

# Exit Tax Rules in Europe: What to Know Before Moving Tax Residence

## Background

Moving tax residence or transferring assets across borders can create tax consequences even before an actual sale takes place. In several jurisdictions, exit tax rules are used to tax unrealised gains that accrued while an individual or company was still within that country's tax system, making them an important point to assess before any international relocation, restructuring or transfer of assets.

- This overview considers Czech Republic, France, Germany, Luxembourg, Norway, Poland, Spain and the United Kingdom. The main tables focus on jurisdictions where specific exit tax rules and compliance duties apply, while France, Luxembourg and the United Kingdom are covered separately as in these countries only very general regulations exist for tax liabilities upon a cease of residency.
- Belgium, Hungary, Italy and Switzerland were also included in the wider scope of the study. However, based on the information reviewed, no exit tax regime applies in those jurisdictions, and therefore, no further country-specific observations are included in this document.

## Czech Republic

<b>Filing required</b>	YES
<b>Tax Base</b>	The usual/market price of the property (fixed assets, current assets) reduced by its tax residual value
<b>Taxpayers</b>	Only legal entities; in the case of transfer of assets abroad without change of ownership
<b>Exemptions</b>	Some special cases if the assets are transferred back to the Czech Republic within 12 months (securities, secured loan, capital requirements or for purposes liquidity management)
<b>Obligations to File Return</b>	YES
<b>Brackets and Rates</b>	The corporate income tax rate = 21%
<b>Filing Form</b>	Corporate income tax return
<b>Filing Deadline</b>	4 months after the tax period (electronically) or 6 months after the tax period (obligatory audit, tax advisor)
<b>Valuation Criteria</b>	Market value (with some specific criteria for the valuation of tangible assets, depreciable assets, securities)
<b>Special comments</b>	<p>The transfer of assets without change of ownership is subjekt of taxation only in these cases:</p> <ul style="list-style-type: none"><li>a) a legal entity (tax resident) that transfers assets to a permanent establishment in a state with which the Czech Republic has concluded a double taxation agreement and the exemption method is used according to this agreement</li><li>b) transfer of assets from one permanent establishment to a permanent establishment in another EU Member State</li><li>c) a corporate income tax payer transfers its tax residence from the Czech Republic to a foreign country (changes its registered office and thus its residence)</li></ul>

## Germany

<b>Filing required</b>	YES
<b>Tax Base</b>	taxable are a. Investments in corporations if at least 1% were owned, b. investment shares if at least 1% were owned or the value exceeds >500k EUR, c. de-entanglement tax law
<b>Taxpayers</b>	a. and b. shareholders, c. companies
<b>Exemptions</b>	return clauses may be applicable
<b>Obligations to File Return</b>	YES
<b>Brackets and Rates</b>	personal tax rate for individuals up to 45% plus church tax and solidarity surplus, for companies ca. 30%
<b>Filing Form</b>	tax return and supplementary documents/appraisals for evaluation
<b>Filing Deadline</b>	i.g. one month after the taxable event took place
<b>Valuation Criteria</b>	Market values if traded on stock exchanges, company values for non-traded securities, partial value of business assets transferred abroad
<b>Special comments</b>	The legal regulations are complex and the matters regulated are diverse; individual consultation is necessary in every case

## Norway

<b>Filing required</b>	YES
<b>Tax Base</b>	The exit tax applies to the increase in value of assets up until the time of departure or the time of transfer. This includes various types of assets such as shares, options, and financial instruments
<b>Taxpayers</b>	The exit tax is applicable to individuals who have moved out of Norway and become tax residents in another country, including Svalbard, or those who have transferred assets to individuals residing abroad
<b>Exemptions</b>	Certain assets are exempt from the exit tax, such as shares held in a share savings account and fund accounts with capital insurance
<b>Obligations to File Return</b>	Taxpayers must provide information about the assets subject to exit tax in their tax return. This includes details about latent gains or losses for each asset
<b>Brackets and Rates</b>	The exit tax is calculated based on the latent gains of the assets. If the net latent gain exceeds certain thresholds, the tax must be paid
<b>Filing Form</b>	Individuals who have moved abroad or to Svalbard, or have transferred assets to someone living abroad, are required to file an exit tax return. This filing is part of the annual tax return and must be completed by 30th April
<b>Filing Deadline</b>	The filing deadline for the exit tax return is 30th April each year
<b>Valuation Criteria</b>	Assets are generally valued at their market value as of the day before the move or transfer. Specific rules apply for valuing certain types of assets, such as shares and real estate .
<b>Special comments</b>	The exit tax rules have undergone several changes, including adjustments to the tax base and exemptions. It is important for taxpayers to stay informed about these changes to ensure compliance

## Poland

<b>Filing required</b>	YES
<b>Tax Base</b>	The tax base is the sum of unrealized gains from individual assets. The income is the difference between the market value and the tax value of the asset.
<b>Taxpayers</b>	The individuals who transfer assets outside of Poland or change their tax residency, resulting in Poland losing the right to tax the income from those assets.
<b>Exemptions</b>	Exit Tax does not apply if the total market value of transferred assets is below 4,000,000 PLN.
<b>Obligations to File Return</b>	Taxpayers must submit a tax return and pay the tax due by the 7th day of the month following the month when the market value of transferred assets exceeded 4,000,000 PLN.
<b>Brackets and Rates</b>	Exit Tax is 19% of the tax base (standard) or 3% (in case of inability to determine the tax value of assets).
<b>Filing Form</b>	PIT-NZ (standard) or PIT-NZS forms.
<b>Filing Deadline</b>	<p>The filing deadline is the 7th day of the month following the month when assets exceeding 4,000,000 PLN were transferred.</p> <p>The legislator has once again decided to extend the deadlines for the payment of exit tax, which have generally been extended until the end of 2025.</p>
<b>Valuation Criteria</b>	The market value of assets is determined as of the day before the change in tax residency.
<b>Special comments</b>	For non-business assets: Exit Tax applies to assets such as shares in companies, stocks, securities, financial instruments, and participation titles in capital funds if the taxpayer has had tax residency in Poland for at least 5 years in the last 10 years.

## Spain

<b>Filing required</b>	YES
<b>Tax Base</b>	<p>The exit tax is levied on personal income taxpayers (PIT) who lose their tax residence in Spain and hold significant shareholdings. It applies to tacit or unrealized capital gains associated with these shareholdings (Art. 95 bis PIT Law; Art. 121–123 PIT Regulation).</p> <p>For corporate income taxpayers (CIT), the exit tax is governed by Article 19.1 of the Corporate Income Tax (CIT) Law. The rules are similar but require asset valuation based on accounting principles and tax regulations.</p>
<b>Taxpayers</b>	<p>PIT Taxpayers: Individuals who lose their tax residence in Spain and own significant shareholdings are taxed on unrealized capital gains. The taxpayer must have been a tax resident in Spain for at least 10 of the 15 tax periods preceding the year of departure.</p> <p>CIT Taxpayers: The exit tax applies under the following scenarios:</p> <ul style="list-style-type: none"><li>- Transfer of tax residence outside Spain: If a company relocates its tax residence to another country, it exits the Spanish tax scope, along with its assets and liabilities.</li><li>- Transfer of assets to another country: Assets transferred to a foreign permanent establishment are considered as leaving the Spanish tax jurisdiction.</li><li>- Conversion into a permanent establishment abroad: If a company becomes a PE in another country, its assets are treated as having left Spain.</li></ul>
<b>Exemptions</b>	<p>PIT Taxpayers: If the taxpayer moves to another EU or EEA member state, the exit tax is deferred, provided certain conditions are met. The taxpayer must report to the tax authorities the identification and market value of the shares/participations and the destination country. If the assets are transferred within 10 years or the reporting obligation is not fulfilled, the tax will be triggered. In such cases, the gain is attributed to the last tax period without penalties or late interest.</p> <p>CIT Taxpayers: No minimum threshold applies. However, deferral or installment payments are permitted under specific conditions when transfers are made to EU/EEA countries that maintain effective information exchange with Spain. These arrangements require guarantees and compliance with reporting requirements.</p>
<b>Obligations to File Return</b>	<p>PIT Taxpayers: Must have been tax residents in Spain for at least 10 of the last 15 tax periods. The market value of shares or participations must exceed €4,000,000 in total, or €1,000,000 if holding more than 25% in a single entity (Art. 95 bis PIT Law; Art. 121–123 PIT Regulation).</p> <p>CIT Taxpayers: Exit tax applies regardless of asset value or unrealized gain. Companies relocating tax residence or transferring assets abroad must file and pay the applicable tax. Deferrals or installment payments may be granted if transfers are made to EU/EEA countries with information-sharing agreements, subject to guarantees.</p>
<b>Brackets and Rates</b>	<p>PIT Taxpayers: Unrealized capital gains are treated as savings income under Article 46.b of the PIT Law.</p> <p>FY 2024 Rates:</p> <ul style="list-style-type: none"><li>- Up to €6,000: 19%</li><li>- €6,001 to €50,000: 21%</li><li>- €50,001 to €200,000: 23%</li><li>- €200,001 to €300,000: 26%</li><li>- Over €300,000: 27%</li></ul> <p>CIT Taxpayers: A flat rate of 25% applies to most companies.</p>

## Spain

<b>Filing Form</b>	<p>PIT Taxpayers: Tax Form 210 – Exit Tax</p> <p>CIT Taxpayers: Tax Form 200 – Exit Tax</p>
<b>Filing Deadline</b>	<p>PIT Taxpayers: The form must be submitted in the month following the change of tax residence.</p> <p>CIT Taxpayers: From July 1 to July 25 of the following year, the Form 200 deadline.</p>
<b>Valuation Criteria</b>	<p>PIT Taxpayers: Valuation is based on the market value of shares/holdings on the accrual date of the last tax period.</p> <ul style="list-style-type: none"><li>- Listed securities: Market price</li><li>- Unlisted securities: Higher of net equity or 20% capitalization of the average profits over the past 3 years</li><li>- Collective investment shares: Net asset value on the accrual date (Art. 95 bis 3 PIT Law)</li></ul> <p>CIT Taxpayers: Unrealized capital gains = Market Value – Book Value. Valuation methods include:</p> <ul style="list-style-type: none"><li>- Comparables (market-based)</li><li>- Discounted Cash Flows (DCF)</li><li>- Independent Appraisals</li><li>- Adjusted Book Value (market-corrected)</li></ul> <p>Each case must be analyzed individually.</p>
<b>Special comments</b>	<p>The exit tax applies under specific conditions related to residence status and asset value.</p> <p>Transfers to the EU/EEA may qualify for a 10-year deferral if requirements are met.</p> <p>Transfers to non-cooperative jurisdictions trigger immediate taxation, even under tax quarantine rules, to prevent tax base erosion.</p>

# Special Cases

## France

If you transfer your tax residence outside France, you are liable, under certain conditions, to income tax and social security contributions on your unrealised capital gains, on your claims arising from an earn-out clause and on your capital gains from disposals or exchanges placed under a tax deferral regime.

## Luxembourg

In Luxembourg, there is no exit tax as such, but there is a provision which states that a taxpayer who has been a Luxembourg tax resident for at least 15 years and who disposes of a major holding in a Luxembourg company within 5 years of transferring his or her tax residence outside the Grand Duchy of Luxembourg remains liable to tax in Luxembourg on the capital gain realised.

## United Kingdom

There is no general exit tax for individuals resident in the UK, when they cease residence, currently. Tax charges can however be triggered when an individual ceases to be UK resident in certain cases.

For example:

- where they have 'rolled over' a gain realised when they were UK resident into a tax efficient investment which is held when they cease residence, the gain becomes chargeable when they leave.
- if they were given an asset and gains on that gift were rolled over by the donor, the gain becomes chargeable when they leave.
- an individual who is self-employed is deemed to cease trading when they cease to be UK resident, which can accelerate tax charges.  
Gains are triggered when a trust ceases to be UK tax resident.