

## High Executive Possessing Specialist Skills (“HEPSS”) Preferential Tax Status for Relocated Executives

### Introduction

Gibraltar offers an attractive personal tax regime aimed at attracting executives and senior management to move to here. The regime may also appeal to companies and entrepreneurs considering relocating or establishing a business in Gibraltar.

Individuals qualifying for HEPSS status are limited to tax only on the first £120,000 of their assessable income employment. This equates to a maximum tax bill of £30,000.

### Key Requirements

To qualify for HEPSS individuals must:

- ✓ Occupy a high executive or senior management position within a Gibraltar based business.
- ✓ Earn more than £100,000 per annum in Gibraltar.
- ✓ Possess key skills that are deemed to be of economic value to Gibraltar. This includes not only those relating to existing industry sectors which the Government wishes to promote and sustain but also new ones which the Government is looking to establish, develop or encourage.
- ✓ Have residential property available for their exclusive use in Gibraltar (either bought or rented) and which has been approved by the Finance Centre Director as suitable for this purpose.
- ✓ Not have been resident or worked in Gibraltar for the 36 months preceding the year of the application.

### Award of HEPSS Status

HEPSS status is granted at the discretion of the Director of the Finance Centre, part of the Ministry of Finance.

### Other Taxation

The capping of taxation at £120,000 applies not only to income from the designated employment but also certain dividends, interest, pensions and foreign emoluments. Other types of income may be taxed, however, the maximum effective tax rate on such income will not exceed 25% at current rates.

As well as a favourable income tax regime, Gibraltar has no taxes on:

- ✓ Savings income.
- ✓ Capital Gains.
- ✓ Wealth, gifts, estates and inheritance.
- ✓ Sales (e.g. VAT).

### Company Taxation

- ✓ 10% standard rate, amongst the lowest in the EU.

### How Almanac can help

- ✓ Dealing with the HEPSS application and immigration process.
- ✓ Arranging company formation and statutory registrations.
- ✓ Tax planning to maximise the benefits of HEPSS status.
- ✓ Individualised approach.
- ✓ Independent advice.
- ✓ A wealth of local knowledge and contacts.
- ✓ A fee structure based on results.

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**Notice:** This note provides general information on the Gibraltar tax system which may be of interest. It is not intended to be comprehensive and should not be construed as professional advice. Tax rates are for year ending 30 June 2012.