



A New Place to Call Home

Residency options and implications
for high net worth individuals

Virtual Round Table Series
Private Client Working Group 2017

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Residency options and implications for high net worth individuals

Successful people are heavily focused on wealth creation, but the protection and enjoyment of that wealth is equally important.

Multiple jurisdictions around the world are keen to attract high net worth individuals to invest and reside in their countries, offering incentive schemes in exchange for investment.

Intelligent tax planning can provide access to those schemes, minimising tax on foreign-sourced income and reducing or eliminating other personal taxes, such as capital gains tax or inheritance tax.

Private client advisors can use these incentives to help high net worth families relocate, waiving visa regulations or residency requirements in exchange for a financial investment or a flat tax. The benefits are mutual, giving HNW families access to new cultures while providing a boost to local economies via the influx of wealthy individuals.

With this in mind, IR Global brought seven members of its Private Client Group together to discuss the situation for high net worth clients considering investment or relocation in their respective jurisdictions. The aim of the feature is to give members and their clients valuable insight into relevant incentive schemes and tax legislation. We also assess the real estate markets, company formation requirements and benefits available to people with resident status.

The following discussion involves IR Global members from Italy, Portugal, Malta, United Kingdom, Australia, Thailand and Curacao.



The View from IR

Ross Nicholls

BUSINESS DEVELOPMENT DIRECTOR

Our Virtual Series publications bring together a number of the network's members to discuss a different practice area-related topic. The participants share their expertise and offer a unique perspective from the jurisdiction they operate in.

This initiative highlights the emphasis we place on collaboration within the IR Global community and the need for effective knowledge sharing.

Each discussion features just one representative per jurisdiction, with the subject matter chosen by the steering committee of the relevant working group. The goal is to provide insight into challenges and opportunities identified by specialist practitioners.

We firmly believe the power of a global network comes from sharing ideas and expertise, enabling our members to better serve their clients' international needs.



CURAÇAO

Luis Santine

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Luis Santine is the founder and managing director of InfoCapital and CX Pay; providing diversified advisory services related to international business solutions, e-commerce and payment solutions. InfoCapital & CX Pay serve a wide range of clientele ranging from corporate to small business owners and from institutional to individual investors. InfoCapital is authorised as an accredited investment consultancy company to assist high net worth individuals in applying for the Curaçao investment immigration program in accordance with the individual Investor Permit program of Curaçao.

On an executive level, Luis is predominantly active in the financial sector and is the acting chairman of the board of Curacao Investment & Export Development Foundation (CINEX).

Luis holds a MBA degree in Entrepreneurship & Management and a B.S.B.A. degree in International Business in Finance from the American University in Washington, D.C. Luis is proficient in Dutch, English, Spanish, in addition to Papiamentu.



PORTUGAL

João Valadas Coriel

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João Valadas Coriel is a lawyer since 1995 and an experienced trial lawyer, strong on witness and evidence examination. João pleads frequently to the Portuguese Supreme Court as well as the five Portuguese Regional Appeal Courts. João handles personally the high profile cases for major clients.

João regularly advises CEO's and top directors of Portuguese companies on sensitive cases weighing the pros and cons of settling or moving to full blown litigation.

João co-founded Valadas Coriel & Associados in 2001. Currently managing partner, he leads and coordinates across all VCA Departments.

His expertise and decisiveness are sought to break deadlocks, close deals, and generally to get things to the next level. He excels in leading teams and participates frequently as a speaker at workshops, seminars and conferences in his practice areas.



MALTA

Dunstan Magro

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Dunstan is the founder and managing partner of WDM International, a multidisciplinary professional services firm. His specialist practice areas are audit, tax, business and corporate advisory, and he also holds directorships and acts as a company secretary in a varied portfolio of clients.

Dunstan graduated as an accountant in 1997 from the University of Malta after carrying out research and writing a dissertation entitled "The Financial Implications of Joint Ventures and Mergers within the Perspective of the Competition Act".

He has served as the Honorary Treasurer and as a council member of the Malta Institute of Management, and has served as a Member of the Prevention of Money Laundering and Financing of Terrorism sub-committee of the Institute of Financial Services Practitioners. Currently Dunstan is a Committee Member of the Small & Medium Sized Practices of the Malta Institute of Accountants.

Dunstan has delivered numerous lectures and presentations, both in Malta and overseas, focusing on business ethics and the prevention of money laundering.



UK

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Graeme is the senior partner and head of the immigration department of Gross & Co Solicitors. He practices at the main office of the firm in Bury St Edmunds, Suffolk, and also at the firm's office in London.

Graeme founded and developed the immigration practice of Gross & Co, primarily through recommendations from clients and other professionals, including UK solicitors and overseas lawyers.

He provides a highly personal and cost-effective service of the highest quality, acting for clients from all over the world. His current client list includes international banks, substantial British and foreign corporations, as well as smaller companies and entrepreneurs. He acts as consultant in immigration law to a number of firms of UK solicitors and foreign lawyers.

He deals with all aspects of business immigration, including applications for entrepreneurs and investors, sole representatives, and related family applications. He also provides advice to companies wishing to obtain a Sponsors Licence from the UK Border Agency to employ foreign nationals.



AUSTRALIA

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Daniel is passionate about partnering with his clients to achieve their short-term goals and long-term visions, with respect to their business aspirations as well as their family and investment objectives. He represents a broad range of clients, with a particular focus on high net worth private clients and family offices, both within Australia and abroad.

Daniel has strong tax and business advisory skills and always brings commercial and pragmatic solutions. He advises clients with respect to cross-border business and international tax planning opportunities, and has significant experience in providing advisory services associated with structuring ownership of intellectual property for both asset protection and tax minimisation purposes.

Daniel is a member of the Institute of Chartered Accountants in Australia & New Zealand (CA ANZ), a member of STEP and a Chartered Tax Adviser (CTA).



THAILAND

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Richard Cayne is a pioneer in the Asian wealth management space, catering to high net worth individuals. Originally from Montreal, Quebec in Canada, he started his career in finance in the mid-1990s in Tokyo Japan, opening Meyer Asset Management Ltd with a focus on offshore wealth solutions catering to high net worth Japanese clients. The first such firm run by a non-Japanese.

Richard has helped many wealthy families with wealth creation and succession planning, and always encourages and advocates that families discuss finances with their children.

Richard has subsequently expanded the Meyer Group to Bangkok, Thailand, setting up the operational arm Meyer International Limited and developing ties with more than 200 top financial institutions worldwide.

In 2011 the Meyer Group became part of Asia Wealth Group Holdings Ltd which is now listed on London UK's NEX stock exchange. Richard is actively looking to invite other expanding businesses with a focus on growth in Asia to join Asia Wealth Group Holdings.



ITALY

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Lorenzo Bacciardi heads the Cross Borders Corporate Law Department at Bacciardi and Partners, specializing predominantly in mergers and acquisitions, joint ventures, real estate law, international assignment of employees, strategic international tax planning, law of trusts as well as will and estate planning.

He is particularly experienced in corporate and tax issues related to outbound investments made by Italian clients abroad and to inbound investments made by foreign clients in Italy.

Lorenzo has been a guest speaker in a number of important seminars and conferences both in Italy and overseas, presenting on his areas of expertise. In November 2010, he was elected Chairman of the Eurojuris International Business Group, an office he held until October 2014.

Lorenzo holds a Master of Laws (LL.M.) in International Corporate Transactions and International Taxation from the Temple University James E. Beasley School of Law in Philadelphia, USA.

QUESTION 1

What tax legislation should high net worth individuals relocating to your jurisdiction be aware of?

Portugal –Joao Valadas Coriel (JVC) Portugal offers investors, pensioners and qualified professionals the 'Non Habitual Tax Resident' (NHTR) status which grants full exemption on most classes of foreign sourced income like pensions, dividends, interests and royalties. Couple that with an extensive network of bilateral treaties to avoid double taxation and all of these classes of income will benefit from limits on taxation in the country of origin, of between 5 and 15 per cent.

This status is guaranteed for ten years and is applicable on any monies you remit to Portugal. NHTR requires you to be considered tax resident in Portugal, spending 183 days a year in the country or alternatively having a centre of interest in Portugal (assets, job, kid's schooling). Portugal sourced labour income, on a contract or self-employed, is taxed at a capped 20 per cent.

If you are not a citizen of an EU country, you should apply for a Golden Visa which entitles you to free movement within the EU Schengen Zone and opens a direct path to full citizenship after five years.

Golden Visas holders can become NHTR, but if they don't want to reside in Portugal they just have to spend seven days in the country during the first year and 14 days in every two years after that.

Portugal has a wide array of treaties to avoid double taxation, based on the OECD model. Let us say, for example, you are a Belgian with a lot of equity in a listed company. In Belgium the tax on dividends is 30 per cent, but if that person came to live in Portugal and obtained the status of Non Habitual Tax Resident, he or she would not pay any tax on foreign-sourced dividends. The tax treaty would then limit the amount of tax Belgium could charge on those dividends to 15 per cent, meaning the tax bill would be halved.

When I meet high net worth (HNW) individuals, I know that if their wealth is based broadly on dividends or royalties - or even on wages or self-employment - this could be a very interesting proposition for them.

The cherry on top of the cake in Portugal is no inheritance tax, although bequests to non-relatives are capped at 10 per cent stamp duty.

Australia –Daniel Baldovin (DB) Individuals arriving on certain temporary visas (e.g. the 457 visa which was recently announced to be revoked in favour of two new visa subclasses) may be eligible for 'temporary resident' status. This means that their non-Australian sourced investment income and capital gains may be exempt from Australian tax. This is very important given citizens and permanent residents are generally taxed on worldwide income and capital gains, with our marginal tax rate currently at 49 per cent.

In terms of tax residency and what is caught in the Australian tax net, there are complexities associated with HNW individuals who migrate to Australia using the Significant Investor Visa (SIV) or Premium Investor Visa (PIV) - so it is imperative that pre-migration tax planning is undertaken for HNW families planning to move to Australia.

In addition, Australia has both direct tax and indirect tax regimes, imposed at federal and state level, which HNW individuals should be aware of. Due to increased data matching activity and a move towards harmonisation of state taxes, it is important to understand the correlation between these different taxing regimes so that a HNW family is not inadvertently subject to punitive taxes on their income and assets.

Australia doesn't have any inheritance or gift tax regimes, which could be advantageous for any families looking to move to Australia. Basically, there is no succession tax.

Thailand –Richard Cayne (RC) What are the qualifications for that visa?

Australia –DB The criteria surrounding the two new skilled migration visa subclasses are aimed at aligning the skills needs in the Australian labour market with those individuals seeking to migrate to Australia. We are still waiting for the government to provide us with a list of professions covered by the two new visa subclasses dealing with temporary resident status.



Richard Cayne, pictured at the IR 'On the Road' 2017 Conference in Singapore.

However for the SIV and PIV, these are investment-based visas and each require complying significant investments into the Australian economy.

Portugal –JVC If I am a foreigner and I don't want to be a permanent resident, but I just want to buy a property in Sydney – do I have to go through a foreign investment review board?

Australia –DB If a foreign investor is not a citizen or a permanent resident, then they do need approval before they can purchase real estate in Australia.

Portugal –JVC Is it just a formality?

Australia –DB It depends on why you are intending you buy the property. The government has cracked down on foreign property investment into Australia, because investors were buying property and leaving it vacant, which impacts property prices in Australia.

Thailand –RC The biggest advantage for high net worth individuals (HNW) to relocate to Thailand, is that there is no tax on capital gains or overseas income, as long as it isn't brought in to Thailand in the same tax year as it's made.

There is income tax on domestically earned income which goes up to 35 per cent on graduated levels. Though for a high net worth individual with assets and income overseas, the tax regime is similar to that in jurisdictions such as Hong Kong or Singapore in so far as there is no overseas taxation making it very tax favourable.

Portugal –JVC Are there restrictions on property purchases in South East Asia?

Thailand –RC Yes, there are restrictions all over South East Asia. The Condominium Act prevents foreigners from owning more than 49 per cent of the aggregate unit space in a condo project, so, for example, if there is a development of 100 condos, then foreigners can buy 49 per cent of that, effectively owning 49 condos in that development. Many buy on that basis.

Italy –Lorenzo Bacciardi (LB) Italy has introduced an attractive tax regime for high net worth individuals moving to, and becoming tax resident in, Italy.

An individual is deemed to be an Italian tax resident if they are either enrolled in the registry of the Italian resident population, or make Italy the centre of their economic, social and personal interests, or have an Italian habitual abode available to them for at least 183 days per year. Hence, subject to possible dual resident status analysis, individuals may opt to transfer their tax residence in Italy to benefit from this new regime.

The regime enables eligible taxpayers, who have not resided in Italy for at least nine out of the 10 years preceding the year of the transfer, to opt to be taxed in Italy on their selected foreign-sourced income by paying a flat annual charge of 100,000 Euros. The election has a validity for a period not exceeding 15 years and can be revoked at any time.

The eligible taxpayer may further choose to extend the application of the regime to one or more relatives, as defined by the Italian Civil Code, to the extent that such relatives also derive foreign source income and that they relocate their tax residence to Italy. In such a case, the yearly substitute tax will be increased by 25,000 Euros for each relative joining the regime. Thus, the increase does not apply if the relative is a minor without income.

It should be noted that the Italian Tax Authorities have recently issued updated guidelines designed to aid the application of this new regime which may influence its interpretation.

Italian-source income and non-selected foreign-source income are subject to ordinary Italian taxation. In fact, the taxpayer may elect not to apply the regime to income sourced in certain foreign countries. Such foreign-sourced income will, therefore, be subject to Italian statutory taxation, although it will benefit from the provisions of the treaties for the avoidance of double taxation where applicable.

The individual income tax rates for Italian income range from 23 per cent to 43 per cent, depending on the tax bracket, and we do have a law on inheritance tax that provides for a de-minimis exemption of 1 million Euros. Anything below 1 million Euros is exempted, while anything in excess may be subject to tax of 4 per cent - 8 per cent, depending on the status of the family member receiving the assets.

Portugal –JVC What if you leave your property to a friend?

Italy –LB 8 per cent tax applies to non-families.

Thailand –RC Does the flat charge apply to children?

Italy –LB No, the 25,000 Euro charge applies to accompanying relatives who have a foreign source income to report to the Italian tax authorities and to submit to taxation in Italy in accordance with the new tax regime. Therefore, family members or relatives, such as minors, who do not derive income at all, irrespective of whether the income is of foreign source, are not requested to pay the Euro 25,000 charge.



Lorenzo Bacciardi, pictured at the IR 'On the Road' 2017 Conference in Singapore.

UK –Graeme Kirk (GK) The major advantage for high net worth individuals relocating to the UK is the ability to maintain non-domiciled status for at least the first few years of residence.

The advantage of non-domiciled status is that a non-domiciled resident of the UK is taxed on a remittance basis, which means that they only pay UK income tax on UK-sourced income and overseas income only if the income is remitted to the UK. In addition, assets outside the UK are not subject to UK inheritance tax.

The domicile rules have changed recently to affect the position of individuals who have lived in the UK for a number of years, but the basic principles governing the arrival of a non-domiciled individual to the UK remain the same. It is absolutely vital that pre-arrival planning should be carried out to segregate capital and income sources, to ensure the ability to bring in capital on an ongoing basis free of tax.

Curaçao –Luis Santine (LS) Resident tax payers are taxable for their worldwide income and non-resident tax payers only for source income generated in Curaçao. The standard corporate profit tax rate is 22 per cent, whereas individual taxpayers are subject to progressive income tax rates of between 9.75-46.5 per cent on ordinary income, and to a fixed income tax rate of 19.5 per cent on certain type of passive income, such as dividend income.

However, certain investments may be held through companies fully exempted from profit tax, whereby the shareholders are attributed an annual deemed income based on 4 per cent of the company's equity irrespective of the actual profit distribution.

In short, this results in an effective personal income tax rate of only 0.78 per cent (19.5 per cent of 4 per cent deemed income). This makes the fully exempt company in Curaçao a fiscally attractive vehicle for individuals to use as an investment vehicle.

A 10 per cent income tax rate is also possible under the so-called pensioner's regulation for persons who have reached the age of 50 and have not been resident in Curaçao for five years before taking up residency. This can reduce the burden of income tax significantly.

Furthermore, Curaçao does not levy withholding taxes on dividends, interest or royalties, and it does not have net wealth tax or capital gains tax.

Malta –Dunstan Magro (DM) EU and non-EU citizens have different rights and possibilities when residing in Malta.

Anyone intending to reside in Malta for more than three months is obliged to apply for a residence permit, and are then taxed on income at the normal progressive income tax rates (the current maximum rate is 35 per cent) applicable to the chargeable income of every Maltese resident. The rate can be mitigated to 15 per cent under a number of tax schemes provided by Maltese tax legislation.

The basis for taxation under the Maltese tax system are based on domicile and residence. Individuals who are ordinarily resident but not domiciled in Malta are taxed on a remittance basis. This implies that such individual is only charged to tax on foreign-sourced income which is remitted to Malta, on locally sourced income and capital gains. Capital gains and capital sums remitted to Malta are not charged to tax in Malta.

The income tax rates which are applicable to Maltese residents, are also applicable to ordinary residence permit holders.

Maltese tax legislation does not impose any inheritance or wealth taxes, but stamp duty is payable in defined circumstances.

The Maltese Government introduced the Global Residence Program (GRP) in July 2013, with the main aim of attracting wealthy individuals seeking to obtain residence in Malta. The scheme is particularly appealing to non-EU nationals who sought to obtain residence in Malta under the previous rules catering for High Net Worth Individuals (HNWI) which carried a considerably higher price tag.

The new rules confer an advantageous tax status to qualifying Third Country Nationals (TCNs), namely a 15 per cent rate of tax on all foreign income remitted to Malta. The program seeks to attract individuals and their families including business people, pensioners, consultants and holders of intellectual property rights, to Malta.

QUESTION 2

How easy is it to complete a real estate transaction in your jurisdiction as a non-citizen and what are the typical costs involved?

Curaçao –LS There are no restrictions on non-residents purchasing real estate and/or land on the island. A transfer tax of 4 per cent of the value of the property is levied upon the sale of real estate. Also, an annual property tax is generally levied, ranging between 0.4-0.6 per cent, depending on the value of the property.

The transfer of real estate has to be performed by notarial deed, and the notary will also be responsible for withholding and payment of the due transfer tax. The buying and/or selling party does not have to be physically present, as the sale can be performed by power of attorney.

Locally financing the purchase of local real estate is also possible. The mortgage rates in Curaçao are generally between 5.5 per cent-6.5 per cent.

Price per square meter depends strongly on location and purpose of usage (residential vs. business). Residential prices typically vary anywhere between USD140 and USD280 for properties in gated communities and USD60 and USD140 for properties that are more accessible to the general public.

Portugal –JVC In Portugal, anybody from anywhere can buy real estate. The buyer will pay a transaction tax of 6 or 6.5 per cent plus stamp duty at 0.8 per cent.

Brokers will charge 5 per cent, but are always paid by the seller. Typical conveyance and due diligence fees by lawyers will be anything from 1 per cent to 2.5 per cent of the purchasing price.

Deeds are always performed by a notary unless you buy with bank financing in which case the deed can be entered at the bank. All real estate transactions are registered both at the tax office and at a central land registry.

Investors who buy to let will pay a flat tax of 28 per cent on net income deducted from expenses related to the property (condo, estate tax, repairs), plus a capital gains tax of 28 per cent upon selling with a profit.

To be part of the golden visa programme I mentioned earlier, you must invest in Portuguese real estate to the amount of 500,000 euros and in some cases only 350,000 euros. This provides access to all 26 countries in the EU's Schengen area without a visa and is attractive for non-EU citizens.

The good thing about the programme is that you can sell the property at any time, rent it out or mortgage it, as long as you maintain an investment of 500,000 euros free of encumbrances.

Portuguese banks are offering eligible foreign buyers in selected properties loans up to 75 per cent of the value of the property. Interest rates are now between 2.5 and 3.5 per cent.

Property in Portugal is hot right now. We have seen large numbers of Brazilian, French, Italian, Chinese and Turkish people investing, because of affordable property prices, political stability and a most open, secure and friendly society.

UK –GK There are absolutely no restrictions on non-residents or foreign nationals acquiring UK property and the process is relatively straight forward, although it is certainly difficult, if not impossible, to obtain a mortgage from a UK bank for a non-resident.

Real estate prices depend entirely on the location of the property and there is, of course, a huge difference in the price of prime Central London property to the price of property in other areas of the UK.

Stamp Duty is payable at escalating rates according to the value of the property and also whether it is a second home or one being purchased as a buy-to-let venture. Additional Stamp Duty is also payable if UK property is purchased by an offshore company, which used to be a very popular way for UK non-domiciles to acquire UK properties.

All property transactions in the UK can be carried out by qualified lawyers or licensed conveyancers and there is no requirement to use notarial services as in civil countries.

Malta –DM Citizens of all European Union member states who have resided in Malta continuously for a minimum period of five years may freely acquire immovable property without a permit under the Immovable Property (Acquisition by Non-Residents) Act, Chapter 246 of the Laws of Malta. Those living in Malta for less than five years require a permit.

Individuals who are not citizens of a European Member state may not acquire any immovable property unless they are granted a permit.

A commercial partnership established in and operating from a European Union member state may freely acquire immovable property and at least 75 per cent of its share capital can be held by a person (or persons) who is a European Union Member state citizen.

Any other body of persons will require a permit which is only granted if the property is required for an industrial or touristic project or as a contributor to the development of the economy of Malta.

There are defined zones in Malta, referred to as special designated areas, where there are absolutely no restrictions to acquisition. There is also no restriction on acquisition through inheritance and there are also several other special exemptions.

The minimum purchase price for an immovable property by a non-resident is:

- 110,469 euros for the purchase of an apartment or maisonette;
- 184,469 euros for anything else

Once a property is acquired through an AIP (Acquisition of Immovable Property) permit, the following conditions have to be met;

- the immovable property is to be used for residential purposes
- a copy of the notarial deed is to be submitted to the AIP section after its publication

- the immovable property may not be sold in part, or turned into more than one dwelling house

Any property acquired by AIP permit cannot be rented out, unless it is valued at more than 233,000 euros, has a swimming pool and is registered with the Hotel and Catering Establishments Board. Foreign-owned properties can only be rented out for short-term lease agreements.

The standard rate of duty is 5 per cent of the purchase price of the immovable property. If the buyer is a European Union Citizen purchasing a property as their sole ordinary residence, then a preferential rate of 3.5 per cent applies to the first 150,000 euros of the price.

Notary fees are normally about 1.5 per cent to 2.5 per cent of the property price and are normally paid in two stages. In cases where estate agents are appointed, typical fees would be between 3.5 per cent – 5 per cent.

Australia –DB Any non-residents or non-domiciles have to apply to the foreign investment review board for approval to buy residential or commercial real estate in Australia. It can be difficult for non-permanent residents to obtain finance, but there are ways around that.

Real estate prices are generally high throughout Australia, although pricing will vary significantly between different states and territories, as well as between the capital cities/ metropolitan areas as compared to land that is in more remote/rural locations.

In the eight different states or territories there is different stamp duty and other incidental costs associated with buying the property, based on market value. There is also a land tax payable annually.

In terms of disposal, there would be capital gains tax concessions may be available. For instance, certain investors may be eligible for a 50 per cent discount on the taxable capital gain where If a property is held for more than 12 months, a 50 per cent discount is available on the gain. It is important to note however that generally non-residents are not eligible for this discount.

All property transactions in Australia may be completed by qualified lawyers or licensed conveyancers and there is no requirement to use notarial services as in civil countries.

Thailand –RC It's easy to get into real estate here. Non-residents can purchase as much as they like, subject to the Condominium Law. It's been a pretty buoyant market over the last five years and should keep moving ahead strongly as political stability increases.

In terms of taxes, for a buyer there is a transfer in tax to pay of 1 per cent and for the seller up to approximately 6 per cent of the transaction value, but it's not too onerous and fairly easy. In terms of ownership of land or full assets there is a need for structuring and legal guidance.

Italy –LB It is easy to complete a real estate transaction in Italy for both non-citizens and non-residents.

The real estate transaction is usually assisted by both an attorney and a notary. The attorney is responsible for structuring the transaction from a legal and contractual point of view, while the notary must handle all the formalities connected with the execution of the notarial deed by way of which the property title and rights are transferred from the seller to the purchaser.

It is mandatory for a non-citizen to seek and obtain an Italian Tax Identification code (codice fiscale) prior to entering into a real estate transaction. The identification code may be applied for directly or through a properly appointed proxy.

It is customary, although not obligatory, for the seller and buyer to sign a preliminary contract known as a "contratto preliminare di compravendita" or "compromesso" which sets out essential details of the agreement, such as the purchase price, payment terms, financial sources and, most importantly, the purchase completion date.

A variety of fees (also called closing or completion costs) are payable when you buy a property in Italy. These vary considerably according to the purchase price, whether the property is new or old, whether the purchaser is buying via an agent or privately, and whether it has employed a lawyer or other professionals.

The fees associated with buying property in Italy may include transfer tax, land registry tax, value added tax (VAT), notary and estate agent fees, and mortgage completion costs. Transfer taxes may range from 3 per cent to 10 per cent. If you purchased property from a building company, VAT will most likely apply in lieu of registration tax.

Both the seller and the buyer pay broker fees, which range from 1 per cent – 3 per cent depending on the value of the real estate being purchase. If the real estate is then resold after more than five years, full exemption on capital gains tax applies.

Portugal –JVC A full exemption, regardless of whether it's an investment property?

Italy –LB The full exemption applies if the high net worth individual resells the real estate after five years from the date it was purchased. If the five year period has elapsed on the date it is resold, then the real estate sale transaction qualifies for the capital gain tax exemption under reference irrespective of the fact that property was initially purchased as residential or investment property.

Conversely, if the high net worth individual wishes to sell the real estate prior to the five-year term expiring, then the high net worth individual must prove that the property has been used as their own private house in order to qualify for the capital gain exemption under reference.

Portugal –JVC So, if I bought 10 apartments in my own name and keep them for five years, I would be exempt from CGT when I sold them?

Italy –LB Yes, provided that you owned the apartments as an individual and not through a legal vehicle.

QUESTION 3

Once you become a resident what can you expect to receive as benefits?

Australia –DB Permanent residents and citizens have access to Medicare, our public health care system. Some temporary visa holders (broadly those from jurisdictions with whom Australia has a Reciprocal Health Care Agreement) may have limited access, but generally are excluded. Those eligible for Medicare benefits are liable to pay Medicare Levy imposed at up to 3.5 per cent of annual taxable income.

Access to state schools is also based on permanent residency, but voting rights are limited to Australian citizens.

Pension rights are generally based on permanent residency and are typically assets and/or means tested.

UK –GK Residents in the UK have access to universal healthcare. Foreign or non-EEA citizens, who hold temporary residence rights for more than six months, are entitled to access state sponsored health care, but only having paid what is called the NHS surcharge of GBP200 per year for use of the facilities. No other benefits are available until the resident acquires permanent residence rights, at which time NHS care becomes free as well.

There is also free access to state schools, but no voting rights until the individual becomes a British citizen, unless they are already a citizen of qualifying commonwealth countries.

Pension rights need to be accrued by years of contributing to the National Insurance Scheme.

Malta –DM Free access to health services is available, in much the same way as in the UK and mainland Europe. There is a choice of private or public healthcare, with the publicly-run health centres being the first option for non-emergency consultation.

Foreigners residing in Malta are entitled to educate their children on the island. If both parents are in employment, the children may be eligible to use the free childcare scheme. This is valid for children from three months to three years. The compulsory age for schooling is from five years. Temporary residence is also granted for the entire period of education to students in any private school, college, or at the University of Malta. If the student is under-age, his or her legal guardian can apply for Malta residence to accompany him or her.

No tax is chargeable on capital gains which arise overseas but which are remitted to Malta, providing interesting tax planning opportunities.

Malta has an extensive network of double taxation treaties (DTT). Most treaties are based on the OECD Model Convention, and relief is granted under the credit method whereby a credit for the foreign tax paid is given. Where no DTT exists, then domestic unilateral relief largely achieves the same outcome.

No death tax is payable in Malta, except on real estate situated in Malta (5 per cent), or the inheritance or purchase of shares in Malta companies (2 per cent).

No such duty is payable on share transfers by shareholders in trading companies who have a majority of their business interests outside Malta (subject to certain criteria), or where more than half of the ordinary share capital, voting rights and rights to profits are held by persons who are not resident in Malta.

Curaçao –LS The basic healthcare insurance (BVZ) in Curaçao, provides a uniform insurance for all residents. Those who have private health care insurance can be exempted from the BVZ contribution if certain conditions are met, while the AOV (old-age pension) contribution applies for all residents of Curaçao who (from March 1, 2013) have not reached the age of 65 yet, regardless of their nationality.

The education system of Curaçao is modelled on the Dutch system and provides education in public schools, private schools and parochial schools. Adding to this, primary education is compulsory from the age of six, for a duration of six years. This is followed by five to six years of compulsory secondary education.

Only residents of Curaçao over 18 years of age with Dutch citizenship have the right to vote.

Italy –LB An individual, who is not an Italian citizen, but who is a holder of a resident permit in Italy, usually receives:

- All the civil and social rights attributed to Italian citizens;
- The right to seek judicial remedy in case of breaches to his/her civil and social rights.

As per the Italian Immigration Law (Testo Unico sull'Immigrazione), foreigner citizens residing in Italy are, based on the type of their stay permit, either mandatorily recorded or allowed to be recorded within the National Health System (Sistema Sanitario Nazionale).

Voting rights are accorded solely to Italian citizens. However, EU Nationals residing in Italy are allowed to vote and to be voted with respect to the election in the Italian town municipality in which they are currently residing. Holders of residence permits are entitled to the same benefits as nationals for as long as the permit is valid.

The Italian National Health Service (SSN) provides assistance to foreign nationals living or working in Italy. The services are differently provided depending on whether the foreign national is an EU citizen or a non-EU citizen.

EU citizen does have direct access to the medic care and assistance provided by Italian public facilities, while instead the EU Member State of citizenship will ultimately bear the cost of any medic care and assistance provided by the SSN.

Non-EU citizens, with regular residence permit valid for more than three months, as well as their dependent family members, are entitled to voluntary registration with the SSN following the payment of a yearly contribution charge.

Thailand –RC Most expats buy private health insurance and many of the hospitals in Thailand offer world class, top end quality healthcare. There are currently 53 JCI approved hospitals in Thailand.

Thailand is often featured at the top of the list in Asia for medical tourism of which there are currently over two million visits to the Kingdom per year seeking medical care from abroad. As healthcare is a major consideration when moving to another country, Thailand certainly ticks that box above many other tax favorable jurisdictions.

Portugal –JVC In Portugal every lawful resident is entitled to full health coverage by the Serviço Nacional de Saúde (NHS), ranked 12th in the world by the World Health Organisation. In addition to this public service, there are free available private health institutions and professionals. The private hospital network has long-standing relationships with the major international insurance companies.



Luis Santine, pictured at the 2017 Dealmakers Conference in Barcelona.



Joao Coriel, pictured at the 2017 Dealmakers Conference in Barcelona.

In order to make overseas patients feel more comfortable, hospitals are implementing personalised patient care and monitoring services, with English as the language of communication.

The Community Regulations for the Coordination of Social Security Systems has established a situation of equality with nationals, when moving within the European Union (EU), regarding social security rights and illness.

Non-residents European citizens who require healthcare from the National Health Service, must present their European Health Insurance Card (EHIC). If they are not a EHIC holder, they must request a EHIC Temporary Replacement Certificate from the member state they are resident in.

Foreign residents in Portugal, coming from EU member states, European Economic Area or Switzerland, but not registered in any European social security system, need a registration certificate from the City Council where they are resident. After establishing the entitlement to healthcare, the Centre for Social Security will issue a beneficiary number for the National Health Service. With this number, foreign residents in Portugal can access primary care and hospital care.

There are bilateral agreements between Portugal and third countries, that allow equal treatment of nationals in a situation of stay or residence in Portugal, covering social security and illness. The countries with bilateral agreements, which include this protection are Andorra, Brazil, Cape Verde, Quebec, Morocco and Tunisia. These bilateral agreements cover workers, pensioners and their families.

If citizens of these jurisdictions require care, they must present their entitlement document. The respective invoicing for treatment will then be presented by the NHS to the country of residence for payment.

In Portugal, from pre-school to higher education, you can opt either for a state school (free until university) or a private school.

The Golden Visa Program allows the investor to extend the application to family members who are dependents, such as children, spouses and parents, with no further investment requirements. Investors' families interested in relocating are able to enjoy all the benefits of Portugal's social welfare if enrolled in employment. This includes free access to the public health system, enrolment of children in public schools and access to the country's retirement pension.

QUESTION 4

How easy is it to set up a limited company in your jurisdiction?

UK –GK It is extremely easy to set up a limited company in the UK and it can be done within 24 hours. Employees' rights remain substantial, although employees are not protected to the extent that many employees are protected in continental Europe. Corporation Tax is currently charged at 20 per cent, while grants and tax breaks are available in certain sectors and regions, normally operated through the Department for Business & Innovation.

Curaçao –LS It is relatively easy to set up a limited liability company in Curaçao. Once the necessary documentation regarding shareholders, directors and UBO's is gathered. In this regard, the notary, who will incorporate the company, will generally also take care of registration with the Chamber of Commerce and the filing of a request for a business licence.

Following the formal incorporation, the company will have to be registered with the local tax authorities. The statutory profit tax rate for corporations is 22 per cent. However, companies which almost exclusively perform activities outside of Curaçao can apply for special regimes which grant effective tax profit tax rates of 2 per cent or 3.19 per cent. Furthermore, companies which almost exclusively perform treasury, licensing, investing and/or holding activities, are eligible for a complete profit tax exemption.

Australia –DB A limited company may generally be established within 24 hours in Australia.

Employees are protected by a comprehensive mandatory employment law regime in Australia, and there are severe penalties (including personal and criminal liability for the Directors) for non-compliance with the relevant laws (including tax withholding and remittance).

Corporate tax is generally at 30 per cent, and where a company is regarded as a 'small business' they may qualify for a 27.5 per cent tax rate. Australia also operates an imputation system to avoid double tax at company and individual shareholder level.

Grants and tax breaks are available in certain sectors, for instance, the agricultural industry has access to various primary production concessions. We also have a growing incentive/grants scheme directed at fuelling R&D activity, and encouraging investment in start-ups and business innovation.

Italy –LB A foreign national may easily set up a company in Italy to use as a vehicle to do business in Italy.

The legal steps involved in establishing a legal entity are similar for most types of companies and require drafting of Company Articles and Memorandum of Association, pre-payment of share capital, submission of deed of incorporation and registration with the Companies' Register among other things.

Fees and costs will be around 2,000 - 4,000 Euros, with other registration fees being in the region of 300- 600 Euros. A legal entity can be fully established and operative within approximately 20 days.

An EU national can freely be appointed as director of an Italian company. Generally, a non-EU national can be appointed as director of an Italian company. In some instances, a non-EU national, depending on his/her country of citizenship, can be appointed only if a valid Visa and resident permit is granted.

Directors can be held liable in the following circumstances:

- Liability for the improper execution of their tasks as directors;
- Liability for the violation of Italian corporate laws or the charter of the company;
- Liability for wrongful acts and/or for gross negligence.

Corporate tax applicable to incomes derived by an Italian company is normally subject to a corporate tax with a tax rate equal to 24 per cent.



Graeme Kirk, pictured (left) at the 2016 Annual Conference in Amsterdam.

Malta –DM A limited liability company is the most common form of business entity in Malta. It may have the status of a public or private company and can be registered within a maximum of 48 hours.

All companies registered in Malta require a Maltese registered office address. A minimum authorised share capital of 1,165 euros is required for a private company and 46,588 euros for a public company. A private company may have up to 50 shareholders, while the maximum number of shareholders of a public company is not capped. Usually the minimum number of shareholders is set at two, even though single member companies can also be set up.

Any company must have a company secretary who is not necessarily a resident of Malta.

Annual returns must be filed with the Registrar of Companies, along with a minimum payment of 85 euros, which depends on the authorised share capital. Annual audited financial statements should also be filed with the Registrar of Companies along with the auditor's and director's report.

Before registering a company, subject persons will carry out rigorous client due diligence and KYC procedures, in accordance with their obligations arising from the Prevention of Money Laundering Act, Chapter 373 of the Laws of Malta and the Prevention of Money Laundering and Funding of Terrorism Regulations.

Portugal –JVC An 'off the shelf' company, where you do not choose the name or the status, can be set up within 24 hours. The company will be able to trade immediately. The name, bylaws and scope of business can later be amended.

We normally recommend following the regular process that takes about eight to ten working days, since it allows for:

- the choosing of the company's name;
- choosing a trader scope of activities and CAEs (economic activities code);
- the bylaws are submitted by the company and can be tailor-made;
- the beginning of trade can be postponed until necessary.

Opening a bank account will take longer since every bank needs to perform its Know Your Customer (KYC) duties, while operating in certain areas of business under regulation might require further licensing.

Every trading company will have to perform a certain amount of reporting to the tax authorities and social security and shall have a certified accountant. Managers and directors don't have to be resident, but, if from a country outside the EU, they must have a local tax representative.

Corporate tax is currently at a nominal rate of 21 per cent.

QUESTION 5

Is there anything unusual or special about your jurisdiction that private clients considering relocation should know?

Portugal –JVC Apart from the Non Habitual Tax Resident (NHTR) and Golden Visa programs, I would stress Portugal's liberal outlook. Portugal not only accepts gay marriages, it allows marriage between any two gay foreigners, a disposition of the law which has proven popular among citizens of countries where gay marriages are forbidden. Portugal also recognises gay marriages entered into elsewhere in the world.

Portugal is a secular country and no religion is promoted in public schools, nevertheless there are score of schools run by religious organisations. Drug use is not a crime, but it's not legal, which means that in theory drug users can be subjected to a fine.

Marrying a Portuguese citizen gives you the right to become a resident and opens the road to citizenship. As for divorces, generally Portuguese courts gain jurisdiction after a few months of residence; in a divorce, former spouses are not expected to maintain the lifestyle they had while married. As far as child custody is concerned, the norm is for both parents to share custody.

Australia –DB Australia operates in an established and very comprehensive tax compliance and regulatory environment that is rigorously policed. Therefore, it is important that, in taking up the opportunity to migrate to Australia, HNW families understand and comply with our various laws and regulations, prioritising the planning.

As Australia tightens eligibility for skilled migration visas, there is an increased focus on investment-based visas, such as the SIV. This should be beneficial to the majority of HNW families seeking to relocate to Australia.

UK –GK For foreign nationals coming to live in the UK under the UK Immigration Rules, there is normally a requirement to spend at least 185 days per year in the UK, which is more onerous than for some other countries.

Apart from this, the non-domicile rules are the most important factor to bear in mind. The UK remains an extremely popular place for foreign nationals to bring their families on account of security, culture, English language and the quality of our private schools.



Joao Coriel, pictured at the 2017 Dealmakers Conference in Barcelona.

Curaçao –LS Curaçao has an open and market driven economy where foreign investors can own property and where no restrictions exist with regards to repatriation of profits or invested capital. Foreign persons investing in Curaçao may apply for the incentives included in the Investors Decree, under which the following may be granted to the investor and his family members:

A residency permit of 3 years in case of an investment USD 281,000, five years in case of an investment of USD 420,000 or for an indefinite period in case of an investment of USD 838,000. It is required however that the persons for whom admittance is required have a private health insurance policy.

The residency permits may be renewed for equal periods of time in case the circumstances with regard to the conditions for residence have not changed. The investor permit is the fastest way to come and invest, work and live in Curaçao.

Malta –DM The Maltese government recognises an increased need for highly qualified professionals in target sectors such as the aviation, financial services and gaming industries.

Malta's Highly Qualified Persons Rules are an incentive to attract highly qualified people to occupy 'eligible office' within companies recognised by the Malta Financial Services Authority, companies licensed by the Lotteries and Gaming Authority and companies holding an Air Operators' Certificate. Foreign individuals, who are not domiciled in Malta, may take advantage of the Highly Qualified Professionals Rules.

Under these rules, EU/EEA/Swiss nationals can benefit from a 15 per cent annual income tax charge for a consecutive period of five years, while non-EU nationals benefit from the reduced tax charge for a consecutive period of four years. However, individuals who have already been employed prior to 1 January 2009 cannot benefit.

Complementing the Highly Qualified Persons Rules are the Qualifying Employment in Innovation and Creativity (Personal Tax) Rules allow for eligible persons to benefit from a 15 per cent income tax rate. For an employee to qualify under these rules, the employee ought to occupy an eligible office and have a minimum salary of 45,000 euros.

Subject to certain criteria, other tax friendly programs are available, including the Malta Individual Investor Program, the Malta Residency and Visa Program, and the Malta Retirement Program.

Italy –LB Italy has recently passed a new set of laws around a new investment immigration program, designed to aid the establishment and development of innovative start-up companies and the repatriation of highly-skilled Italian workers currently abroad.

The new investment immigration program provides an 'investor visa' for qualifying foreign nationals intending to reside in Italy. They are not subject to non - EU immigrant quota restrictions under the following conditions:

- Investment of a minimum of 2 million euros in bonds issued by the Italian government, retaining the investment for at least 2 years;
- Investment of a minimum of 1 million euros in shares issued by Italian companies, retaining the investment for at least two years;
- Investment of a minimum of 1 million euros in the form of a charitable gift to sustain a project of public interest.

The Investor Visa will grant a residence permit of two years, renewable upon expiration for an additional maximum three-year period provided that the investment is not withdrawn. Family members of the foreign investor can obtain family permits allowing them to remain in Italy.

As for the establishment and development of innovative start-up companies, several incentives are provided by the new regulation.

These include; tax incentives for startups, corporate benefits and exceptions to bankruptcy law provisions, cost reductions for the setting up of a new company and employment rules separated from general labour law.

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