

Tax Incentives

Category 2



What is Category 2?

If you have substantial assets and you would like to maximise your tax efficiency or protect your assets, you may want to consider becoming a resident of Gibraltar under the Qualifying (Category 2) Individual Rules (“Cat 2”).

Gibraltar is a very attractive jurisdiction from a tax efficient perspective. It is an OECD white listed jurisdiction and one of the very few in the EU with such attractive rules. There is also no Capital Gains Tax, Inheritance Tax or Value Added Tax in Gibraltar.

To qualify for Cat 2 status, you must satisfy certain criteria including the purchase or rental of a suitable property and have a minimum of £2 million in net assets. Once you obtain the status, the tax savings available to you are substantial as you would only be taxed on the first £80,000 of your worldwide taxable income, irrespective of how much your income actually is. The annual tax liability currently ranges between £22,000 and £29,800.

Since you are taxed on your worldwide income, the advantages of becoming a Cat 2 individual extend to your estate planning and may incorporate any corporate structures that you might have in place.

Becoming a Cat 2 resident in Gibraltar will also allow you to enjoy its proximity to historical and cultural Andalucía and the Costa del Sol as well as the Portuguese Algarve, with their beaches and leading golf courses, whilst still availing yourself of Gibraltar’s British influence and sound financial centre, thus allowing you to combine tax efficiency with pleasure, making Gibraltar the perfect choice for you.

Requirements

- Approved residential accommodation.
- Non Gibraltar resident for the five years preceding the application.
- Minimum of £2 million net assets.

How can we help you?

Our services include helping you with your application and searching for a suitable property whilst liaising with estate agents and your lawyers. Furthermore, we can tax efficiently plan your wealth from an international perspective thereby ensuring that you do not trigger deemed tax residency in another jurisdiction.

On an ongoing basis we can provide you with property management services as well as annual tax services including the filing of your annual tax return and provision of any other tax advice you may require.



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