

GIBRALTAR
RESIDENCY SOLUTIONS



Category 2 Status

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Expert Wealth
Management &
Financial Solutions

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Category 2 Status

Key features and benefits

CAT2 individuals are taxed under the Allowance Based System ("ABS") on the first £118,000 of assessable income, per year of assessment. This amounts to a maximum tax payable of £44,470 per year of assessment under the ABS. The minimum tax payable income from a CAT2 individual is £37,000. Tax is only paid on income remitted (i.e., physically transferred) to Gibraltar.

Gibraltar property rental income falls outside from the maximum capped accessible income.

Existing CAT2 individuals are required to make a one-off payment in advance of £44,470 by 30 November 2022 and new CAT2 individuals are required to make this payment on confirmation of their status. If individuals leave Gibraltar and their CAT2 certificate is surrendered, this sum is fully refunded.

Individuals can benefit from Gibraltar as an efficient financial services centre, with no inheritance tax, gift or wealth tax or capital gains tax.

Children of individuals with a CAT2 status are also eligible to attend state schools in Gibraltar which follow the UK national curriculum.

Notably, there is no minimum number of days that must be spent in Gibraltar in any year of assessment to enjoy a CAT2 status, however individuals should not engage in any trade, business or employment in Gibraltar, unless agreed in advance with the Gibraltar Finance Centre Director.

GIBRALTAR IS A DESIRABLE JURISDICTION FOR THOSE WITH SUBSTANTIAL WORLDWIDE ASSETS WHO WOULD LIKE TO ENJOY THE FINANCIAL BENEFITS OF COMPLIANT TAX PLANNING COMBINED WITH A UNIQUE MEDITERRANEAN LIFESTYLE.



WHAT IS CATEGORY 2 STATUS?

The Qualifying (Category 2) Individual Rules are governed by the Gibraltar Ministry of Finance and consist of specific rules and requirements that allow certain individuals to establish residence in Gibraltar and benefit from favourable, low income tax treatment. It is particularly attractive to individuals from countries with high levels of income tax, such as Great Britain, Switzerland, Germany and France. This special status is subject to application, and will be granted at the discretion of the Gibraltar Finance Centre Director, once certain criteria have been met. Residence can then be easily obtained once the Category 2 status has been granted.

WHAT ARE THE REQUIREMENTS?

- ▶ The purchase or rental of approved and suitable residential accommodation in Gibraltar, available to the individual and if applicable, their family. Accommodation must be available for exclusive use to the individual and if applicable, their family, for the whole of the year assessment.
- ▶ A minimum of £2 million net assets. The Government of Gibraltar will wish to ensure that the applicant has the means to be financially self-sufficient.
- ▶ Individuals must have been a non-Gibraltar tax resident for the five continuous years preceding the application.
- ▶ Individuals are required to provide a CV listing their qualifications and work experience, and two references for the purpose of confirming their good financial standing. One must be from a recognised banking institution.
- ▶ Individuals must have or take out private medical insurance.

HOW CAN WE HELP?

Our highly experienced team can assist you throughout the whole process, step by step, from an initial consultation to discuss your circumstances, plans and aspirations, right through to submitting an application and obtaining your certificate. We can liaise with local estate agents to ensure you find suitable accommodation, and can help arrange your private medical insurance, as well as completing all necessary paperwork for the application for Category 2 status, and to apply for residency and obtain a Gibraltar identity card and driving licence. We do not provide legal, tax or financial advice and we strongly recommend you obtain professional tax advice prior to application. We work in partnership with leading tax professionals and can help you procure this upon your request.

WHAT NEXT?

If you feel that Gibraltar Category 2 status may be of benefit to you and you wish to find out more, please contact us for an initial, no obligation discussion.



TRUSTED TO DELIVER VALUE

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