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HiFX

News Digest

Britons in bid to reclaim Costa tax

Around 300 Britons who sold properties in Spain have joined a class action to reclaim tax they believe they overpaid to the Spanish government, it was revealed yesterday.

Currency exchange brokers HiFX and Spanish lawyers Costa, Alvarez, Manglano & Associates believe people who sold a property in Spain between June 2004 and December 2006 can reclaim 20 per cent of the capital gains tax they were charged.

The Spanish government charged non-Spanish nationals who sold a property during this period tax of 35 per cent on any profits made, while Spanish nationals paid just 15 per cent.

But the government has since been forced to change the law as it contravenes European Community Treaty rules on

discrimination, potentially opening the way for people who paid tax at the higher rate to claim money back.

It was estimated that 4,500 people could be in line for refunds of around £11,000 each, including interest, or around £37m collectively excluding interest.

Press Association