Code, non-residents must have a duly issued tax residency certificate to be able to apply the treaty. The multilateral instrument (MLI) is not in force.

Transfer pricing in Uzbekistan		
Arm's length principle	✓	–
Documentation liability	✓	–
APA	✓	–
Country-by-Country liability	✓	–
Master file-local file (OECD BEPS 13) applicable	✓	–
Penalty		
lack of documentation	✓	Less than 500 EUR.
tax shortage	✓	20% of tax shortage.
Related parties	> 20%	Entities are related when direct or indirect ownership by any party exceeds 20%.
Safe harbors	No	N/A
Level of attention paid by Tax Authority		**5/10**

Small and medium businesses may enjoy a special tax regime according to which the Unified Tax on income is paid. This tax replaces CIT.

VAT and other indirect taxes

The VAT concept is quite similar to the concept applied in developed countries worldwide. The turnover subject to VAT is in general the total value of sales (Output VAT). The VAT paid to suppliers (input VAT) is deducted from Output VAT. Input VAT cannot be offset if the goods, works, or services purchased are not related to taxable turnover, the VAT-invoice is not issued by a supplier or issued with the violation of the legal requirements, the supplier is declared by a court to be inactive entity, etc. The VAT rate for the export of goods is 0% and there is a certain procedure for the refund of the related input VAT.

Excise Tax is paid by importers or sellers of:

1) Alcoholic products
2) Tobacco products
3) Oil & gas products
4) Motor vehicles.

Personal income tax / Social security system

Tax residents shall be recognized as an individual staying in the Republic of Uzbekistan if they do so for at least 183 calendar days in any consecutive 12-month period ending in the current tax period (calendar year). The concept is the same as worldwide.

The 12% Social Tax contains all types of contributions to the social system, including the pension scheme and access to the state medical system.

Wage related taxes in Uzbekistan	Minimum wage		Average wage in private sector	
Exchange rate UZS/EUR 13,400	in EUR	in UZS	in EUR	in UZS
	94.85	1,271,000	400	5,360,000
Total wage cost	**104.85**	**110.54%**	**508**	**127.00%**
Social tax	10	10.54%	108	27.00%
Gross salary	**94.85**	**100.00%**	**400**	**100.00%**
Personal income tax	10	10.54%	108	27.00%
Net salary	**84.85**	**89.46%**	**292**	**73.00%**

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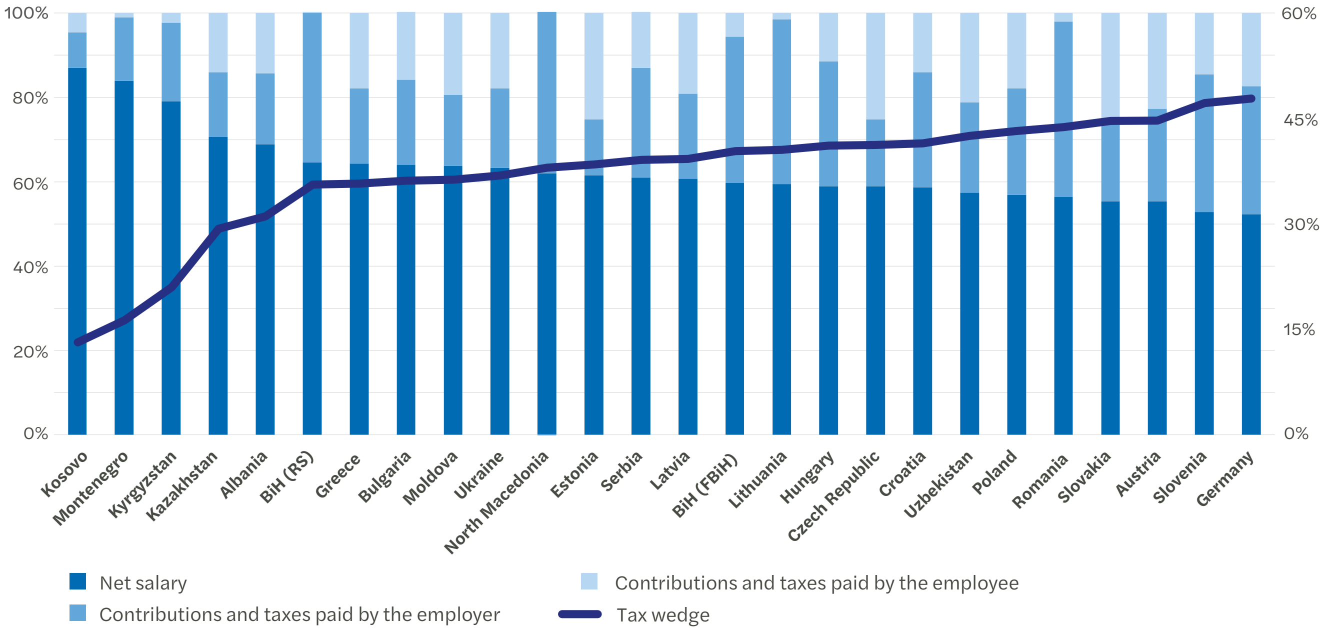
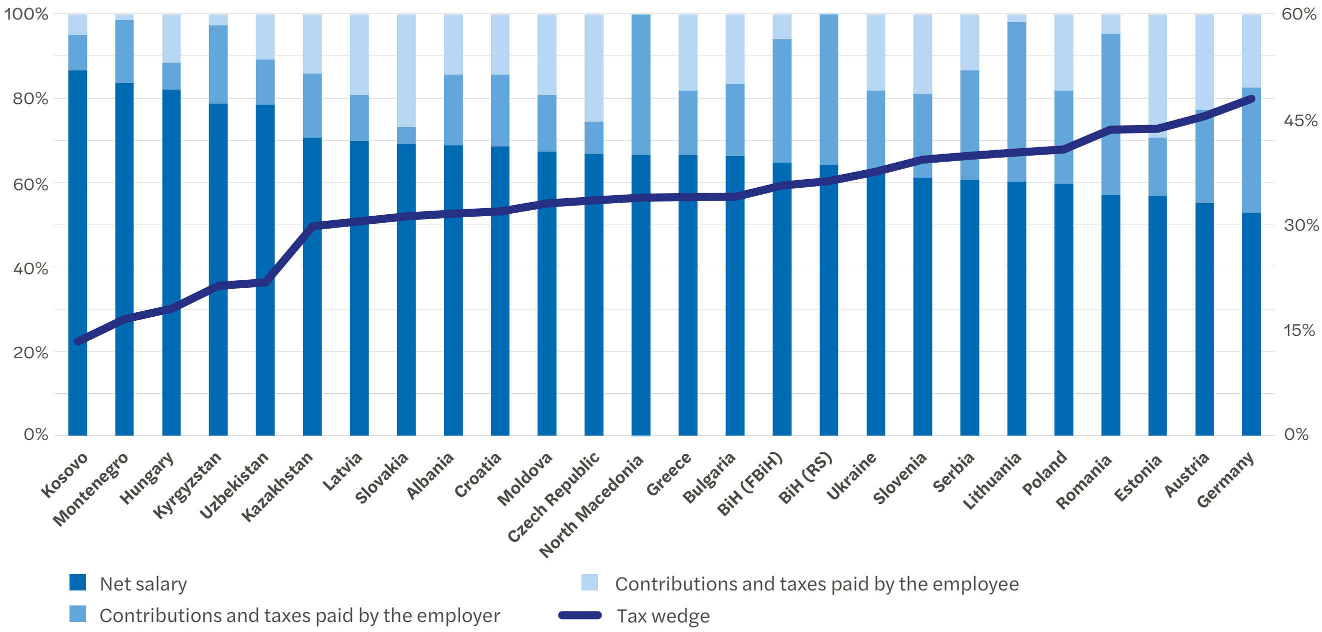
Labour-related tax burdens in the CEE region

The first two charts below show the wage-related tax burdens in each country, for two different scenarios: for an individual working in the private sector, earning the average wage and having no children and for someone with the same salary circumstances but who has three children. The third and fourth charts illustrate the net wage for a private sector employee earning twice the average wage, comparing the cases of having no children and having three children. The demonstration of the tax wedge is particularly suitable for comparison, as it shows how the overall level of taxes relative to wage costs differs in the respective jurisdiction in the case of average wages.

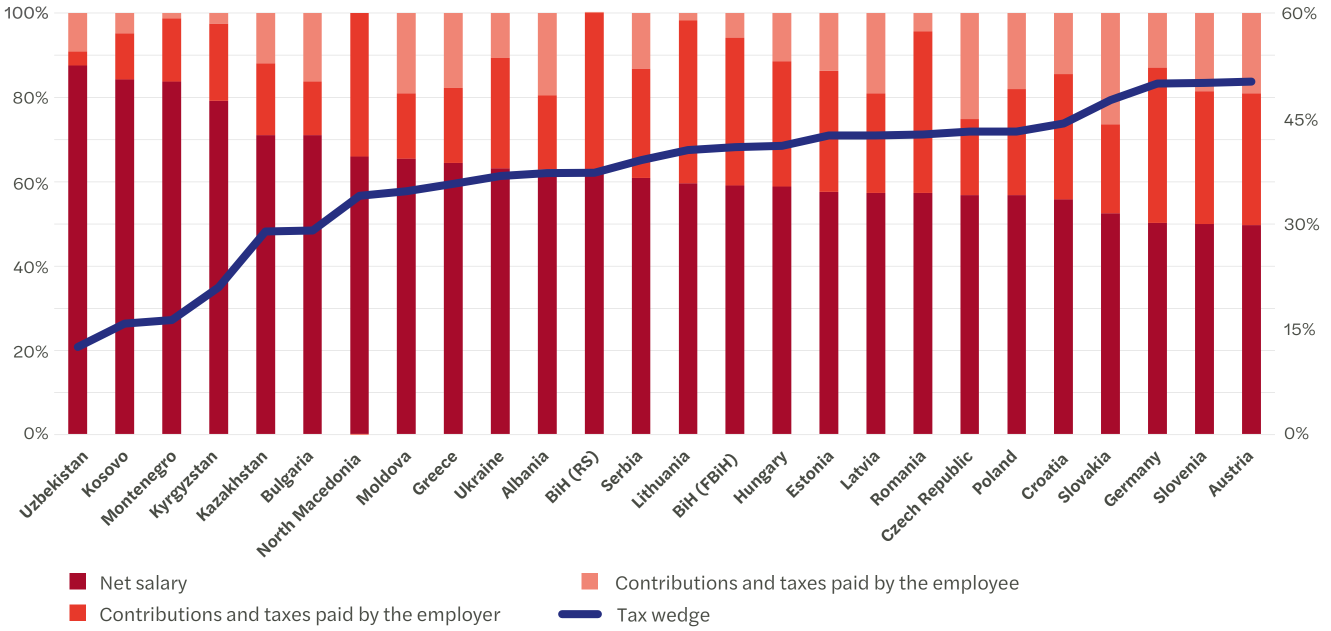
Monthly average wage in private sector and no family ties (EUR)



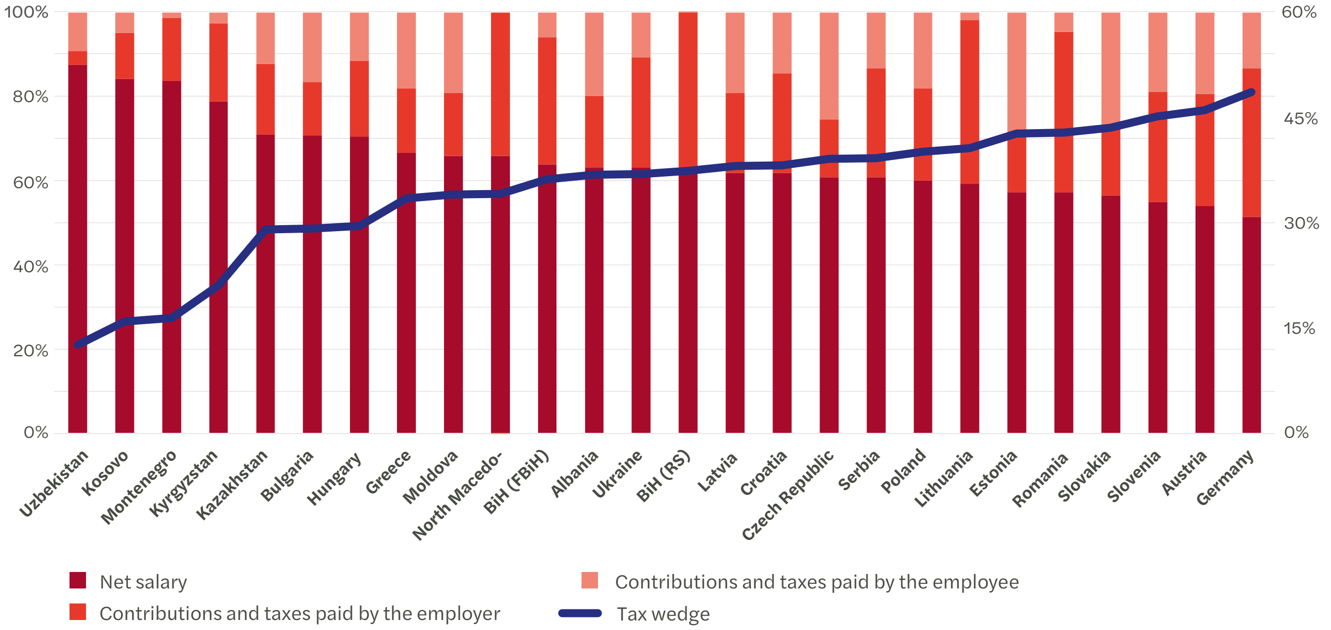
Monthly average wage in private sector with 3 children (EUR)



Twice the amount of monthly average wage in private sector with no children (in EUR)



Twice the amount of monthly average wage in private sector with 3 children (in EUR)

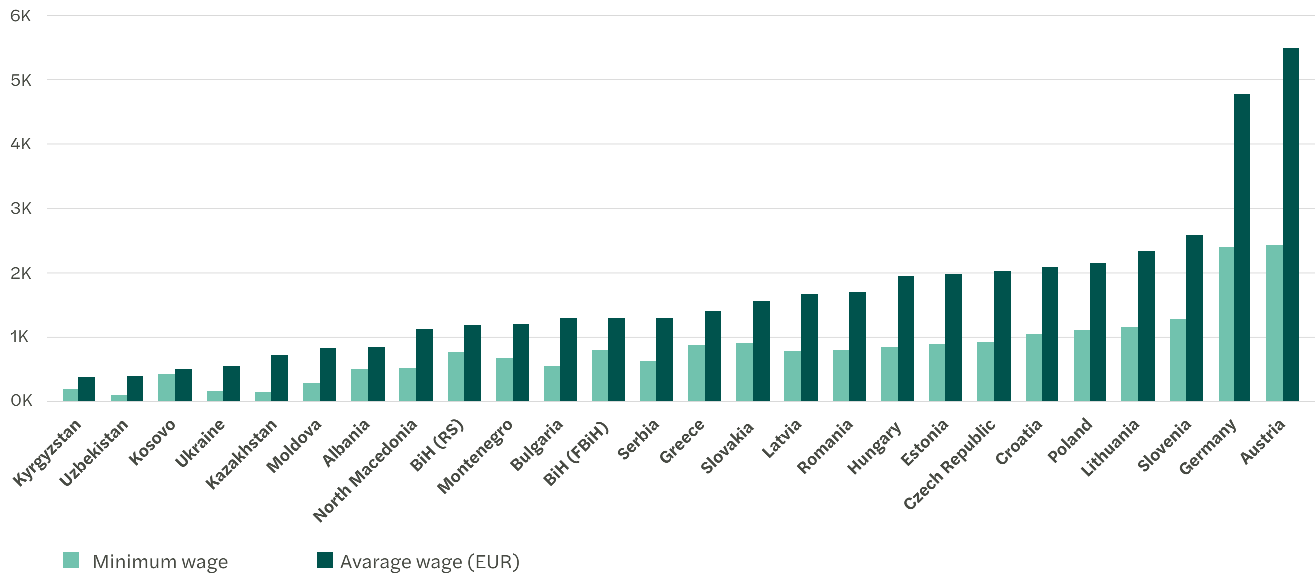


Wage levels in the CEE region

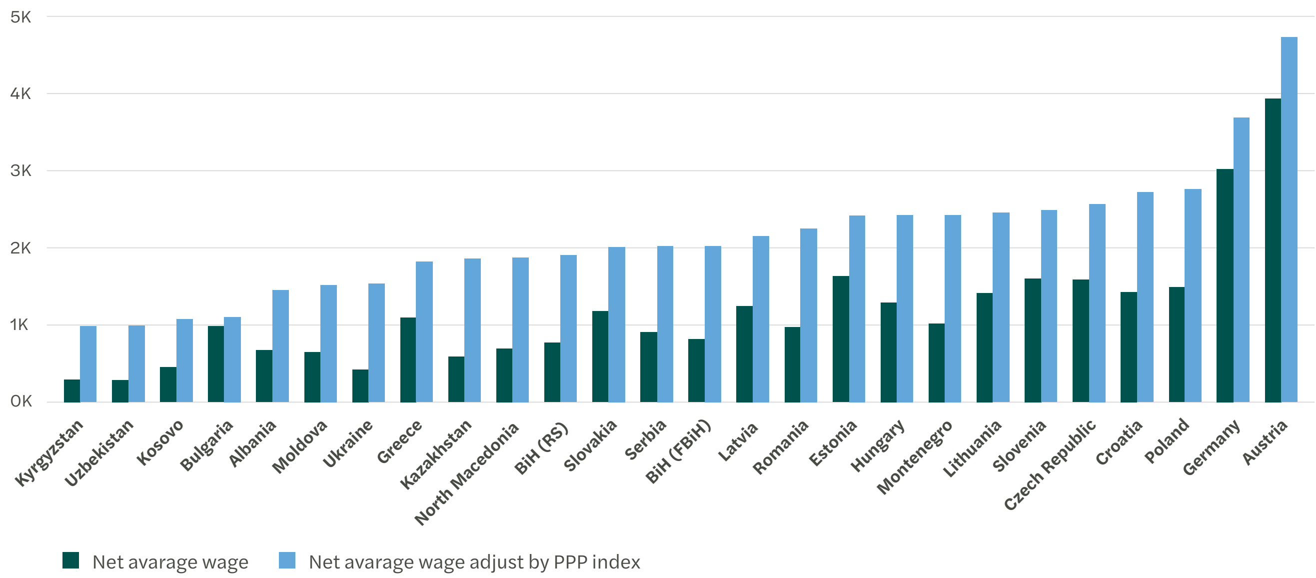
The following graph provides insight into trends concerning gross minimum wages and gross average wages in the private sector across the CEE region.

The last chart demonstrates the net average wages in the private sector adjusted by the Purchase Power Parity (PPP) index[1].

Gross minimum wage and gross average wages in private sector (EUR)



Net average wages in private sector adjusted by purchase power parity (PPP) index of 2024 (EUR)



1 The source of the PPP index was the website of World Bank where the latest data was from 2024: https://data.worldbank.org/indicator/PA.NUS.PPP The net average wage in the private sector of the given country was divided by the PPP index; we considered this to be the average wage adjusted by the PPP index (in USD). As a final step, results were converted to EUR. The exchange rate of EUR/USD on January 6, 2026 (1,1718 EUR/USD) was used.

Payroll tax rates in the countries of the CEE region

2026	PIT	SSC
	Personal income tax rate(s)	**Social security and other contributions payable by the employer**
Albania	Progressive: 0% / 13% / 15% / 23%	16.70%
Austria	0%—55%	20.98% social insurance (+0.25% in Vienna) + approx. 8.6% other taxes
Bosnia and Herzegovina (FBiH)	10%	10.5%
Bosnia and Herzegovina (RS)	8%	No
Bulgaria	10% / 5%	18.92%—19.62%
Croatia	15%—23% (lower rate) 25%—33% (higher rate)	16.5%
Czech Republic	15% / 23%	24.8% / 9%
Estonia	22%	33% / 0.8%
Germany	Progressive: 0%—47.475% plus church tax for German tax residents (if applicable).	21.15%
Greece	Progressive: 9% / 20% / 26% / 34% / 39% / 44%	21.79% employer contribution
Hungary	15%	13%
Kazakhstan	10% / 5% / 15% / 20%	17.5%
Kosovo	Progressive: 0% / 8% / 10%	5.00%
Kyrgyzstan	10%	2.25%
Latvia	25.5% / 33% / 6%	23.59%
Lithuania	15% / 20% / 25% / 32%	1.77%
Moldova	12%	24.00%
Montenegro	0% / 9% / 15%	1.17%
North Macedonia	10%	No
Poland	12% / 32% (general rules)	21.98%
Romania	10%	2.25%
Serbia	10%	15.15%
Slovakia	15% / 19% / 25% / 30% / 35%	36.2%
Slovenia	Progressive: 16%—50%	17.1%
Ukraine	18%	22%
Uzbekistan	12%	12%

Corporate income tax key features

	Corporate income tax rate(s)	IFRS accounting available (for all companies)	Group taxation available	Interest limitation (Thin Cap or EBITDA based)	Withholding tax on interest, dividend or royalty	R&D/patent box incentive
Albania	5% / 15%	✓	No	✓	✓	No
Austria	23%	No	✓	✓	✓	✓
Bosnia and Herzegovina (FBiH)	10% / 0%	✓	✓	✓	✓	✓
Bosnia and Herzegovina (RS)	10% / 0%	✓	No	✓	✓	No
Bulgaria	10%	✓	✓	✓	✓	No
Croatia	18% / 10%	✓	No	✓	✓	✓
Czech Republic	21%	✓ (but Czech Accounting Standards apply for CIT)	No	✓	✓	✓
Estonia	22/78	✓	No	No	✓	No
Germany	15.825% plus 14% trade tax / on average ~30%	No	✓	✓ permitted limit of net interest expenses of EUR 3m	✓	No
Greece	22%	✓	No	✓	✓	✓
Hungary	9%	✓	✓	✓	No	✓
Kazakhstan	20%	✓	No	✓	✓	No

Loss carry-forward (years)	Transfer pricing documentation liability	Other comments and recent developments
5	✓	–
Unlimited	✓	–
5	✓	–
5	✓	–
5	✓	TP local file is obligatory for companies above a threshold defined by the law.
5	✓	Taxpayers who have already recognized sponsorship expenses as tax-deductible costs are entitled to an additional reduction of the tax base for sponsorships contracted domestically. Pension and investment funds without legal personality, established and operating in accordance with special regulations, are now permitted to apply the provisions of double tax treaties (DTTs). The method for crediting tax paid abroad, whether attributable to a permanent establishment or to income earned, has been clarified. Provisions have been aligned with OECD requirements regarding transfer pricing, including updates to wording and procedures applicable to the conclusion of Advance Pricing Agreements. All corporate income tax taxpayers are now obliged to file their tax returns electronically.
5 years (and loss carry-back for 2 years)	✓ (optional but recommended)	DAC 6 mandatory disclosure requirements. DAC 7 rules implemented.
✓	✓	From January 1, 2025, the Motor Vehicle Tax Act entered into force. Motor vehicle tax (car tax) is a national tax paid by all owners or authorised users of motor vehicles registered in the motor register. Motor vehicle tax is paid for a calendar year, paid by owner or authorised user and administered by the Estonian Tax and Customs Board. Registration fee is paid upon first registration.
Indefinite	✓	– Comment on the corporate income tax rate: 15% corporate income tax plus 0.825% solidarity surcharge plus ~14% trade tax (depending on the trade tax rate of the municipality) / average combined corporate tax burden ~30%. – The current corporate income tax rate of 15% will be reduced by one percentage point per year, starting in 2028 at 14% and decreasing to 10% by 2032, as provided by the legislation of July 14, 2025. The solidarity surcharge applies to these rates as well. – As a result, the combined corporate tax rate is reduced from the current ~30% to approx. 24.6% by 2032, depending on local trade tax rates. – Introduction of an investment booster enabling a degressive depreciation model for movable fixed assets of up to 30% (applicable on investments made after June 30, 2025, and before January 1, 2028). – Sophisticated anti-abuse provisions. – Withholding tax obligations need to be thoroughly observed.
5	✓	A unified legal framework applies to corporate transformations (including mergers, demergers, spin-offs and conversions). Qualifying transformations benefit from exemption from capital gains tax at the level of both the recipient entity and shareholders (subject to specific conditions), carry-over of tax losses and exemptions from related transaction taxes and duties, including capital concentration duty, subject to anti-abuse provisions. Separate tax incentives are available to support innovation, research and development (R&D), start-ups and investments, subject to statutory conditions.
5	✓	From January 1, 2026, a new CIT allowance may be claimed for environmental investments and renovations of at least HUF 100 million (approx. TEUR 260).
10	✓	Since 2023, a participation exemption rule under which dividends payable to shareholders and non-residents owning shares for more than 3 years was cancelled.

Corporate income tax key features

	Corporate income tax rate(s)	IFRS accounting available (for all companies)	Group taxation available	Interest limitation (Thin Cap or EBITDA based)	Withholding tax on interest, dividend or royalty	R&D/patent box incentive
Kosovo	10% / 9% / 3%	No	No	No	✓	No
Kyrgyzstan	10%	✓	No	No	✓	No
Latvia	15%* / 20%**	✓	No	✓	No	No
Lithuania	17% / 7%	✓	No; however, losses can be transferred to another group entity.	✓	✓	✓
Moldova	12%	✓	No	✓	✓	N/A
Montenegro	Progressive tax rate set between 9% / 12% / 15% depending on realized profits.	✓	✓	No	✓	✓
North Macedonia	10%	✓ (large and mid-sized entities)	No	✓ It is applied the 3:1 rule (debt-to-equity ratio).	10% with the possibility of reduction under double taxation.	No
Poland	9% / 19% (basic rates)	No	✓	✓	✓	✓
Romania	16%	No	✓	✓	✓	✓
Serbia	15%	✓	✓	✓	✓	✓
Slovakia	10% / 21% / 24%	No	No	✓	✓	✓
Slovenia	22%	✓	No	✓	✓	✓
Ukraine	18%	✓	No	✓	✓	No
Uzbekistan	15%	✓	No	✓	✓	No

Loss carry-forward (years)	Transfer pricing documentation liability	Other comments and recent developments
6	✓	The basis and rate of taxation of insurance companies has changed from a 5% tax on gross premiums to a 10% tax on income.
5	No	–
No	✓	* The tax base of CIT divided by 0.85 and then multiplied by 15%. ** The tax base of CIT divided by 0.8 and then multiplied by 20%, which means that the effective CIT rate is 25% of the taxable base.
No limitation period.	✓ except for local transactions	0% rate for small Companies for the first two financial year. Deductions for passenger car purchases and rentals are limited based on the vehicle's CO_2 emissions, with specific caps set according to emission levels.
5	✓	–
5	✓	New incentives have been introduced in relation to R&D activities and investments in agricultural projects.
3	✓	Transfer pricing regulations, which govern the documentation and disclosure of information related to transfer prices.
5	✓	Introduction of JPK CIT (new SAF-T standard control files for CIT and fixed assets in the required format), first to report JPK CIT for the tax year beginning after December 31, 2024 (for entities with an annual turnover of EUR 50 million per year), introduction of a global equalization tax which applies to certain Polish CIT taxpaying companies and tax capital groups whose effective tax rate is less than 15%.
5	✓	Tax consolidation rules. The option to choose between the following two R&D incentives was introduced: an additional 50% tax deduction or a 10% tax credit. The tax credit may be carried forward and, if not fully utilized, can be reimbursed after four years.
5	✓	No new developments from a CIT standpoint compared to the previous year.
5	✓	Exit tax; Participation exemption rules; ATAD I and II rules; Country-by-Country (CbC) Reporting; DAC 6 and DAC 7 mandatory disclosure requirements; domestic top-up tax to ensure a minimum level of taxation for multinational enterprise groups and large-scale domestic groups.
5	✓	General limitation of tax base reduction for tax periods after January 1, 2020, resulting in setting an effective minimum corporate tax rate of 8.14% as of 2024 increase of CIT rate from 19% to 22%. Exit taxation applies as of January 1, 2020.
✓ (no limitation period except for large taxpayers)	✓	There is a beneficial tax and a legal regime called DiiaCity for IT companies and start-ups. A special tax and legal regime, Defence City, is available to residents that earn no less than 75% of their income from qualified defence-related activities.
No limits.	✓	Until January 1, 2028, VAT exemption is given to the turnover on the sale of goods (services) as well as import of goods purchased within the framework of projects implemented fully or partially at the expense of the state external debt raised and attracted from international financial institutions and foreign governmental financial organizations by budgetary organizations, as well as state enterprises and legal entities with the governments share in the amount of 50%. This benefit also applies to project participants.

Pillar II implementation

	Albania	Austria	Bosnia and Herzegovina (FBiH)	Bosnia and Herzegovina (RS)	Bulgaria
Was the Council Directive (EU) 2022/2523 (“GloBE Directive”) implemented into the local legislation?	No	✓	No	No	✓
Did the local legislation implement IIR?	No	✓	No	No	✓
Did the local legislation implement UTPR?	No	✓	No	No	✓
Did the local legislation implement DMTT?	No	✓	No	No	✓
Did the implemented DMTT qualify as a Qualified DMTT (QDMTT)?	No	✓	No	No	✓
Was the Council Directive (EU) 2025/872 (“DAC 9 Directive”) implemented into the local legislation?	No	✓	No	No	✓
If yes, when?	N/A	Enacted end of 2025.	N/A	N/A	December 2025
What tax types qualify as covered taxes under the GloBE rules?	N/A	CIT (Körperschaftsteuer)	N/A	N/A	Tax on income of constituent entity, on profit distribution, retained earnings.
Does the local law include any significant difference compared to the GloBE Directive?	N/A	No	N/A	N/A	No
Has the jurisdiction enacted any additional Pillar II related provisions (e.g Decrees) into the local law?	N/A	No, but decrees are expected to be published in 2026.	N/A	N/A	✓

Croatia	Czech Republic	Estonia	Germany	Greece	Hungary	Kazakhstan
✓	✓	No	✓	✓	✓	No
✓	✓	No	✓	✓	✓	No
✓	✓	No	✓	✓	✓	No
✓	✓	No	✓	✓	✓	No
✓	✓	No	✓	✓	✓	No
✓	No	No	✓	No	✓	No
December 2025	N/A	N/A	The Directive has been implemented with the legislation on December 22, 2025.	N/A	18. 12. 2025	N/A
There is no significant distinction between local law and the Directive.	CIT including capital gain tax, windfall tax, adjusted deferred tax.	N/A	Corporate and trade tax as well as the solidarity surcharge, capital gains tax.	The law does not specify which Greek taxes are included under covered taxes.	CIT, local business tax, innovation contribution, Robin Hood tax.	N/A
No	No	N/A	No	No significant difference.	In general the calculation should be based on Hungarian Accounting Standards.	N/A
No	No	N/A	The law incorporates all provisions contained in the relevant OECD documents.	Announcement forthcoming.	Two Decrees were enacted covering safe harbor exemptions and compliance rules.	N/A

Pillar II implementation

	Kosovo	Kyrgyzstan	Latvia	Lithuania	Moldova	Montenegro
Was the Council Directive (EU) 2022/2523 ("GloBE Directive") implemented into the local legislation?	No	No	No	✓	No	No
Did the local legislation implement IIR?	No	No	No	No	No	No
Did the local legislation implement UTPR?	No	No	No	No	No	No
Did the local legislation implement DMTT?	No	No	No	No	No	No
Did the implemented DMTT qualify as a Qualified DMTT (QDMTT)?	No	No	No	✓	No	No
Was the Council Directive (EU) 2025/872 ("DAC 9 Directive") implemented into the local legislation?	No	No	No	✓	No	No
If yes, when?	N/A	N/A	N/A	2026	N/A	N/A
What tax types qualify as covered taxes under the GloBE rules?	N/A	N/A	N/A	CIT	N/A	N/A
Does the local law include any significant difference compared to the GloBE Directive?	N/A	N/A	Application of the IIR rule and UTPR rule is deferred until December 31, 2029.	No	N/A	N/A
Has the jurisdiction enacted any additional Pillar II related provisions (e.g Decrees) into the local law?	N/A	N/A	N/A	Safe Harbor Provisions, Designated Reporting Entity Notification, Penalties	N/A	N/A

North Macedonia	Poland	Romania	Serbia	Slovakia	Slovenia	Ukraine	Uzbekistan
✓	✓	✓	No	✓	✓	No	No
✓	✓	✓	No	No	✓	No	No
✓	✓	✓	No	No	✓	No	No
✓	✓	✓	No	✓	✓	No	No
No	✓	✓	No	✓	✓	No	No
No	✓	✓	No	✓	✓	No	No
N/A	DAC 9 draft adopted by parliament, pending Presidential signature.	2026	N/A	Effective from January 1, 2026.	December 2025	N/A	N/A
CIT, Withholding Taxes, Pillar II / GloBE	CIT, WHT	Generally Corporate Income Tax or any substitute.	N/A	Recorded in financial accounts with respect to income/ profits.	CIT	N/A	N/A
No	N/A	Domestic legislation is in line with EU Directive.	N/A	No	No	N/A	N/A
No	No additional Pillar II provisions enacted into local law to date.	No	N/A	No	✓	N/A	N/A

VAT key features

	Standard VAT rate	Reduced VAT rates	VAT registration threshold exists	VAT group registration available	Cash accounting scheme available
Albania	20%	0%, 6%, 10%	✓ All 10,000,000 (or EUR 100,000)	No	No
Austria	20%	13%, 10%, 4.9%	✓ 55,000	✓ VAT grouping applies without a formal registration, if the requirements are met.	✓ Mainly for small businesses.
Bosnia and Herzegovina (FBiH)	17% or 0%	N/A	✓ BAM 100,000	No	No
Bosnia and Herzegovina (RS)	17% or 0%	N/A	✓ BAM 100,000	No	No
Bulgaria	20%	9%	✓ EUR 51,130	✓ One common VAT number for the entire group.	✓ Clear distinction between cash on hand, bank accounts.
Croatia	25%	0%, 5%, 13%	✓ EUR 60,000.00	No VAT group registration is not permitted in Croatia.	✓ Available to resident business with annual supplies not exceeding EUR 2mil.
Czech Republic	21%	12%	✓ CZK 2,000,000 and CZK 2,536,500/ yr (decisive for when becoming VAT payer).	✓ Limited to associated taxable persons established in the Czech Republic.	No Cash accounting scheme not available in the Czech Republic.
Estonia	24%	0%, 9%, 13%	✓ 40,000	✓	✓
Germany	19%	0%, 7%	✓ Turnover: ≤ EUR 25,000 in the first calendar year; ≤ EUR 100,000 in the next.	✓	✓
Greece	24%	13%, 6%	No There is no domestic threshold in Greece.	No	✓ Only for businesses with annual turnover up to EUR 2,000,000.
Hungary	27%	5% and 18%	No Mandatory registration before commencing activity.	✓ For related entities (≥50% ownership).	✓ For small domestic businesses up to MHUF 125 (~EUR 325k) turnover.

Non-resident VAT registration required	Domestic reverse charge for some sectors	Option to tax real estate	Mandatory invoice data reporting
✓ A foreign company may register for VAT through a tax representative.	✓ Specific cases defined by decisions of the Council of Ministers.	✓ Lease of immovable property.	✓ Albania requires real-time reporting of all invoices.
✓ In line with the EU-VAT directive.	✓	✓	No
✓ A taxpayer who does not have a registered seat or a permanent establishment.	No	No	✓ Monthly reporting.
✓ A taxpayer who does not have a registered seat or a permanent establishment.	No	No	✓ Monthly reporting.
✓ In certain cases.	✓ To be charged.	✓ Local taxes and acquisition tax.	✓ Issuing invoices, submitting VAT declarations.
✓ Non-residents must register for VAT in Croatia in certain cases (e.g. rental).	✓ Construction services, scrap materials, etc.	✓ For old immovable property (2y), parties may agree to apply VAT-reverse charge.	✓ As of January 1, 2026. Continuous transaction control (CTC) model.
✓ No threshold, upon first taxable activity unless customer must declare VAT.	✓ E.g. construction work, supply of the specific goods.	✓ Both lease and supply under the certain conditions.	✓ Certain data must be reported (over CZK 10,000 (incl. VAT) for taxable person.
✓	No	✓	✓
✓	✓	✓	✓
✓ Where carrying out a VAT-liable supply of goods or services in Greece.	✓ Applies to recyclable waste, mobiles, consoles, tablets, laptops, etc.	✓ Sales of new properties by developers and commercial leases.	✓ Though the myDATA (my Digital Accounting & Tax Application) digital platform.
✓ Unless reverse charge applies.	✓ Mandatory for construction and other listed sectors.	✓ Available for sale and leasing.	✓ Real-time reporting for all invoices issued under a HU VAT number.

VAT key features

	E-invoicing mandatory	Mandatory receipt data reporting	Mandatory e-receipt	Monthly VAT return required
Albania	✓ Mandatory for all registered taxpayers subject to fiscalization.	No Only upon request.	No	✓ A monthly VAT return must be filed by all registered taxpayers.
Austria	No	✓	No	✓ For businesses with sales below EUR 100,000, quarterly VAT returns apply.
Bosnia and Herzegovina (FBiH)	No	✓ Daily.	No	✓ Monthly filing.
Bosnia and Herzegovina (RS)	No	✓ Daily.	No	✓ Monthly filing.
Bulgaria	✓ Electronic invoices are issued.	✓ Yes, reports are mandatory.	✓ Not mandatory.	✓
Croatia	✓ As of January 1, 2026. B2B & B2G e-invoicing for VAT-registered entities.	✓ B2C transactions are subject to real-time reporting.	✓ Fiscalisation framework has been extended to all B2C invoices/receipts.	✓ Generally yes, by the last day of the following month.
Czech Republic	No Mandatory only for public authorities unless authorized to alternative tool.	No Possible e-receipt reporting in 2027 if confirmed during legislative process.	No Possible e-receipt reporting in 2027 if confirmed during legislative process.	✓ Quarterly VAT return possible under certain conditions.
Estonia	No	No	✓	✓
Germany	✓	✓	✓	✓
Greece	✓ Entities with gross revenues >EUR 1m from 02/02/2026. All entities from 01/10/2026.	✓ Greece mandates electronic transmission to the myDATA platform.	✓	No VAT returns are filed monthly or quarterly, depending on books kept.
Hungary	No Voluntary (expected mandatory from 2028).	✓ From September 2026.	✓ From September 2028.	✓ Or less frequently, if monthly VAT balance under MHUF 1 (~EUR 2,5k).

VAT return/payment deadline	Intrastat reporting required	Record retention period	Electronic filing mandatory
✓ VAT returns and payments are due by the 14th of the following month.	No	✓ Tax and accounting records must be retained for 5 years.	✓ Electronic filing is mandatory for all tax declarations.
✓ 45 days after the end of the VAT period.	✓	✓ Generally 7 years, with longer periods in certain cases.	✓
✓ 10th of month for previous month.	No	✓ 5—10 years or permanent.	✓ Monthly filing.
✓ 10th of month for previous month.	No	✓ 5—10 years or permanent.	✓ Monthly filing.
✓ 14 next month.	✓	✓ 5 years.	✓
✓ By the last day of the month following the reporting period.	✓ By the 15th of the following month for movements above the applicable threshold.	✓ Generally 10 years (for some types of documentation 11 years).	✓ Designeted tolls for electronic filing are in place.
✓ Due by 25th of the following month.	✓ Threshold CZK 15,000,000 for each direction.	✓ Records must be kept 10 years from the end of VAT period of the transaction.	✓ Electronic filing mandatory in the Czech Republic.
✓ On the 20th of the month.	✓	✓ 7 years invoices.	✓
✓	✓	✓	✓
✓ VAT returns/payments due last working day of next month.	✓ Intrastat required above EUR 250k arrivals / EUR 90k dispatches.	✓ Taxpayers must retain accounting records for 10 years.	✓
✓ 20th of following month.	✓ General thresholds: arrivals — EUR 1,300k; dispatches — EUR 500k.	✓ 6/8 years.	✓ All VAT returns must be filed electronically.

VAT key features

	Standard VAT rate	Reduced VAT rates	VAT registration threshold exists	VAT group registration available	Cash accounting scheme available
Kazakhstan	16%	5%, 10%, 0%	✓ KZT 43,250,000	No	No
Kosovo	18%	8%	✓ 30,000	No You can only register individually.	No
Kyrgyzstan	12%	0%	No No need.	✓ Group registration for affiliated legal entities is provided for by law.	✓
Latvia	21%	5%, 12%, 0%	✓ EUR 50,000	✓ If the total taxable value of at least 1 member of the VAT group is EUR 350,000.	✓
Lithuania	21%	12%, 5%	✓ EUR 45,000	No	No
Moldova	20%	8%	✓ MDL 1,500,000 (≈ EUR 75,800)	No	No
Montenegro	21%	15% and 7%	✓ Taxpayers with revenues in excess of EUR 30,000 must register for VAT purposes.	No	No
North Macedonia	18%	5% and 10%	✓ The VAT registration threshold is MKD 2,000,000.	✓ Yes, it is possible.	No
Poland	23%	8%, 5%, 0%	✓ PLN 240,000 from January 2026 (previously the threshold was PLN 200,000).	✓ Available to related entities meeting Polish VAT Act requirements.	✓ Available to small VAT taxpayers electing the cash method.
Romania	21%	11%	✓ EUR 80,000	✓ Yes, under certain conditions.	✓ EUR 1,000,000

Non-resident VAT registration required	Domestic reverse charge for some sectors	Option to tax real estate	Mandatory invoice data reporting
No	No	No	✓ Invoices must be reported electronically to the tax authorities.
No	✓ For construction activities and the purchase of services from abroad.	✓ Activities related to residential buildings are exempt from VAT.	✓ The purchase and sales book is completed on a monthly basis.
✓ They are required to register as VAT payers.	No The domestic reverse charge for domestic sectors does not apply.	No There is no "option to tax" real estate under VAT.	✓ Taxpayers must report invoice data to the tax authorities.
✓ If taxable transactions are carried out in Latvia.	✓ Timber supply; scrap metal supply; construction services etc.	✓ For example, if rented to legal entities.	✓
✓ The First Sale rule, Intra Community Acq. (EUR 14k), Distance Selling (EUR 10k).	✓ Construction sector, IT & electronic equipment, metals and scrap, timber.	✓ The sale of new buildings , land for construction, and short-term accommodation.	✓ No later than the 20th day of the following month.
✓ If taxable supplies are made in Moldova and reverse charge does not apply.	✓ Applies to energy/gas supplies.	No	✓ Invoice data submitted via SFS e-invoicing system.
No Underdeveloped practice.	✓ Reverse charge applies to electricity, gas, heat, or cooling–wholesalers.	No	✓
No	✓ Construction services, scrap metal services, installation/ assembly services.	✓ Real estate transfer tax with rates from 2% to 4%.	No
✓ Required for non-residents making taxable supplies subject to Polish VAT.	✓ Applies to selected sectors under Polish domestic reverse charge rules.	✓ Taxable real estate may opt for VAT under Polish regulations.	✓ VAT invoices must be monthly reported to Polish tax authorities in JPK_V7 file.
✓ Yes, under certain conditions.	✓	✓	✓

VAT key features

	E-invoicing mandatory	Mandatory receipt data reporting	Mandatory e-receipt	Monthly VAT return required
Kazakhstan	✓ Electronic invoicing is required for all VAT-registered entities.	✓ Receipts issued to customers must be reported electronically.	✓ Electronic receipts are required for retail sales.	No VAT-registered taxpayers must submit returns on a quarterly returns.
Kosovo	No	No	No	✓ The purchase and sales book is completed on a monthly basis and must be declared.
Kyrgyzstan	✓ Taxpayers must report invoice data to the tax authorities.	✓ Sellers must report receipt data to tax authorities.	✓ Sellers must report receipt data to tax authorities.	✓ It must be submitted monthly.
Latvia	✓ For B2G — from January 1, 2025; For B2B sector — from January 1, 2028.	No	No	✓ VAT return deadline — 20th of the following month.
Lithuania	✓ E-invoicing is mandatory for B2G transactions with Lithuanian public sector.	✓ The reporting of receipt data is mandatory through the i.EKA subsystem.	No	✓ No later than the 25th day of the following month.
Moldova	✓ Invoice data submitted via SFS e-invoicing system.	✓ Cash registers report electronically to SFS.	✓ Fiscal receipts issued via certified devices.	✓ Filed monthly by VAT registered entities.
Montenegro	No	✓	No	✓ The tax period is the full calendar month, from the 1st to the last day.
North Macedonia	No Currently in internal PRO testing phase, mandatory rollout planned.	No	No	✓ VAT returns can be monthly or quarterly depending on the taxpayer's status.
Poland	✓ Currently required for B2B transactions, compulsory since February/April 2026.	✓ Receipts must be reported per Polish fiscal reporting rules.	✓ Electronic receipts are mandatory for specified sales in Poland.	✓ Monthly filing required for most Polish VAT taxpayers.
Romania	✓	✓	✓	✓

VAT return/payment deadline	Intrastat reporting required	Record retention period	Electronic filing mandatory
✓ VAT returns and payments are due within the legally established quarterly deadline.	✓ Companies trading goods with EU countries must submit Intrastat reports.	✓ VAT and accounting records must be kept for the period defined by law.	✓ All VAT filings must be submitted electronically via the official tax portal.
✓ Must be declared no later than the 20th of the respective month for the previous.	No	✓ 6 Years.	✓ VAT must be declared electronically on a monthly basis.
✓ The VAT return and making the payment is the 25th day of the month following.	No	✓ It must be retained for 6 years.	✓ It must be retained for 6 years.
✓ VAT payment deadline — 23th of the following month.	✓ 10th of each month for supply from EU ->EUR 350,000; supply to EU ->EUR 200,000.	✓ Not less than five years.	✓ VAT returns shall be submitted only via Electronic Declaration System.
✓ No later than the 25th day of the following month.	✓ Intrastat reports are required if EU goods trade exceeds LT thresholds.	✓ 10 years.	✓ All returns should be submitted through electronic declaration system (EDS).
✓ Due by 25th of the following month.	No	✓ Accounting records kept minimum 5 years.	✓ Electronic filing required via SFS system.
✓ By the 15th of the following month.	No	✓ The taxpayer must keep VAT and trade records 5 years, for real estate 20 years.	✓ The taxpayer submit the VAT report electronically to the tax authority.
✓ 25th of the month for the previous month.	✓ The retention period depends on the type of documentation.	✓ All tax and accounting records must be kept.	✓ VAT must be submitted electronic.
✓ VAT return and payment due within statutory deadline in Poland.	✓ Required for trade in goods with EU member states exceeding thresholds.	✓ VAT records must be retained 5 years in Poland per law.	✓ VAT returns must be filed electronically to Polish tax authorities.
✓ 25th of the month following the reporting period.	✓ Deadline: 15th of the month following the reporting period.	✓ 5 years.	✓

VAT key features

	Standard VAT rate	Reduced VAT rates	VAT registration threshold exists	VAT group registration available	Cash accounting scheme available
Serbia	20%	10%	✓ Registration threshold is approx. EUR 68,000.	No	✓ Taxpayer is eligible if the total turnover is up to approx. EUR 405,000 annualy.
Slovakia	23%	5%, 19%	✓ EUR 50k (registration due January 1 next year)/ EUR 62.5k (immediate registration).	✓ Voluntary / Ex offo.	✓ Voluntary arrangement based on the receipt of payment for goods and services.
Slovenia	22%	9.5%, 5%	✓ If EUR 60,000 of annual taxable turnover (in a given calendar year) is exceeded.	✓ Available since 2025.	✓ The threshold is EUR 400,000 of taxable annual turnover.
Ukraine	20%	14%, 7%, 0%	✓ Threshold: UAH 1,000,000 (approx. EUR 20,000) per 12 months.	No	No
Uzbekistan	12%	0%	✓ UZS 1,000,000	✓ Group registration for affiliated legal entities is provided for by law.	✓

Non-resident VAT registration required	Domestic reverse charge for some sectors	Option to tax real estate	Mandatory invoice data reporting
✓ Tax representative required.	✓ Applicable to supply of raw materials, constructions services and other.	✓ VAT can be optionally included.	✓ VAT Law prescribes mandatory elements an invoice must contain.
✓ Upon conducting taxable transaction subject to VAT in Slovakia.	✓ Construction, supply with installation or assembly, metal waste, etc.	✓ Taxable within 5 years from first occupancy/use.	✓ Effective from January 1, 2027, for domestic transactions (e-invoicing).
✓ Registration required in case of oblication to calculate chargable local VAT.	✓ Construction services, scrap metal supplies, supply of staff, greenhouse coupons.	✓ Option to tax supply of “used” real estate or lease under certain conditions.	✓ Fiscalization required for transactions paid with cash, incl. payment with cards.
✓ Threshold: UAH 1,000,000 (approx. EUR 20,000) per 12 months.	✓ Reverse charge applies to imported services.	✓ Option to tax certain real estate supplies.	✓ Invoice data must be registered in Unified Register of Tax Invoices (URTI).
✓ They are required to register as VAT payers.	✓ The domestic reverse charge for domestic sectors does not apply.	✓ There is no “option to tax” real estate under VAT.	✓ Taxpayers must report invoice data to the tax authorities.

VAT key features

	E-invoicing mandatory	Mandatory receipt data reporting	Mandatory e-receipt	Monthly VAT return required
Serbia	✓ Law prescribes mandatory elements an invoice must contain.	✓	✓	✓ Monthly or quarterly if conditions are met.
Slovakia	✓ For domestic transactions from January 1, 2027, cross-border transactions from July 1, 2030.	✓ Via eKasa — online registration system, already effective in Slovakia.	✓ Purely digital receipts are not mandatory, paper receipts still exist.	✓ New VAT payer/ VAT payer with turnover for previous year exceeding EUR 100,000.
Slovenia	✓ Mandatory in B2G transactions. Mandatory for other transactions beginning in 28'.	✓ Mandatory VAT records submission including data on both received and issued inv.	✓ Only in B2G transactions.	✓ Monthly VAT return is mandatory for non resident VAT taxpayers.
Ukraine	✓ Mandatory for B2G and high-turnover taxpayers.	✓ E-receipt reporting via fiscal devices.	✓ E-receipts required for retailers.	✓ Monthly VAT returns required.
Uzbekistan	✓ Taxpayers must report invoice data to the tax authorities.	✓ Sellers must report receipt data to tax authorities.	✓ Sellers must report receipt data to tax authorities.	✓ It must be submitted monthly.

VAT return/payment deadline	Intrastat reporting required	Record retention period	Electronic filing mandatory
✓ 15th of the following month.	No	✓	✓
✓ Until 25 days after the VAT period.	✓ Annual threshold for dispatches/arrivals EUR 1,000,000	✓ Minimum 10 years from the end of the tax period to which they relate.	✓ Electronic filing is mandatory for all VAT payers.
✓ Last working day in the month succeeding the reporting period month/quarter.	✓ The 15th of the month succeeding the reporting period month.	✓ 10 years general retention period; 20 years for real-estate related transactions.	✓ Submission of VAT returns must be performed via the e-Tax portal (eDavki).
✓ Due by 20th of following month.	No	✓ Documents kept 1095 days by Tax Code of Ukraine.	✓ Electronic VAT filing required.
✓ The VAT return and making the payment is the 20th day of the month following.	✓	✓ It must be retained for 3 years.	✓ It must be retained for 3 years.

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