

**BILL WITH TITLE**  
**"LAW AMENDING THE INCOME TAX LAWS"**  
**LAWS OF 2002 TO (NO. 2) OF 2025"**

Preamble.

WHEREAS tax reform constitutes one of the most fundamental challenges for any economy seeking sustainable growth and social cohesion and

BECAUSE traditional tax mechanisms often prove insufficient to meet the needs of the state and citizens and

BECAUSE the adoption of a comprehensive tax reform aims to reform the tax system so that responds with bigger flexibility, justice and effectively to modern economic and social requirements and

BECAUSE the tax reform includes the revision of tax rates and the reduction of the tax burden for households and businesses, the granting of targeted reliefs based on social criteria, the promotion of research and innovation, the fight against tax evasion and tax avoidance, strengthening tax compliance through improving tax administration and

BECAUSE at the same time, the goal is to ensure a fairer tax system, which would proportionately burden the different economic strata, and to strengthen tax justice, while reducing inequalities and

BECAUSE the adoption and implementation of the tax reform further strengthens and strengthens the tax framework for ensuring tax justice in general based on equality participation in public burdens and at the same time contributes to strengthening competitiveness, creating a more favorable environment for

a way that benefits businesses on the one hand and on the other attracts investment and finally

BECAUSE the adoption and implementation of the tax reform ensures and further strengthens the effective and optimal collection of taxes and public revenues due,

For all of the above reasons, the House of Representatives votes as follows:  
as follows:

Summary  
title.

1. This Law shall be cited as the Income Tax (Amendment) (No. 3) Law of 2025 and shall be read as together with the Income Tax Laws of 2002 to (No. 2) of 2025 (hereinafter referred to as "the basic law") and the The basic law and this Law shall be referred to together as the Income Tax Laws of 2002 to (No. 3) of 2025.
- 118(I)/2002  
230(I)/2002  
162(I)/2003  
195(I)/2004  
92(I)/2005  
113(I)/2006  
80(I)/2007  
138(I)/2007  
32(I)/2009  
45(I)/2009  
74(I)/2009  
110(I)/2009  
41(I)/2010  
133(I)/2010  
116(I)/2011  
197(I)/2011  
102(I)/2012  
188(ŷ)/2012  
19(ŷ)/2013  
26(I)/2013  
27(I)/2013  
17(ŷ)/2014  
115(ŷ)/2014  
134(ŷ)/2014  
170(ŷ)/2014  
116(I)/2015  
187(I)/2015  
212(ŷ)/2015  
110(I)/2016  
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134(I)/2017  
165(I)/2017  
51(I)/2018  
96(I)/2018  
122(I)/2018  
139(I)/2018  
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28(I)/2019  
63(I)/2019

151(I)/2019  
152(I)/2019  
173(I)/2019  
45(I)/2020  
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178(I)/2021  
193(I)/2021  
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122(I)/2022  
201(I)/2022  
51(I)/2023  
123(ÿ)/2023  
138(I)/2023  
160(I)/2023  
45(I)/2024  
52(I)/2024  
164(I)/2024  
37(I)/2025  
47(I)/2025.

Amendment of  
Article 2 of the  
Basic Law

2. Article 2 of the basic law is amended as follows:

(1) by replacing the definition of the term "resident of Democracy" with the following definition:

"resident of the Republic",-

(a) when applied to an individual, means:

(i) a person who remains in the Republic for one or more periods exceeding in the aggregate 183 days in tax year, or



(c) arrival in the Republic and departure from the Republic on the same day is counted as one day in the Republic; and

(d) departure from the Republic and return to the Republic the same day is considered a day outside the Republic.

(b) when applied to a company, means:

- (i) company whose control and management are exercised in Democracy, or
- (i) a company incorporated or registered under any force of law in the Republic.

The terms "non-resident" and "resident outside the Republic" will be interpreted accordingly."

(2) by adding in the appropriate alphabetical order the following term and definition of:

OJ L 150,  
9.6.2023, p.  
40-205.

"Regulation (EU) 2023/1114" means Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 for cryptocurrency markets, and for amending regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937 as amended from time to time or is replaced;".

Amendment  
of article 5  
of the  
basic law.

3. Article 5 of the basic law is amended as follows:

- (a) By adding, in paragraph (a) of subsection (1), immediately after the word "any" (first line), of the word "income,";

(b) By replacing paragraph (b) of subsection (1) with the following:  
following paragraph (b):

"(b) any income, profits or other benefits, whether pecuniary or other form, provided or granted in relation to any office or paid services, to the person who holds the office or provides the hired services or to any member of his family, including:-

(i) the estimated annual value of accommodation, housing, home or diet

(ii) any allowance;

(iii) a benefit provided as an inducement to accept employment or appointment to a position, including and such benefit provided before the commencement of the employment or appointment to office;

(iv) a gratuity given gratuitously during the retirement, or early retirement, or termination or early termination of an employment or appointment contract in office

(v) benefit granted under an Early Retirement Plan  
Employee Retirement

(vi) compensation for termination of employment or appointment in an office, the payment of which is not provided for in employment contract or appointment contract to a position or in a collective agreement or regulations or in any

other conditions governing employment or appointment to office

(vii) any other benefit granted under employment contract or appointment contract to a position, or under a collective agreement or regulations or any other terms and conditions governing employment or appointment to office:

It is understood that amounts receivable, including compensation, which are paid in accordance with a court decision and the which relate to any of points (i) to (vii) are subject to tax within the relevant point and are taxed accordingly."

(c) By adding to paragraph (g) of subsection (1), immediately after the phrase "to directors or" (fourth line) of the phrase "directly or indirectly".

(d) By adding, immediately after the first reservation of paragraph (g) of subsection (1), of the following second reservation:

"It is further understood that the provisions of this paragraph shall not apply in relation to a loan or any other financial facility to a person who is a direct or indirect shareholder or to a related party with that person, to the extent that the shareholder has paid an extraordinary contribution to a concealed dividend distribution pursuant to the provisions of paragraph (c) of subsection (2) of article 3A of the on Extraordinary Contribution for the Defense of the Republic Law".

(e) By adding, immediately after the proviso to paragraph (g) of subsection (1), the following new paragraph (h) and the reservation:

"(h) any other income:

Provided that paragraph (h) does not apply with respect to: income that is of a capital nature, excluding profit falling within the scope of Article 20E.";

(f) By adding, in paragraph (a) of subsection (2), immediately after the word "any" (first line), of the word "income,".

(g) By replacing paragraph (b) of subsection (2) with the following: following paragraph (b):

"(b) any income, profits or other benefits, whether pecuniary or other form, provided or granted in relation to any office or paid services exercised in the Democracy, to the person who holds the office or provides the hired services or to any family member of, including:

(i) the estimated annual value of accommodation, housing, home or diet

(ii) any allowance;

(iii) benefit provided as an incentive for acceptance employment or appointment to office, including such benefit provided before the commencement of the employment or appointment to office;

- (iv) a gratuity given gratuitously during the retirement or early retirement or termination or early termination of an employment contract or agreement appointment to office
- (v) benefit granted under an Early Retirement Plan Employee Retirement
- (vi) compensation for termination of employment or appointment in an office, the payment of which is not provided for in employment contract or appointment contract to a position or to a collective agreement or regulations or any other conditions governing employment or appointment to office;
- (vii) any other benefit granted under an employment contract or appointment contract, or based on a collective agreement or regulations or any other terms and conditions governing employment or appointment to office:

It is understood that amounts receivable, including compensation, which are paid in accordance with a court decision and the which relate to any of points (i) to (vii), are subject to tax within the relevant point and are taxed accordingly.

- (h) By adding to paragraph (g) of subsection (2), immediately after the phrase "to directors or" (fourth line), the phrase "directly or indirectly."

- (i) By adding, immediately after paragraph (g) of subsection (2) and its reservation, the following new paragraph (h) and the reservation of:

"(h) any other income from sources in the Republic:

It is understood that paragraph (h) does not apply in relation to: income that is of a capital nature.';

- (j) By adding, immediately after subsection (4), the following new subsections (5) and (6):

"(5) For the purposes of applying paragraph (h) of subsection (1) and paragraph (h) of subsection (2), the term "capital nature" is determined based on accepted tax principles.

(6) The allowances or benefits paid by the Fund Social Insurance or the Deputy Ministry of Social Welfare, or the Grants and Allowances Service, do not fall within the scope application of this article."

Amendment  
of Article 8  
of the  
Basic Law

4. Article 8 of the basic law is amended as follows:

- (a) By deleting in subsection (9) the phrase "gratuity on retirement, pension conversion, "

- (b) By adding to subsection (11), the following new proviso:

"It is understood that for the purposes of this subsection the term "funds" includes any lump sum a fixed amount received in one lump sum from conversion "retirement"

- (c) By replacing subsection (16) with the following new subsection (16) and the reservation thereof:

"(16) the income of each fund falling within subparagraph (i) of paragraph (c) of subsection (1) of article 14, when such income does not arise from any business which is carried out by this fund or by holding property:

It is understood that the income of such a fund from interest constitutes income that does not arise from any business or exploitation of property".

- (d) By replacing subsection (19) and its proviso with the following: the following new paragraph (19) and its proviso:

"(19) The entire income of an individual, government agency, authority local government and General Government entity from interest:

It is understood that interest acquired by an open-ended collective investment scheme or closed type, is not considered interest for the purposes of of this paragraph;".

- (e) By adding in subsection (20), immediately after the second reservation, the following third reservation:

"It is further understood that, from 1/1/2031 onwards, profit arising from the redemption of a share or share in collective investment scheme of open or closed type that has incorporated in the form of a company, reduced by any amount capital gains tax paid in respect of the said redemption, based on the provisions of the Taxation Capital Gains Law, constitutes a dividend.".

(f) With the deletion of the reservation in subsection (22), with effect from 1/1/2031.

Amendment  
of article 9  
of the  
basic law.

5. Article 9 of the basic law is amended as follows:

(a) By substituting in paragraph (d) of subsection (1) of its first, second and third reservations with the following three new reservations:

"It is understood that-

- (i) in the event that the above expenses are of a capital nature, the deduction is claimed in accordance with the provisions of paragraph (l) of this subsection;
  
- (ii) no deduction is granted under the provisions of of this paragraph for the above-mentioned expenses carried out for the acquisition of machinery and facilities or buildings, including accommodation employees, in relation to which it may be granted deduction pursuant to the provisions of article 10 of this Law;

It is further provided that-

- (i) for expenditures incurred during the years 2025 to 2030, including, including expenses of a capital nature, for which a deduction is granted in accordance with the provisions of paragraph (l) hereof subsection, an additional discount equal to twenty percent is provided

one hundred (20%) of the said expenses, which a person may, for each tax year, be waived in part or in full entirely.

(ii) the additional deduction in accordance with point (i) is provided in the year in which the relevant expenses are incurred, except in the case of capital expenditures, according to which, the additional deduction is provided in the years in which a discount is granted in accordance with the provisions of paragraph (l) of this subsection.

(iii) the additional deduction under point (i) shall not be provided in relation to costs relating to eligible intangible asset for which in any year, including the current one, the following were implemented provisions of paragraph (k) of this subsection;

(b) By adding, immediately after the first reservation of paragraph (l) of subsection (1), the following new second reservation:

"It is further understood that, intangible assets that have unlimited useful economic life, are not entitled to a discount for expenditure under this paragraph, unless the said elements are identified in the selected or reviewed financial statements prepared in accordance with accepted accounting principles. In such a case, for purposes of applying the provisions of this paragraph, for each tax year, will be granted a discount equal to the corresponding annual impairment recognized based on accepted accounting principles.

- (c) By replacing the phrase "It is further provided", the numbered third reservation of paragraph (l) of the subsection (1), with the phrase "It is further understood".
- (d) By replacing the phrase "It is further understood", the numbered fourth proviso to paragraph (l) of subsection (1), with the phrase "It is further provided that".
- (e) By adding, immediately after paragraph (l), the following new paragraphs (v), (ÿ), (o):

"(n) donations or contributions made to cultural institutions that are approved by the Deputy Minister of Culture based on conditions or conditions determined by the Council of Ministers:

It is understood that, notwithstanding any contrary provision of this Law, in the event of damage occurring within the year in which the donation or contribution was made, any part of the damage up to amount of the donation or contribution will not be transferred and shall not be offset against the income of subsequent years;"

For the purposes of this paragraph, the term "culturally institutions" includes:

- (a) legal entities governed by public law;
- (b) associations or foundations whose main statutory objective is not for-profit research and study of culture and/or organization and/or production of non-profit activities.
- (x) in the case of a company, an expense relating to first-time expenses listing of its shares on a recognized stock exchange, up to

amount of three hundred thousand euros (€300,000) , per rolling three-year period, per single enterprise as defined in Regulation 2023/2831:

It is understood that:

- (i) the discount is granted to the extent that it does not cause damage, and in the event of an undistributed amount, it may be transferred and granted as a discount in the following two (2) years, provided that there is a corresponding amount available in compliance with Regulation 2023/2831 and KDP 193/2020
- (ii) the discount is granted based on the aid rules of minor importance.

(h) Subsection (1A) is amended as follows:

(a) By replacing in paragraph (ii), the phrase "Fund Pension and Provident Fund" (fifth and sixth lines), with the phrase "Pension Fund, Provident Fund and Provident Fund" Health Insurance".

(b) By adding, immediately after paragraph (ii), the following the following new paragraph (iii):

“(iii) Any rent payments in breach of the article 48A of the Tax Verification and Collection Law.”.

Amendment  
of article 10  
of the  
basic law.

6. Article 10 of the basic law is amended as follows:

(a) By replacing the phrase "2024,2025 and 2026" with the phrase "by 2030" where it appears in paragraphs (a), (b) and (c) of the third proviso to subsection (2).

(b) By adding, immediately after the seventh reservation of subsection (2), the following new eighth and ninth reservations:

"It is further understood that, for the purposes of this article, the capital expenditure on assets introduced into a company in return for the issuance of share capital is not may exceed the market value of the assets in question data on the date of their introduction into the business and no discount is granted if their market value is not documented at the discretion of the Commissioner.

It is further understood that for capital expenditures carried out on machines and installations that used for agricultural or livestock production, granted, after deducting any subsidy amount, a twenty percent (20%) discount, excluding items for which a higher annual discount is granted based on the notification issued under section 52A of the repealed Income Tax Law, such as this remains in force in accordance with the provisions of article 47.

58 of 1961.

Amendment  
of article 11  
of the basic  
law.

7. Article 11 of the basic law is amended as follows:

(a) By substituting in the proviso to subsection (12) of numerical amount "£10,000", with the numerical amount €30,000".

(b) By adding, immediately after the word "that" (first line) in the first proviso to subsection (15), the phrase ", in the case private vehicle, ' ; and

(c) (c) By adding to the paragraph following the second subject to subsection (15), the phrase "for the tax years 2026 and 2027 in relation to shares acquired from 1 January 2012 until 31 December 2025.", immediately after the phrase "The provisions of the immediately above reservation, shall apply", and the deletion of phrase "for the acquisition of shares carried out from the 1st January 2012 (first and second lines).

(d) By adding the following word at the end of the second reservation in subsection (15), the phrase "The reservation in question does not applies in the case of interest for the acquisition of shares in full directly or indirectly a subsidiary of a company that is resident in a non-cooperative jurisdiction or which is incorporated or registered in such jurisdiction and is not a tax resident in another jurisdiction that it is not a non-cooperative jurisdiction."

(e) By adding the following new subsection (18) immediately after subsection (17) thereof:

"(18) gratuitous payments to employees and officials, which fall under subparagraphs (iv) to (vi) of paragraph (b) of subsection (1) of article 5 and subparagraphs (iv) to (vi) of paragraph (b) of subsection (2) of article 5;".

Amendment  
of Article 13  
of the  
basic law.

8. Article 13 of the basic law is amended as follows:

(a) By substituting in the first proviso of subsection (1) of word "five" (tenth line) with the word "seven".

(b) By adding at the end of subsection (7), immediately after the word "year" (sixth line) of the following sentence:

", after offsetting the applicant's taxable income with damages incurred by the applicant company during the previous years in accordance with the provisions of subsection (1):"

Amendment of article 14 of the basic law.

9. Article 14 of the basic law is replaced by the following new article:

Article 14:

"Deduction for life insurance premiums and contributions to provident funds and other funds.

14. (1) For the purpose of ascertaining the taxable income of any per person are deductible:

(a) the amount of regular premiums paid under an insurance policy, as defined in the Insurance and Reinsurance Operations and Others Related Matters Law or by virtue of a comparatively similar Law in force in another Member State, for the insurance of his life or for permanent and/or temporary total and/or partial inability of the person designated or able to determined amount payable upon death or permanent disability and/or temporary total and/or partial incapacity;

It is understood that:

(i) for the purposes of this paragraph, "ordinary premium" means the premium paid systematically based on an insurance policy at fixed and equal

time intervals and at predetermined times  
dates throughout the period  
payment of insurance premiums and does not  
include any lump sum premium;

(ii) in respect of a life insurance policy, the deduction shall  
not exceed an amount equal to seven percent (7%)  
of the amount payable on death, excluding  
any additional benefit in the form of  
tip or otherwise;

(iii) the deductible for each insurance policy is equal to the amount of  
regular premiums paid during the  
year, reduced by any amount  
some acquisitions made within the  
year.. In the event that the amount of the partial  
acquisitions exceeds the amount of regular  
premiums paid, is not granted  
no discount;

(iv) in the event of a life insurance policy being redeemed within  
three years from the date of the contract  
30% of the individual's income is added to the  
premiums for which a discount was granted  
pursuant to the provisions of this article, 20%  
such premiums if the redemption is made within  
fourth, fifth and sixth years from the  
date of the insurance contract;

(b) the amount of contributions paid to the Fund  
Social Insurance, the Widows' Pension Fund and  
Orphans established by virtue of any law in force  
Law in the Republic or in any other Insurance

Fund established in another Member State pursuant to comparative similar Laws;

(c) (i) the amount of contributions paid to a Fund Pension or Welfare Fund established in the Republic or outside the Republic to another Member State, which, for the purposes of this article, is approved by the Superintendent, and

(ii) the amount of premiums paid based on insurance policy, as defined in the Insurance and Reinsurance Operations and Others Related Matters Law, or by comparative power of a similar Law in force in another Member State, for Pension Plan or for the provision of annuity for life pension in his old age, which is approved by the Superintendent:

It is understood that the discount granted based on the provisions of this paragraph does not exceed cumulatively an amount equal to ten percent (10%) of the total income of the person falling under article 5 and which is not exempt from tax under the Article 8;

It is further provided that for the purposes of the immediately preceding prior reservation, in the case of income which falls within the provisions of paragraph (a) of subsection (1) of article 5 and paragraph (a) of subsection (2) of Article 5, the total income includes the profit from running a business.

(d) the amount of premiums paid based on insurance policy, as defined in the Insurance Act and Reinsurance Operations and Other Related Issues Law, or by virtue of a comparatively similar Law in force in another member state for a Healthcare Plan Care, which is approved by the Superintendent:

It is understood that the discount granted based on the provisions of this paragraph does not exceed cumulatively an amount equal to two percent (2%) of the total income of the person falling under article 5 and which is not exempt from tax under the article 8.

It is further provided that for the purposes of the immediately preceding prior reservation, in the case of income falling within the provisions of paragraph (a) of subsection (1) of article 5 and paragraph (a) of subsection (2) of Article 5, the total income includes the profit from running a business.

(e) the amount of the contribution or premiums paid pay pursuant to the law in force in the Republic General Health Plan Law or by analogy similar Law in force outside the Republic.

(f) the amount of premiums paid based on insurance policy, as defined in the Insurance Act and Reinsurance Operations and Other Related Issues Law or by virtue of a comparatively similar Law in force in another Member State, for home insurance against risks natural disasters, up to an amount of five hundred euros (€500)

(2) The total discount provided under this article does not exceed one-fifth of the taxable amount the individual's income, as determined in accordance with the provisions of this Law, before they are removed from it the discounts specified in this article and in article 14B.

(3) Paragraph (a) of subsection (1) also includes: insurance policies taken out by an individual for life insurance spouse before the entry into force of this Law and in respect of which a discount was granted under the provisions of the previously applicable tax law of income."

Amendment of the basic law by adding a new article 14B.

10. The basic law is amended by adding, immediately after the article 14A thereof, the following new article 14B and the side title of:

"Personal discounts."

14B(1). For the purposes of calculating taxable income person who is a resident of the Republic, the following will be granted discounts, as long as the family income does not exceed eighty thousand euros (€80,000) or one hundred thousand euros (€100,000) in case where dependent children, including dependent children who are students, are more than three (3), or forty thousand euros (€40,000) in the case of singles face:

(a) one thousand euros (€1,000) to each parent for each dependent child on December 31 of the tax year:

It is understood that, in the case of a single-parent family or in the case of parents who are not spouses or cohabitants and one parent has full custody of the dependent children

a discount of two thousand euros (€2,000) is granted per dependent child to the parent who has custody, excluding student, and no discount is granted to the parent who he doesn't have custody.

It is further understood that, in the event that the parents are not spouses or cohabitants who have joint custody of their dependent children, a discount of one thousand euros is granted (€1,000) per parent for each dependent child.

It is further provided that, with respect to a dependent child who is a student whose parents are not spouses or cohabitants between them, a discount of one thousand euros (€1,000) is granted per parent.

(b) up to one thousand five hundred euros (€1,500) to each spouse, or common-law partner or single person regarding:

(j) interest expense paid in respect of serviced loan for the purchase of a primary residence that is located in the Republic, or

(ii) rent expense paid in relation to the use of a main residence located in the Republic:

It is understood that, for the purposes of implementing this paragraph, The discount is granted provided that:

(i) the main residence in the Republic is property at least one of the two spouses or partners or the single person person and the loan being serviced is in their name at least one of the two spouses or partners or the single person face, and

- (ii) neither of the two spouses or cohabitants or the single person person has no other residence in the Republic.

It is further understood that the discount granted under the of this paragraph shall be reduced by the amount of any related sponsorship, subsidy, allowance or other related amount that the person received from public funds.

It is further understood that the discount provided for in the subparagraph (ii) of this paragraph, shall not be granted if the provisions of article 48A of the Tax Verification and Collection Law.

- (c) up to one thousand euros (€1,000) to each spouse, or common-law partner or single person person in relation to the totality of:

- (i) capital expenditures incurred for the improving the energy efficiency of the main residence that is in the Republic.

- (ii) capital expenditures incurred for technical energy efficiency systems of the main residence, renewable energy systems, as well as for electricity storage batteries

- (iii) capital expenditures incurred for electric vehicles registered with the Department of Roads Transportation:

It is understood that:

- (i) the expenditure, on the area not granted within the year which was carried out due to the limitation of thousands euros (€1,000) can be transferred and granted at the next four years, subject to the said restriction;
- (ii) the total of the discounts granted to the two spouses or cohabiting partners, does not exceed the total expenditure;
- (iii) for the purposes of implementing subparagraphs (i) and (ii) of this paragraph, the discount is granted provided that the main residence in the Republic is property at least one of the two spouses or partners or the single person face;
- (iv) the terms referred to in subparagraphs (i) to (iii) shall be construed in accordance with the third proviso to subsection (2); of article 10.

It is further understood that the discount granted under the of this paragraph shall be reduced by the amount of any relevant sponsorship, subsidy, allowance or other relevant amount which the person received from public funds.

(2) The discounts provided for in subsection (1) are granted subject to that:

- (a) the tax returns of the spouses or partners or of the single person for the relevant tax year were submitted within the deadline provided for in Article 5 of the Tax Verification and Collection Law, and

(b) the said spouses or cohabitants consent to the disclosure of their tax information.

(3) For the purposes of this article:

167(l) of 2002  
22(l) of 2003  
57(l) of 2003  
136(l) of 2007  
194(l) of 2007  
55(l) of 2010  
189(l) of 2011  
180(l) of 2012  
175(l) of 2014  
177(l) of 2015  
118(l) of 2017  
98(l) of 2024  
46(l) of 2025  
159(l) of 2025.

(a) The terms "dependent children", "single-parent family", "family income" and "student" have the meaning given to them. attributed to these terms by the Grant of Allowance Child Law.

(b) The term "single person" means a person who lives alone, not is married or in a civil partnership, does not reside with other adults or dependents and is not a dependent child.

184(l) of 2015  
115(l) of 2020.

(c) The term "symbionts" has the meaning assigned to that term from the Civil Partnership Law."

Amendment  
of article 17 of  
the basic  
law.

11. Article 17 of the basic law is amended by deleting the paragraph 2.

Amendment  
of article 20 of  
the basic  
law.

12. Article 20 of the basic law is amended by replacing of the phrase "three thousand four hundred and twenty euros is subject to taxation at a rate of five cents for each pound" (third and fourth line) with the phrase "five thousand euros (€5,000), subject to taxation at a rate of five percent (5%):".

Amendment of the basic law by adding a new Article 20D.

13. The basic law is amended by adding, immediately after the article 20C thereof, the following new articles 20D, 20E and 20F and of their sidebars:

“Stock options and shares granted under an approved employer incentive plan.

20D.(1) Benefit arising to an employee or director of a company who is a resident of the Republic, from the concession stock options, or the granting of shares based on an incentive plan approved for each employee or manager employer by the Tax Commissioner, is subject to taxation with a rate of eight percent (8%):

Provided that, the amount of such benefit exceeding an amount equivalent to with twice the income of the employee or director from the specific employer, in the year in which the period ends registration, which falls within the scope of paragraph (b) of subsection (1) of section 5 of this Law or of paragraph (b) of subsection (2) of section 5 of this Law, before the inclusion of the benefit provided for in this article, is subject to taxation in accordance with the provisions laid down in PART III and PART V.

It is further understood that, for the purposes of implementing the provisions of this article, the options to purchase shares or the shares granted:

(j) have a minimum vesting period of three (3) years years, which may not begin before the date on which the employer's incentive plan per employee or manager receives the required approval from the Commissioner, and

(ii) may not be transferred before the end of the minimum period registration, and

(iii) concern shares carrying the same rights and obligations as the employer's ordinary shares, and

(iv) have a minimum exercise price, or a minimum acquisition price, accordingly, which may not be lower than fifty (50) percent of the value of the shares on the date of the intended by the Superintendent of approval of the employer's incentive plan, for the a specific employee or manager.

(2) The total benefit subject to taxation at a rate of eight percent (8%), may not exceed the amount of one million euros (€1,000,000), during any ten-year period in which the benefit in question falls. Any benefit exceeding the limit provided herein subsection, is subject to taxation in accordance with the provisions provided for in PART III and PART V.

(3) The provisions of this article do not apply in relation to the granting stock options or the granting shares to an employee or director of a company who constitutes a person connected with the company, in accordance with the provisions of article 33.

(4) The benefit subject to taxation at a rate of eight percent one hundred (8%) based on subsection (1) shall not be added to any other income.

Profits from cryptocurrency transactions  
20E.(1) Profits of any person arising from the disposal of cryptocurrencies, are subject to taxation at a rate of eight percent (8%).

(2) Notwithstanding the provisions of Article 13, any losses arising from the disposal of cryptocurrencies may be offset only with profits from the disposal of cryptocurrencies that arise in the same tax year, and cannot be carried forward and offset against the profit of the company in subsequent years same person, nor shall the provisions of subsections (4) to (5) apply (11) of Article 13.

(3) For the purposes of this article:

(a) The term "cryptocurrency" shall be interpreted in accordance with the paragraph 5 of subsection 1 of article 3 of the Regulation (EU) 2023/1114 the market value of which is represented and essentially derived from the market cryptocurrency value.

(b) The term "disposal of crypto assets" means the sale cryptocurrency, cryptocurrency donation, exchange of one cryptocurrency for another cryptocurrency and the use of cryptocurrency as a means of payment.

(4) The provisions of this article do not apply to case of disposal of cryptocurrencies, which were acquired through means of carrying out mining activity.

(5) Any profit arising from transactions in cryptographic elements, which does not fall within the provisions of this Article, is taxed in accordance with the provisions of Parts III and V of this Law."

Gratuity payments to employees and officials.

20F. (1) The income of a person falling within subparagraphs (iv) up to (vi) of paragraph (b) of subsection (1) of article 5 and in subparagraphs (iv) to (vi) of paragraph (b) of subsection (2) of article 5, which exceeds €200,000 euros, is subject to taxation with a rate of 20%.

(2) The income provided for in subsection (1) shall not be added to any other income.

Amendment of article 29A of the basic law.

16. Article 29A of the basic law is amended by replacing of the phrase "approved stock exchange" (second line) in the proviso to paragraph (a) of subsection (2), with the phrase "regulated market of a recognized stock exchange".

Amendment of article 33 of the basic law.

17. Article 33 of the basic law is amended as follows:

(a) By adding at the end of subsection (2), the following reservation:

"It is understood that the provisions of subsection (1) shall not apply regarding the use of company assets by directly or indirectly by its shareholder or by a person connected to him, to the extent that the shareholder has paid an extraordinary contribution on hidden dividend distribution for the use of specific assets under the provisions of paragraph (b) of subsection (2) of article 3A of the Extraordinary Contribution for the Defense of the Republic Law."

(b) By adding, immediately after paragraph (e) of subsection (3), the following new paragraph (f):

"(f) For the purposes of implementing sub-paragraph (ii) of paragraph (a) of subsection (4), the director or advisor of the company who, either alone or jointly with persons connected with him, according to the Company articles of association or other authorization from the company's shareholders, holds voting rights with at least 50% regarding decisions that received by the company's board of directors, is considered as person connected with the company.';

(c) By replacing the phrase "seven hundred and fifty thousand" euros (€750,000)" in paragraph (a) of subsection (9) with the phrase "two million and five hundred thousand euros (€2,500,000)";

(d) By adding at the end of paragraph (a) of subsection (9) the following two reservations:

"It is understood that in the case of transactions concerning the purchase and sale of goods, the aforementioned limit does not exceed or does not will exceed, based on the principle of equidistance, the five million (€5,000,000), per tax year.

It is further understood that, in the event of financial transactions the referred limit does not exceed or will not exceed exceeds ten, based on the principle of equidistant distances million (€10,000,000), per tax year."

(e) By adding, immediately after subsection (13), the following new paragraph (14):

"(14) The Council of Ministers may, by Decree, published in the Official Gazette of the Republic, to modifies the maximum limit per category of controlled transactions provided for in paragraph (a) of subsection (9), and the maximum limit of controlled transactions provided for subject to the provisions of that paragraph.".

Amendment of Article 33A of the basic law.

18. Article 33A of the basic law is amended as follows:

(a) By deleting in subsection (1) the word "corporate" (first line); and

(b) By deleting in subsection (2) the word "company" (third party line).

Amendment of article 33B of the basic law.

19. Article 33B of the basic law is amended by adding to it the following: the end of subsection (3) of the following two new reservations:

"It is understood that, in the event that the transfer to the Republic assets or the transfer to the Republic of tax domicile of a company or business carried on through a permanent establishment installation, concerns only or also concerns the transfer or transfer of intangibles assets from a third country, for the purposes of implementing the provisions of paragraph (I) of subsection (1) of article 9, as an initial tax value of the transferred intangible assets, the value is considered as that defined by the third country from which such transfer or transfer took place, unless it is not reflects the market value of the transferred intangibles assets.

It is further understood that the value of the transferred intangible assets data from a Member State or third country from which the transfer took place or the transfer, or the market value of such transferred intangibles assets, accordingly, constitutes an acquisition expense for purposes of implementing paragraph (l) of subsection (1) of article 9."

Amendment  
of article 35 of  
the basic  
law.

20. Article 35 of the basic law is amended by adding, immediately after subsection (10), the following new subsection (11):

151(l) of 2024.

"(11) The provisions of this article do not apply in relation to the additional tax imposed outside the Republic by virtue of the application of an appropriate IIR rule and/or a appropriate UTPR rule, as defined in the "Collateral" Global Minimum Tax Level for Multinational Groups Enterprises and Large-Scale Domestic Groups in the Union Law."

Amendment  
of article 36 of  
the basic  
law.

21. Article 36 of the basic law is amended as follows:

(1) By adding in subsection (4), immediately after paragraph (b), of the following paragraph (c):

"(c) If the permanent establishment is situated in another State which is included in a list of third country jurisdictions that have been assessed by the Member States collectively as non-cooperative for tax purposes."

(2) By adding, immediately after paragraph (d) of subsection (5), the following proviso:

"It is understood that, for the purposes of applying this paragraph, the provision of hired services must be carried out entirely and exclusively with the physical presence of the individual within the country in which the employer who is not a resident is resident Republic or within the country in which the permanent establishment is located establishment of an employer who is a resident of the Republic, or in any country outside the Republic where the employer who is not a resident of the Republic or the permanent establishment an employer who is a resident of the Republic carries on business activities activities, and the remuneration relating to such services does not deductible for purposes of calculating taxable income any person resident in the Republic or permanent establishment in the Republic belonging to a person who is not is a resident of the Republic."

Amendment of the basic law by adding the new article 45A.

22. The basic law is amended by adding, immediately after the article 45, the following new article 45A and its subtitle:

"Tax provisions based on other legislation.

45A. Any exemptions or discounts to be found taxable income of a person, are granted only on the basis of provisions of this law:

It is understood that exemptions or discounts to find the taxable income of a person, who on the date of entry into force of the Income Tax (Amendment) Act (No. 3) Law of 2025 are provided based on the provisions of any other law in force in the Republic, continue to be provided, until the amendment or repeal of the said provisions".

Amendment  
of the basic  
law by  
deleting  
article 46.

23. The basic law is amended by deleting article 46.

Amendment  
of the Second  
Schedule to  
the basic  
law.

24. The Second Schedule to the principal law is amended as follows:  
as follows:

(a) By replacing paragraph (1) with the following new  
paragraph (1):

"1. Subject to the provisions of paragraph 2 of this  
Annex, the tax rates for individuals are set out in the  
following Table:

From tax year 2026 and onwards:

Taxable Income	Tax Coefficient
For every euro up to €20,500	0%
For every euro over €20,500 up to €30,000	20%
For every euro over €30,000 up to €40,000	25%
For every euro over €40,000 up to €80,000	30%
For every euro over €80,000	35%

(b) By replacing paragraph (2) thereof with the following  
new paragraph (2):

"2. Companies are subject to corporate tax at a rate of fifteen percent  
one hundred (15%) for each euro of taxable income."

Entry into force. 25. This Law shall enter into force on 1 January 2026.