






1. Are coupon payments on bonds made by a Luxembourg company to foreign investors subject to Luxembourg withholding tax [WHT]?

Luxembourg does not levy WHT on interest payments to non-resident investors [both entities and natural persons]

2. What are tax consequences of receiving the bond coupon payments from Luxembourg for tax residents in Latvia, Estonia, Lithuania, Germany and Luxembourg?

Please refer to the table on the right for a brief explanation.

	Instant income from capital		Use of investment account
	Legal entities	Individuals	Individuals
 Latvia	No immediate tax for entities [taxed only upon distribution under CIT regime]	Such income is classified as income from capital and a 25.5% personal income tax [PIT] rate applies.	The moment of taxation [at a personal income tax rate of 25.5%] of the financial income held on an investment account is postponed until such income is withdrawn from the investment account [i.e. the amount withdrawn from the account exceeds the amount, which had been previously paid in].
 Estonia	No immediate tax for entities [taxed only upon distribution under CIT regime]	Interest payments received by Estonian resident individuals from the Bonds are subject to income tax in Estonia [22%].	The moment of taxation [at a personal income tax rate of 22%] of the financial income held on an investment account is postponed until such income is withdrawn from the investment account [i.e. the amount withdrawn from the account exceeds the amount, which had been previously paid in].
 Lithuania	Entities taxed under corporate income tax rules.	From 1 January 2026, profits are taxable at a uniform personal income tax [PIT] rate of 15%, irrespective of the amount.	An investment account scheme gives the opportunity to defer income tax payments until the funds in the account are used for non-investment purposes.
 Germany	Entities taxed under corporate income tax rules.	Profit is taxable at a uniform tax rate of 25% [26,375% including solidarity surcharge plus church tax, if applicable, the rate of which varies depending on the province].	Investment account deferral regime not available.
 Luxembourg	Entities taxed under corporate income tax rules.	A WHT of 20% is withheld on defined interest income paid by a Luxembourg paying agent to resident individuals.	Investment account deferral regime not available.