

## Will I be taxed in Romania on any capital gain that I make when the property that I have purchased ?

This will depend on your circumstances and on the relevant taxation legislation in force at the time that you sell the property, but it is safest to assume that something will be payable. The present Fiscal Code does not exempt capital gains from taxation on the grounds that they have arisen on a sole or principal residence. Natural persons who make capital gains on the sale of real estate are presently taxed at 16% of such gains made only on: (1) income obtained from the transfer of ownership of buildings of any kind and the related land where such transfer is made less than three years after the date when ownership was acquired; and (2) income obtained from the transfer of ownership of any kind of land without buildings which was acquired on or after 1 January 1990. Where a Romanian company is used to hold the property, income resulting on the sale of that property will not be taken into account in calculating the taxable profit of the company but are subject to a tax of 16% of the capital gain made on the property.