

Amendments to Tax Law

December 2011

On 2 of December 2011 a law came into effect with its publication in the official Government Gazette that amends the Department of Land and Surveys (Fees and Duties) Law.

Legislation that changes the Department of Land and Surveys (Fees and Duties) Law.

- According to the Law, transfers of immovable property that take place between 2 December 2011 (the date that the amending legislation came into effect) and 1 June 2012 are exempt from immovable property transfer fees, if the transfer relates to a transaction that is subject to VAT.
- In cases where transactions are not subject to VAT, the legislation provides for an exemption of 50% of the transfer fees. This applies to transactions where transfer fees apply or are due and the transfer relates to plots of land, buildings or interests in land or indivisible interests that are sold for the first time from the date of issue of the relevant building permit and the relevant contract is prepared and submitted for the first time to the local District Land Registry prior to 2 June 2012.
- In cases where the contract is prepared and submitted to the Land Registry before 1 June 2012 but the registration of title occurs after 1 June 2012, the exemptions described above apply.
- The legislation also provides for measures that ensure that the exemptions described above apply only for new transactions that occur in the period from 2 December 2011 to 1 June 2012. The exemptions described above will not apply in the cases where a contract was submitted in accordance with the Sale of Immovable Property (Special Execution) Law and is withdrawn after 2 December 2011.
- In addition, the exemptions described above will not apply for contracts that were executed before 2 December 2011.

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