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## CITIZENSHIP FOR SALE AND TAXATION

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**ISOLAS**



**Roberta and Paul are exceptionally wealthy.**

**What immigration categories (e.g. investor type programmes) might apply to HNWIs such as Roberta and Paul?**



There has been a continuous increase in the demand for the status of High Net Worth Individual (HNWI) residency in Gibraltar. The status of HNWI was introduced in February 1992 by the Government of Gibraltar through the introduction of new low tax limits for HNWIs in order to encourage wealthy individuals to establish a residence in Gibraltar.

First question to ask is whether Roberta and Paul intend to work in Gibraltar?

YES.

HEPSS may  
be an option.

# HEPSS – High Executive Possessing Specialist Skills

A HEPSS individual shall be charged to tax limited to the first £120,000 of his assessable income for the year of assessment under the Gross Income Based system.

## REQUIREMENTS:

The Finance Centre has to be satisfied that—

(a) He possesses skills that are necessary to promote and sustain economic activity of particular economic value to Gibraltar or the establishment, development or growth of which the Government is seeking to facilitate and encourage, and who will occupy a high executive or senior management position and will earn more than £100,000 per annum in Gibraltar;

Finance Centre has to be satisfied that—

(b) Those skills are not available in Gibraltar;

(C) Those skills are important for the economic development and growth of Gibraltar;

## Finance Centre has to be satisfied that—

(d) He has available to him for his exclusive use for the period of the certificate, residential accommodation in Gibraltar, approved for this purpose by the Finance Centre Director or such other public officer as the Minister with responsibility for finance may from time to time designate by notice in the Gazette, adequate for himself and any or all of his family in Gibraltar dependent upon him;



Finance Centre has to be satisfied that—

(e) He has not been gainfully occupied or resident in Gibraltar in any part of the 36 month period immediately preceding the year in which the application is made (although the Minister for finance may waive the requirement of (e)).

Do Roberta and Paul intend to work in Gibraltar?

NO

Category 2



## **Category 2 status BENEFITS**

The benefits of the Category 2 status and residency in Gibraltar are attractive for individuals from countries where levels of personal income tax are particularly high.



A Category 2 Individual will have their Gibraltar tax capped to the maximum calculated on the first £80,000 of assessable income, with a minimum tax payable per annum of £22,000 and a maximum of £29,080.

# ASSESSABLE INCOME

## Percentages Payable

- The first £4,000 of taxable income at the rate of 15%
- The next £12,000 of taxable income at the rate of 24%
- The next £64,000 taxable income at the rate of 40%
- Total £80,000

## Maximum tax payable

- £600
- £2,880
- £25,600
- £29,080

## INTEREST AND DIVIDENDS

Regardless, of an individual's tax category, interest arising from a licensed bank or building society or dividends arising from companies quoted on a recognised stock exchange are not taxable in Gibraltar.



# **WEALTH TAX, CAPITAL GAINS TAX, DONATION AND SUCCESSION TAX**

There is no Wealth Tax, Capital Gains Tax,  
Gift Tax or Estate Duty in Gibraltar.



# RECEIPT OF FOREIGN CAPITAL

There is no tax on the remittance of capital to Gibraltar.



## **Are there are any long term requirements that the family should be aware of in order to maintain their immigration status in your country?**

1. Approved residential accommodation in Gibraltar for the whole of the year of assessment (1<sup>st</sup> July to 30<sup>th</sup> June)- cannot rent or have someone else in occupation. Additionally, the property he holds must also be large enough to house his family.;
2. Keep satisfying the Category 2 requirements each year – such as maintaining financial status is in excess of £2,000,000;
3. Endorse the Category 2 Certificate every 3 years with the Finance Centre – also need to show receipt of payments to tax when doing this; and
4. Each applicant will have to satisfy the authorities that he holds private medical insurance which would cover him and his family in the event of illness in Gibraltar. The individual and his family must not look to the Government of Gibraltar for medical treatment. They must be self-sufficient in this respect.

# RESIDENCY

- Residency can be obtained once the Category 2 tax status has been granted.
- The process for obtaining residency differs depending on whether the Category 2 Individual is an EU National or a non-EU National.
- Residency will be issued where it is in the interests of Gibraltar that such person be issued with such a permit and it can be shown to be of good character .
- Generally, a permit of residence is valid for a period of one year & may be renewed subject to the continuation of the Category 2 status certificate, which certificate remains effective as long as the Finance Centre Director is satisfied, on each anniversary of the issue of the certificate, that the requirements are still met.

Will any of the members of the family be able to acquire citizenship?

Whilst the holding of a permit does not automatically entitle a person to claim citizenship or any social benefit or social security in Gibraltar, children of the family may attend local schools.

Last point to consider: If individual has no taxable income in Gibraltar, ordinary residency on a self-sufficient basis be a better option than a specialist tax status.



Thank you for your time

Sarah L. Miles