



# Gibraltar

## Holding companies

### Key Facts

**“Gibraltar is the only common law jurisdiction in continental Europe and the only EU country where there is no VAT”**

#### **EU status**

Gibraltar enjoys a special relationship with the European Union. Whilst it is absolutely within the European Union under Article 227(4) of the EEC Treaty by virtue of being a European territory for whose external relations Britain is responsible, Article 28 of the 1971 UK Accession Treaty relieves Gibraltar from the common customs tariff, the common agricultural policy and the harmonisation of turnover taxes, in particular VAT.

#### **Common law jurisdiction**

The legal system is based on the common law and statute law of England and Wales and therefore embodies the advantages and security of British company and trust law.

#### **Standard rate of corporate tax**

The standard rate of corporate tax is 10% on income accrued and derived in Gibraltar. Income which has been accrued in and derived from outside of Gibraltar is not taxable.

#### **Passive income**

Except in the case where the income forms part of the trading receipts (e.g. banks and money lenders) then all forms of passive income such as interest, dividends and royalties are received tax free in Gibraltar.

#### **Capital gains tax**

Capital gains are exempt from tax in Gibraltar.

#### **Withholding tax**

Dividends, interest and royalties are payable free from withholding tax in Gibraltar.

#### **Capital duty**

Capital duty of £10 is payable on the initial authorisation of capital or any subsequent increase thereto.

#### **OECD white listed jurisdiction**

Gibraltar is a white listed jurisdiction for OECD tax transparency purposes having entered into more than the minimum number of Tax Information Exchange Agreements.

#### **Exchange controls**

Gibraltar does not have exchange control. There is complete freedom of movement in respect of all capital and current account transactions, not only with member states of the EU, but with all countries.

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