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THE GLOBAL OPPORTUNITIES REPORT

A SUMMARY OF TAX REGIMES AROUND THE WORLD

BDO

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INTRODUCTION

For many years individuals have emigrated from their home countries in search of a new life. When choosing a destination to live, the thought process often includes such matters as climate, lifestyle, cost of living, education and crime statistics. However, individuals often want to balance the lifestyle and financial factors, ensuring that their financial affairs and global assets are structured in a tax efficient manner, ensuring long-term asset preservation whilst complying with their global tax obligations, which is no easy task. An understanding of the tax regime in the country of choice is often key as tax efficiency does not necessarily mean reducing the annual tax bill but rather ensuring that it is not increased unexpectedly.

Whilst a few countries, such as the US, tax based on citizenship, most countries will tax individuals based on whether they are resident in their country. The concept of tax residence is complex and varies between countries. Indeed, it is possible to be resident in more than one country, or resident in none.

In recent years the UK Government has made, and continues to make, a number of major legislative changes which impact the thought process of individuals seeking a high quality of life whilst structuring their domestic and international affairs in an efficient and compliant manner.

From the introduction of the remittance basis charge in 2008, to the more recent legislative changes in respect of high-value UK residential property, such as capital gains tax for non-UK resident owners and the Annual Tax on Enveloped Dwellings, to the uncertainty surrounding the longevity of non-UK domicile status. These changes have often been a key factor for individuals who are considering moving away from the UK.

When considering the tax implications of moving to a new country, particular attention should be paid to the different types of taxes. Most countries have some form of indirect taxation, such as Value Added Tax (VAT) or property transfer taxes, and will also apply direct tax on income and profits on the disposal of assets.

Other countries will seek to tax capital gifted or inherited, or apply an annual tax on net wealth. Some countries even seek to apply an exit tax when individuals break tax residence. There are many pitfalls for the unwary!

Irrespective of the legislative changes, the UK still retains a competitive tax regime, particularly for foreign individuals coming to the UK.

However, so too do many other countries around the world. The competitive regimes range from a low headline rate of tax, exemption for tax on foreign income, tax breaks on local employment income and lump sum tax regimes. There is a wide array of options for individuals looking to relocate.

The practicalities of relocating are burdensome, with complex cross border taxation for individuals moving between countries and legislation often circumscribed with detailed anti-avoidance legislation. This may include tax on income and gains on return to the home country within a short period of time, or ongoing tax in the home country after leaving.

There is a lot to consider, particularly with the ever increasing global sharing of information, and our goal is to guide our clients smoothly through the relocation process, providing reassurance that they are complying with their global obligations whilst effectively structuring their affairs for asset preservation.

Through our global network of trusted private client specialists with multi-jurisdictional awareness of current issues, we are committed to delivering a market leading global private client practice.

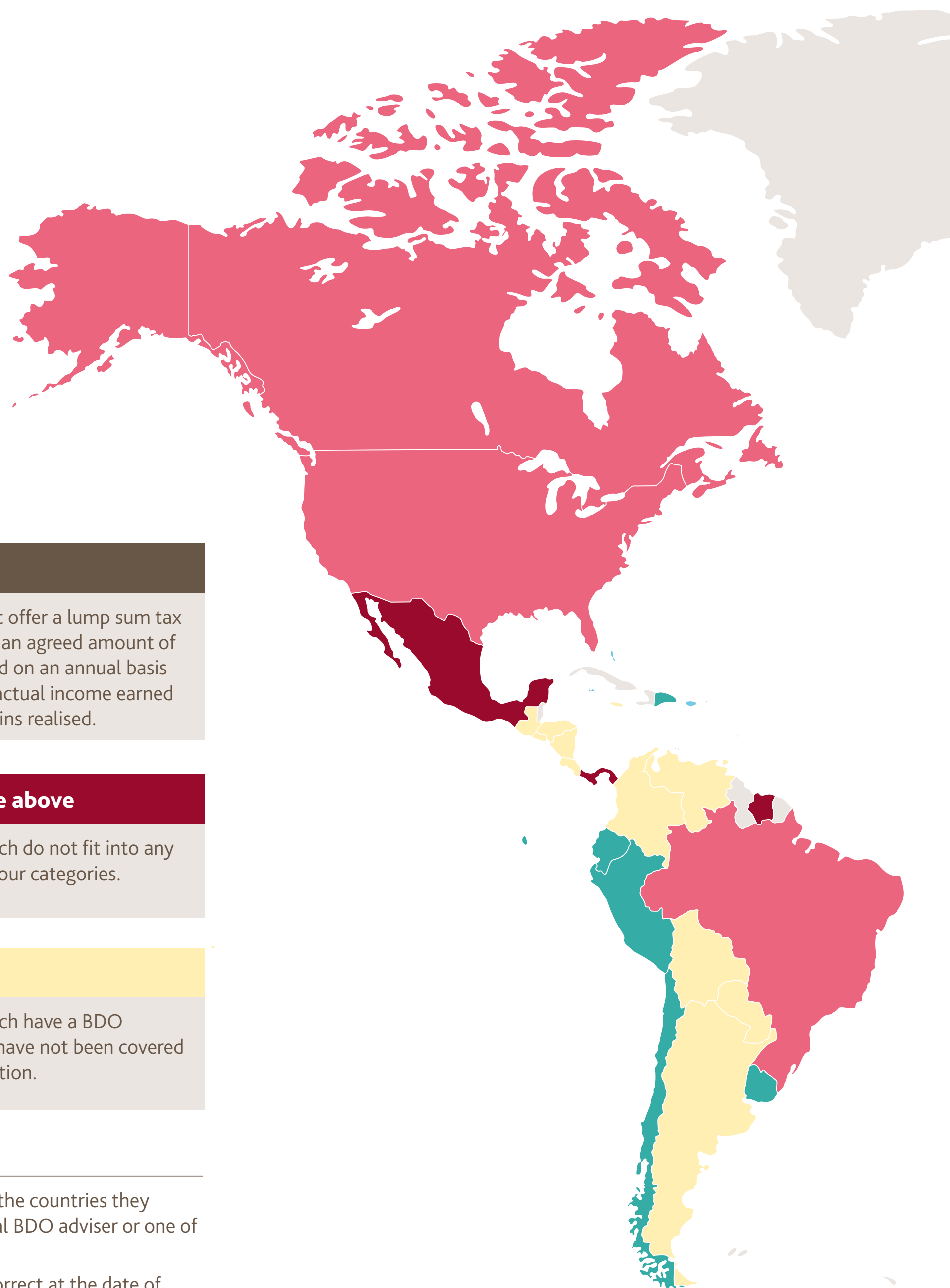
The following pages of this report provide a high level overview of tax regimes around the world. The list is not intended to be exhaustive by any means, and with offices in 154 countries we are exceptionally well positioned to assist with alternative locations. However, there are many lifestyle factors to consider when choosing somewhere to live and, with a commitment to assist our clients achieve their objectives and desired lifestyle, this report focuses on some of the locations where, based on our experience, people like to move to.

In the final section of the report we consider the most popular jurisdictions when emigrating from their home country for broad classes of individuals, based on their individual objectives. We summarise this for three situations - 'entrepreneur', 'global executive' and 'pensioner'.

Should you require more information on a particular country featured in this report or elsewhere in the world, please do get in touch with your usual BDO adviser or one of the contacts on the back page of this publication. Wherever you are or want to be, we are there to support you, your family and your businesses.

A WORLD OF OPPORTUNITIES

This report provides a high level overview of tax regimes around the world. The Global Lifestyle Review, produced by the team at Knight Frank, highlights the quality of life and cost of living across a selection of jurisdictions from around the world. The Global Lifestyle Review is not intended to cover all jurisdictions, although Knight Frank can assist with additional locations if required.



Low tax/no tax

Countries that offer a headline rate of tax on income and capital gains of 20% or less.

Remittance basis

Countries that offer a regime whereby foreigners can pay tax on their foreign income or capital gains in accordance with the amount remitted to that country.

Favourable for new residents

Countries that offer tax breaks for new residents to their country on passive income and capital gains, or on pensions and/or employment earnings.

Lump sum

Countries that offer a lump sum tax regime where an agreed amount of tax can be paid on an annual basis regardless of actual income earned and capital gains realised.

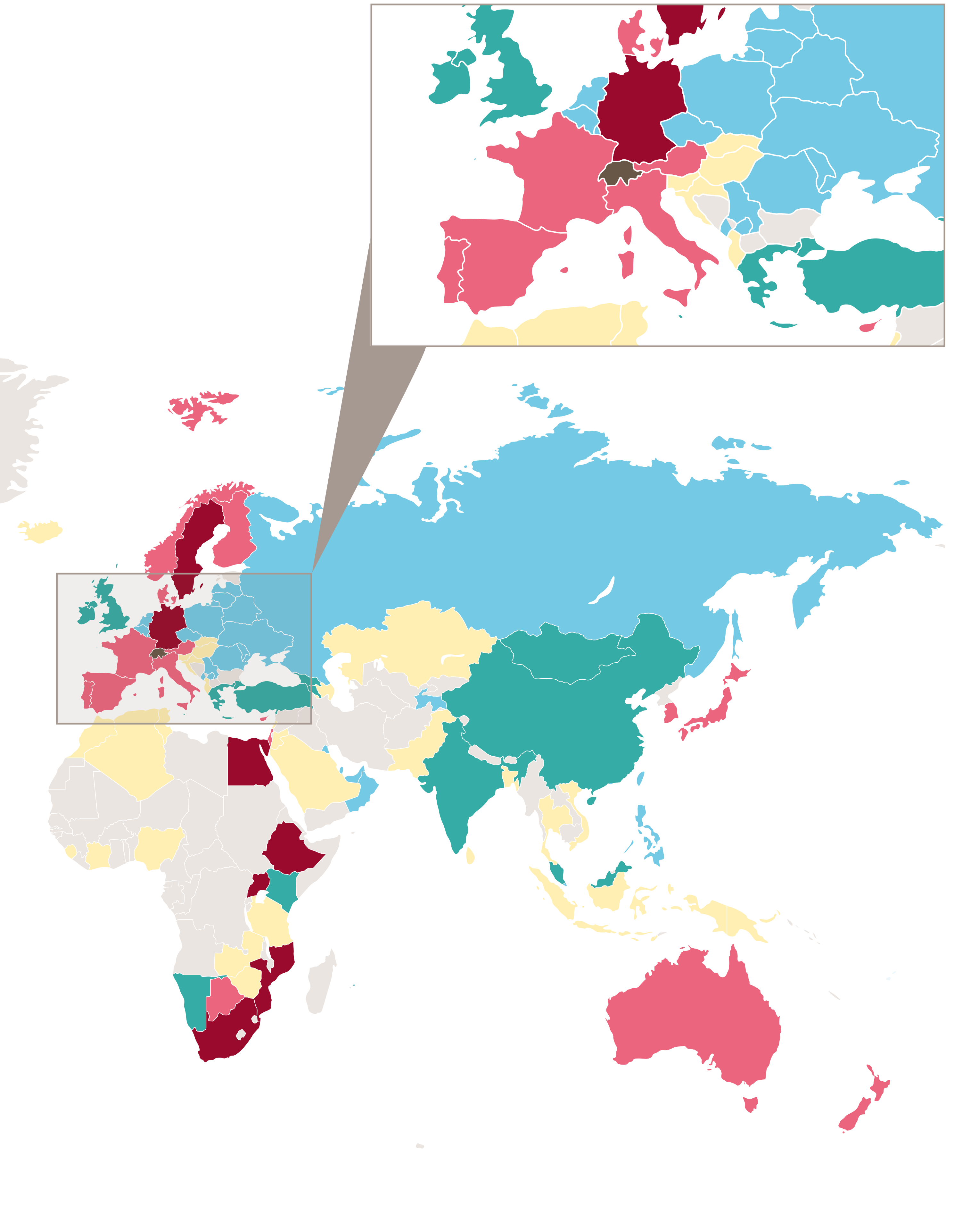
None of the above

Countries which do not fit into any of the above four categories.

Other

Countries which have a BDO presence but have not been covered in this publication.

- These categories act as a guideline to the tax regime of the countries they correlate to. For further details please contact your usual BDO adviser or one of the contacts on the back page of this publication.
- All rates, statistics and references in this brochure are correct at the date of publication.



EUROPE AND THE MIDDLE EAST

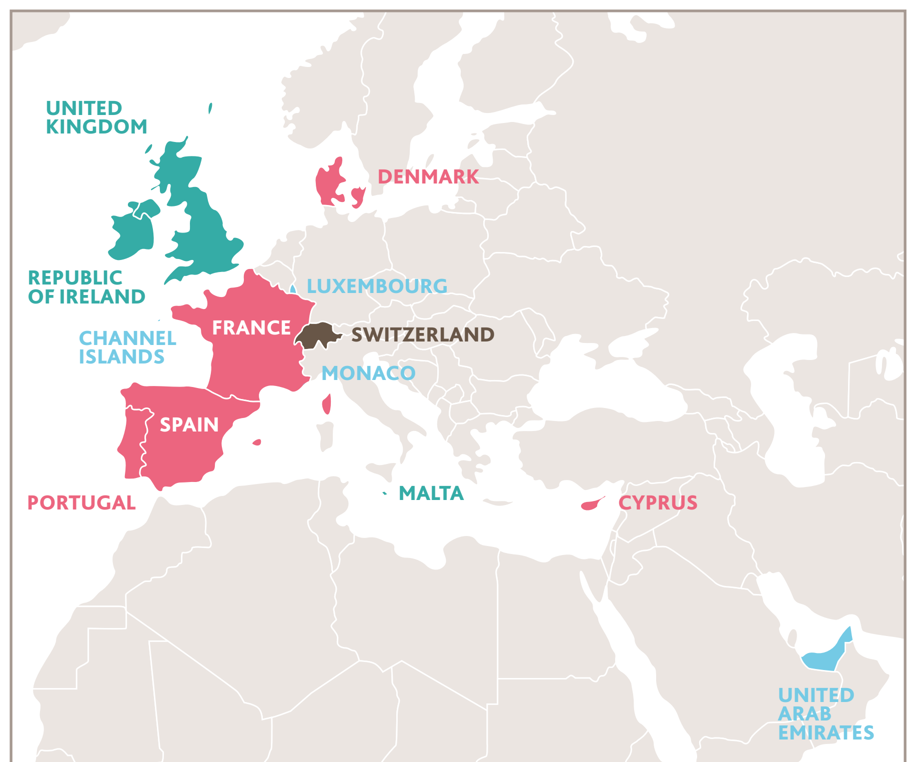
CHANNEL ISLANDS

In addition to being one of the world's leading offshore financial centres, the Channel Islands offer a fantastic work/life balance, unspoiled landscape, pristine beaches and a unique blend of British and French influences.

With the British pound as the official currency, English speaking and a climate similar to that of southern England, the Channel Islands can feel comfortingly familiar to British families but from an entrepreneurial perspective they also have a distinctly international outlook with first class business and IT infrastructures.

Importantly, the Channel Islands are not part of the UK and therefore do not follow the complex UK tax legislation. Instead, they operate a flat rate 20% income tax system with the potential for a capped tax liability in Guernsey and a very low 1% marginal rate in Jersey for qualifying High Net Worth Individuals with annual income over £625,000.

Whilst there is a goods and services tax in Jersey (similar to VAT, currently at 5%), there is no capital gains tax or inheritance tax in the Channel Islands. Social security costs are also modest compared to many jurisdictions.



Low tax/no tax	Remittance basis
Favourable for new residents	Lump sum

NICOSIA, CYPRUS

CYPRUS

Cyprus has long been a popular holding company jurisdiction for global corporate groups as well as an attractive, family-friendly destination for individuals looking to relocate or retire to the sun.

The island boasts a favourable tax regime, with relatively low income tax rates and an extensive Double Tax Treaty network.

Capital gains tax is generally restricted to disposals of immovable property situated in Cyprus, whilst gains realised from disposals of corporate shares, bonds and government

COPENHAGEN, DENMARK

bonds are exempt from tax. There are no gift or inheritance taxes, and for non-domiciled individuals there are no taxes on bank deposit interest or dividend income for the first 17 years of being tax resident in Cyprus.

A 50% exemption applies to the income of an individual who takes up residence in Cyprus to work for an employer in Cyprus, provided that the individual was not tax resident in Cyprus in the year preceding their employment. The exemption applies for a 10 year period and applies to the part of the income that exceeds €100,000 per annum. A 20% exemption applies for a maximum 5 year period where an individual earns less than €100,000 per annum, subject to a maximum amount of €8,550.

Foreign pension income may be taxed at the flat rate of 5% above an annual exemption or may be taxed at normal progressive rates where personal allowances and deductions would produce a more favourable result.

Cyprus also has an intellectual property regime whereby an effective rate of tax of 2.25% applies to income earned from the exploitation of intellectual property created in Cyprus.

DENMARK

As with most Scandinavian countries, Denmark is not a typical front-runner when choosing somewhere new to live or work. However, despite its high rates of tax, there are several tax efficiencies of living and/or working in Denmark which may not be widely known.

Denmark allows an uplift in the base cost of directly held assets once an individual becomes resident in Denmark. Any taxable gain on the disposal of an asset will therefore be mitigated to the increase in the value of the asset from the date of arrival in Denmark (this is particularly attractive where there is no exit tax in the home country).

In addition, Denmark has a special tax regime where an individual may opt for a (reduced) flat rate income tax charge (26%) on employment income for the first 5 tax years of residence, subject to meeting certain conditions. Further, there is no wealth tax in Denmark and exemptions/lower rates of tax apply to gifts/inheritances by a spouse and close family members.

Although Denmark levies an exit charge on a deemed disposal of worldwide assets upon breaking Danish tax residence, this only applies for longer-term residents who have lived in Denmark for 7 out of 10 tax years prior to departure. There is also an extended tax liability on consultancy income from a Danish business which is received by a manager/shareholder within 5 years of leaving Denmark.

DUBAI, UNITED ARAB EMIRATES

UNITED ARAB EMIRATES

The UAE is a nation of Expats and is becoming increasingly popular with European nationals looking to earn a salary with no local income tax. Britons should feel right at home there whilst benefitting from the luxury cosmopolitan lifestyle, state of the art infrastructure and facilities and tax-efficient incomes, meaning that they have more disposable earnings to spend on a busy social life. The UAE presents a wide range of opportunities for different activities and operations. The incentives include a free enterprise system, no personal or withholding taxes on income or capital and corporate tax limited to foreign banks and foreign oil companies.

EUROPE AND THE MIDDLE EAST

FRANCE

Despite having high rates of tax, there are several incentives available to individuals who are seconded to France by their employer.

For a period of up to 6 years, such individuals are exempt from income tax on the proportion of their remuneration which relates to services performed outside France and also any allowances which are paid to them and do not form part of their basic wage. Where social security contributions are paid outside France, a deduction for the amount paid is available in France to reduce the net taxable income in France, whilst only 50% of overseas dividend income, interest, capital gains and royalties are subject to income tax in France.

In addition, an exemption from wealth tax applies for a period of up to 6 years for all new French tax resident individuals in respect of assets located outside France.

IRELAND

Not only does Ireland offer a glorious landscape, friendly locals and a vibrant capital city, it also has a favourable tax regime for inward expatriates. Similar to the UK and Malta, Ireland offers a ‘remittance basis’ regime as an alternative to worldwide taxation, giving Irish tax resident non-domiciled individuals the option of limiting their Irish tax liability to Irish source income and capital gains only.

Foreign source employment income may escape the charge to Irish tax provided the duties of employment are not performed in Ireland and the income is not remitted to Ireland.

Eligible employees who are assigned to work in Ireland before 2015 (under current legislation) from abroad for a period of between one to 5 years may be entitled to an income tax exemption on a proportion of their salaries under a special regime.

LUXEMBOURG

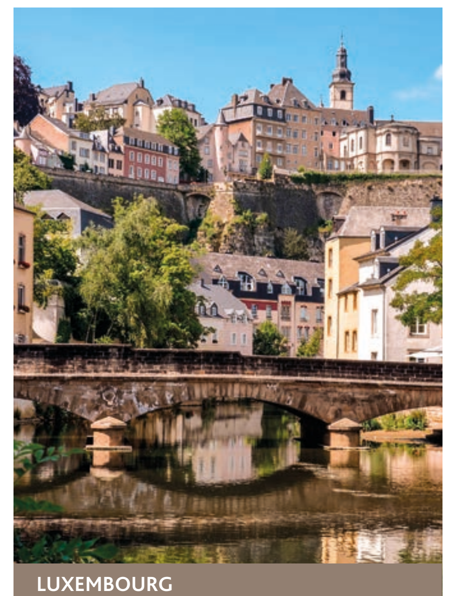
Located at the heart of the EU, surrounded by Belgium, France and Germany, Luxembourg offers a high standard of living with social and political stability and a very low crime rate. It is a family friendly place to live.

With a population of half a million people, its distinct characteristic is the high diversity of expatriate residents living and working in Luxembourg.

Whilst, with a marginal income tax rate for individuals of approximately 45%, Luxembourg is not a low tax jurisdiction, some characteristics of its tax system make it really attractive.

Capital gains are not taxable where the asset has been held for more than six months. There is an exception for equity investments where the individual owns more than 10% of the company. However, new residents are able to benefit from an uplift in the base cost

DUBLIN, IRELAND



LUXEMBOURG

VALETTA, MALTA

of their assets when they become resident, thus reducing any future net gain on the disposal of those assets whilst resident in Luxembourg.

Capital gains on portfolio investments are exempt from tax after a six month holding period.

Only 50% of a gross dividend received by an individual is taxed in Luxembourg, with the other 50% exempt. In addition, foreign tax credit may be available for overseas dividends.

Interest income is subject to a 10% final withholding tax in Luxembourg.

Whilst Luxembourg does not levy a net wealth tax on individuals, it does have inheritance tax. However, exemptions from inheritance tax are available where assets are left to lineal descendants (eg. parents to children). Gift taxes do not apply unless the gift is registered.

MALTA

Not only is Malta a beautiful island with an abundance of history, a warm climate and stable economy, it has a low cost of living and a very attractive tax regime to supplement its extensive Double Tax Treaty network. Similar to the UK and Ireland, Malta operates a remittance basis regime for foreigners living in Malta. This means that foreign source income is only taxable if remitted to Malta. Foreign capital gains are entirely outside the scope of Maltese tax. Further, there is no wealth tax, inheritance/gift tax or real estate tax and a low capital gains tax rate applies to disposals of immoveable property in Malta.

There are a number of favourable programmes available to individuals, including the Malta Retirement Programme, which applies a fixed rate of tax on pension income for nationals of the EU, EEA and Switzerland; the Residence Programme and the Global Residence Programme Rules, which both apply a fixed rate of tax on non-Maltese source income in certain circumstances. In addition, the Malta Residence and Visa Programme Regulations offers applicants and their dependents the opportunity to acquire indefinite residential status in Malta subject to a number of conditions.

MONACO

With a firm reputation for being a low tax jurisdiction and popular with Formula One drivers, Monaco is one of the top ten choices for High Net Worth Individuals.

The state has no income tax and low business taxes but still levies VAT and has high social insurance taxes for employers and employees. Although not part of the EU, Monaco complies with many European laws and regulations and has a strong international presence.

MONTE CARLO, MONACO

EUROPE AND THE MIDDLE EAST

PORTUGAL

Portugal, and in particular the Algarve, is a key holiday and retirement destination. As well as offering a good quality of life, Portugal has a favourable tax regime for new residents who either have a particular area of expertise or who wish to retire to the country.

LISBON, PORTUGAL

The 'Non-habitual Residents (NHR)' regime was initially introduced in 2009 to attract highly skilled workers to Portugal and to boost the business sector. However, it has a much wider reach than that, providing pensioners with an attractive option when considering tax-efficient retirement destinations. Under the regime, qualifying individuals who obtain NHR status may, for a 10 year period, limit their liability to Portuguese tax on domestic source income and gains only. The 10 year period can be suspended and reactivated.

Subject to meeting the various conditions, certain sources of non-Portuguese income such as pensions and dividends may be exempt from tax in Portugal and, in certain circumstances, may also be exempt from tax in the source country.

Earnings from prescribed activities of a scientific or highly technical nature, deriving from employment or self-employment activities are subject to a lower flat rate of tax, instead of the usual progressive rates. There are also no wealth, gift or inheritance taxes in Portugal, whilst an exemption from stamp duty is available on transfers of property to spouses, ascendants or descendants.

SPAIN

Spain has traditionally been a favoured destination for migrating Brits and Scandinavians. Despite the relatively high tax rates for residents, Spain has a favourable tax regime for certain immigrants, which may not be widely known.

The 'Beckham Law' was named after David Beckham, one of the first foreigners to be taxed under the regime following his move to Real Madrid in 2003. Whilst no longer available to sports persons, the regime offers individuals taking up residence in Spain, either under a contract of employment with or after being appointed as a Director of a Spanish company, the opportunity of limiting their Spanish tax liabilities to Spanish source income (with the exception of employment income) and Spanish capital gains only. Under this regime, Spanish source income/capital gains are subject to lower tax rates than those that apply to normal residents.

Qualifying individuals who have not been tax resident in Spain for any of the previous 10 years may not pay tax on their overseas income and gains for up to 6 tax years. An

MADRID, SPAIN

GENEVA, SWITZERLAND

exception is employment income, which is only exempt if the income relates to duties performed outside Spain prior to relocating to Spain.

However, whilst it is attractive from an income tax perspective, the Beckham Law does not provide protection from exposure to Spanish estate taxes and forced heirship provisions which can lead to unexpected and undesirable consequences in the absence of professional advice.

SWITZERLAND

Significant wealth, a strong economy, political stability and beautiful landscapes attract many individuals to live and work in Switzerland.

Whilst at a federal level, there are no net wealth, real estate, inheritance or gift taxes, and the total tax burden on income is limited to 11.5%, it is the Swiss cantons which have fiscal sovereignty and taxation rights. Each canton is free to set its own rates and generally impose income, net wealth, real estate, inheritance, gift and capital gains taxes on certain transactions. An individual will be assessable to tax in the canton in which their personal and business interests lie, with intercantonal double tax relief applying to ensure an individual is only assessed to the same income once.

Expenditure-based (lump sum) taxation is available to Swiss-resident foreign individuals without gainful employment in Switzerland. This form of taxation expires when a person acquires Swiss citizenship. The tax is imposed on the total annual cost of living, with the taxable base being negotiated with the tax authorities. Whilst some Cantons, such as Geneva, recognise lump sum taxation, it is not available in all Cantons, including Zurich. In addition, minimum taxable bases may apply at both federal and Canton level.

THE UK

With a strong infrastructure, good legal system, business regulation, geographical location and multiculturalism, the UK is a popular jurisdiction for people looking to relocate. As a leading financial centre and a prime location for accessing the rest of the world, London, in particular, can provide an excellent hub for global entrepreneurs.

Although there have been major legislative changes, the UK continues to provide exceptional opportunities to wealthy individuals moving to the UK with an opportunity to live very tax-efficiently under its 'remittance basis' tax regime. As an alternative to the worldwide basis of taxation, individuals are able, for a period of 15 years, to elect into this regime and limit their liability to UK tax on non-UK source income and capital gains to amounts actually remitted (ie. used/enjoyed in/brought) to the UK. Thereafter, it may still be possible for individuals to structure their affairs to optimise their global tax efficiency.

LONDON, UK

AMERICAS AND THE CARIBBEAN

BRAZIL

Whilst the tax rates are low in comparison to other jurisdictions, the main attractions of Brazil, Rio de Janeiro in particular, are the sunshine, carnivals and breathtaking landscapes.

Brazilian residents are assessed to income tax on their worldwide income at progressive rates. There are also social security contributions and inheritance and gift taxes, although there is no net wealth tax.

Capital gains tax is generally levied at a flat rate of 15%. However, assets acquired by a foreign individual outside Brazil before becoming Brazilian resident are exempt from capital gains tax. Brazil also has an extensive Double Tax Treaty network.

CANADA

Canada is one of the world's top trading nations, with Montreal, Toronto and Vancouver being important commercial centres with a high standard of living. Canada generally levies progressive tax rates at both federal and provincial level on a Canadian resident's worldwide income.

Once known for having one of the highest corporate income tax rates in the developed world, Canada has witnessed a remarkable transformation in the business tax landscape and now ranks favourably for corporate tax competitiveness amongst developed countries. Canada now has one of the lowest rates of the Group of Seven (G7) leading industrial economies and is near the middle of the pack of OECD countries.

Furthermore, new residents are able to benefit from an uplift in the base cost of their non-Canadian assets when they become resident, thus reducing any future net gain on the disposal of those assets whilst resident in Canada. Certain provinces also offer tax holidays depending on the skills of the immigrant.

Low tax/no tax	Remittance basis
Favourable for new residents	Lump sum

CAYMAN ISLANDS

Located in the Caribbean Sea, this English-speaking dependent territory of the UK is a major world offshore financial centre. The magnificent beaches and high standard of living add to its charm. There are no taxes on profits, capital gains, income or any withholding taxes charged to residents or foreign investors. There are also no estate or inheritance taxes payable on Cayman Islands real estate or other assets held in the Cayman Islands.

TORONTO, CANADA

Indirect taxation is, however, levied against most imported goods, typically in the range of 22% to 25%, although certain items can be taxed at 5% or are exempt altogether.

PUERTO RICO

Puerto Rico (PR) occupies a unique status as a territory of the United States. Although PR has its own Constitution, fiscal autonomy and system of government, it is under the protection of the US federal court system and the US Constitution, making PR one of the safest jurisdictions to do business.

Given its fiscal autonomy and its authority to build its own tax system, PR can be an efficient jurisdiction for individuals doing business there.

A 4% corporate tax rate applies to income from exportation services, whilst there is a 4% fixed tax rate for income, reducing to 1% or 0% in certain cases. For example, the 0% tax rate applies to passive income such as interest, dividends, and short- or long-term capital gains for new residents. A 2% withholding tax applies to royalty payments and there are no US federal taxes on PR source income unless the income is from a US trade or business.

SAN JUAN, PUERTO RICO

NASSAU, BAHAMAS

There are also favourable rates for certain banking activities in PR, entities engaged in the business of investing in non-publicly traded securities in PR, and for insurers covering risks in and out of PR.

THE BAHAMAS

The Bahamas is the closest low tax jurisdiction to the US. It can take as little as 45 minutes to fly to Florida from Nassau, thus offering residents a luxury lifestyle in the sun whilst catering for their social/ business demands. Second to tourism, financial services constitute an important sector of the Bahamian economy due to the country's status as a leading offshore financial centre.

The Bahamas has no income tax, corporate tax, capital gains tax or wealth tax. There are, however, National Insurance contributions, company licence fees, stamp duty, property tax (subject to exemptions) and VAT.

USA

The US is the world's largest economy and the 'land of opportunity'. With relatively high progressive tax rates levied at both federal and state level, and a raft of punitive rules and reporting requirements in respect of non-US investments and business interests, the US is rarely thought of as a favourable tax jurisdiction.

However, a handful of US states, including Florida, do not impose taxes on income or capital gains and some offer tax breaks for temporary visitors. In addition, there are reduced federal tax rates for certain dividends and capital gains on assets held for longer than one year.

Furthermore, with appropriate structuring prior to arrival in The US it may be possible to obtain an uplift in the base cost of non-US assets and, in limited circumstances for temporary moves to the US, it may be possible to shelter non-US income and gains from tax altogether.

NEW YORK, USA

ASIA PACIFIC

AUSTRALIA

People from all over the world relocate to Australia for various reasons ranging from its warm climate and diverse landscapes, to its wealth and large economy. Residents are subject to income tax on their worldwide income and net capital gains. Despite having no net wealth, inheritance or gift taxes, Australia has relatively high progressive income tax rates. New residents receive a tax-free uplift in the base cost of their assets which are not already taxable Australian property when they become resident, thus potentially reducing any future net capital gain on the disposal of those assets whilst resident in Australia. For this reason Australia may well be a popular choice for individuals looking to cash out of businesses and retire to the sun.

In addition, individuals on certain temporary visas, and who do not have a spouse who is resident in Australia, may also benefit from further favourable temporary resident tax rules. Under those rules, most of their foreign income is not taxed in Australia (except income earned from employment or the provisions of services), only capital gains made on 'taxable Australian property' are assessable (although without the benefit of the 50% capital gains tax discount available to resident individuals who hold an asset for more than 12 months) and no withholding tax is levied on interest paid by the temporary resident to foreign residents.

HONG KONG

As one the world's leading international financial centres, Hong Kong has a major capitalist service economy characterised by low taxation, free trade and minimum government intervention. Although not a nil-tax jurisdiction, its simple tax system has led to Hong Kong being one of the most famous low-tax jurisdictions.

Low tax/no tax | Remittance basis
Favourable for new residents | Lump sum

PERTH, AUSTRALIA

The maximum rate of salaries tax in Hong Kong is currently 15%. There is a sliding scale of salaries tax rates of up to 17% for lower wage earners, with a proviso that the total salaries tax payable cannot exceed 15% of total income before personal allowance. Hong Kong has no capital gains tax, no VAT, and no net wealth, inheritance or gift taxes. There is no withholding tax in Hong Kong on dividends or interest payments made to non-residents. Furthermore, with a territorial basis of taxation, individuals are generally not subject to tax on foreign income even if remitted into Hong Kong, except where such income is deemed to have a Hong Kong source.

HONG KONG

AUCKLAND, NEW ZEALAND

NEW ZEALAND

New Zealand has a modern, prosperous and developed market economy, with a temperate climate. With most major international corporations having an office in Auckland, it is New Zealand's largest city.

New Zealand residents are subject to income tax on their worldwide income at progressive rates. However, a favourable tax regime may apply for new residents (or those returning after a 10 year absence) which, assuming certain conditions are met, provides an exemption period in which non-New Zealand source passive income is not taxed. This period usually expires at the end of the 48th month after the month in which an individual becomes resident.

New Zealand is not a low tax jurisdiction, but there is no general capital gains tax, no social security contributions (although a levy is payable for accident cover), no inheritance tax and no gift or stamp duty. Goods and services tax is imposed on goods and services other than financial services and residential rentals. Overseas portfolio investments may be taxed under a favourable regime. New Zealand also has a foreign trust regime which can be an appropriate vehicle for non-resident settlors to hold non-New Zealand investment assets.

SINGAPORE

Singapore is becoming increasingly important as one of the world's low tax jurisdictions.

It is a young, vibrant, cosmopolitan city, attracting one of the world's highest percentage of millionaires and is one of the world's leading financial centres with a good standard of living.

Singapore has graduated personal income tax rates of up to 22%, no capital gains tax, and no net wealth, estate duty, inheritance or gift taxes. As Singapore applies a territorial basis of taxation, individuals are subject to tax in Singapore on any income accrued in or derived from Singapore.

Remittances of non-Singapore sourced income, unless received through a partnership in Singapore, are exempt from Singapore tax.

Furthermore, Singapore also has a favourable tax regime for new residents who, providing they meet certain conditions, can opt for the Not Ordinarily Resident (NOR) scheme.

For a 5 year qualifying period, subject to fulfilling prescribed conditions and capping limits, resident NOR individuals are exempt from tax on the portion of employment income relating to the business days spent outside Singapore, and benefit from a tax exemption of employer's contributions to a non-mandatory overseas pension fund or social security scheme.

SINGAPORE

MIGRATION CONSIDERATIONS

When emigrating from their home country, an individual's objectives for tax efficiency will be very much dependent on their personal situation. Below we summarise the likely considerations for three classes of individual.

ENTREPRENEUR

An Entrepreneur may be looking for tax efficiency on dividends taken from his personal company, or capital gains realised on a sale of the company. There will of course be corporate tax considerations as part of this process which we do not address here.

However, individuals often want to balance the lifestyle and financial factors, ensuring that their financial affairs and global assets are structured in a tax efficient manner, ensuring long-term asset preservation whilst complying with their global tax obligations.

When choosing a place to live, Entrepreneurs may want to consider countries which:

- Do not tax receipt of foreign dividends or capital gains at all, such as Monaco or Singapore
- Provide an uplift of assets in the base cost of shareholdings to market value on entry into the country, such that pre-arrival growth is exempt from local tax, such as Australia, Canada, Denmark and Luxembourg
- Allow the ability to be able to fix their annual tax bill under a lump sum arrangement, regardless of dividends and capital gains received, such as some Swiss cantons
- Offer the remittance basis of taxation on foreign dividends and foreign capital gains, such as Ireland, Malta and the UK.

Taking account of the above, in BDO's experience, the most popular jurisdictions for each type of individual appears to be:

CANADA | MONACO | SINGAPORE | SWITZERLAND | UK

GLOBAL EXECUTIVE

A Global Executive may be looking for low tax efficiency for employment income and remuneration.

When choosing a place to live, Global Executives may want to consider countries which:

- Do not seek to tax, or offer a low rate of tax, on remuneration, such as Singapore, Hong Kong and the Cayman Islands
- Offer low rates of tax for a fixed period for new residents, such as Spain and Portugal
- Provide a tax regime which exempts remuneration paid for duties performed abroad, such as France, Ireland and the UK.

Taking account of the above, in BDO's experience, the most popular jurisdictions for each type of individual appears to be:

HONG KONG | IRELAND | SINGAPORE | SPAIN | UK

PENSIONER

A Pensioner may be looking for tax efficiency in respect of annuity income from pensions and/or lump sum payments. They may also consider countries which have a tax treaty with the source country of the pension in order to mitigate withholding taxes.

When choosing a place to live, Pensioners may want to consider countries which:

- Exempt foreign pension income from local tax for a fixed period, such as New Zealand and Portugal
- Have traditionally low rates of taxation for pension income, such as Cyprus and Malta
- Offer a special treatment which separates return of capital from growth, such as Spain
- Allow certain lump sums to be received from a pension with no local tax, such as the UK.

Taking account of the above, in BDO's experience, the most popular jurisdictions for each type of individual appears to be:

CYPRUS | MALTA | NEW ZEALAND | PORTUGAL | SPAIN

KNIGHT FRANK GLOBAL LIFESTYLE REVIEW

BDO GLOBAL PRIVATE CLIENT SERVICES BROCHURE

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ABOUT BDO

BDO INTERNATIONAL

US$7.3 billion 2015 REVENUE

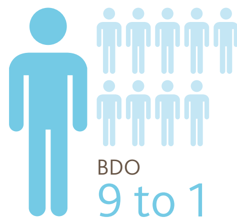
154 Countries

1,400 Offices

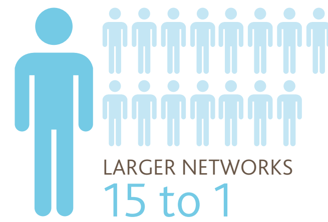
64,500 Staff

CLIENT SERVICE AT THE CORE

Global professional staff to partner ratio

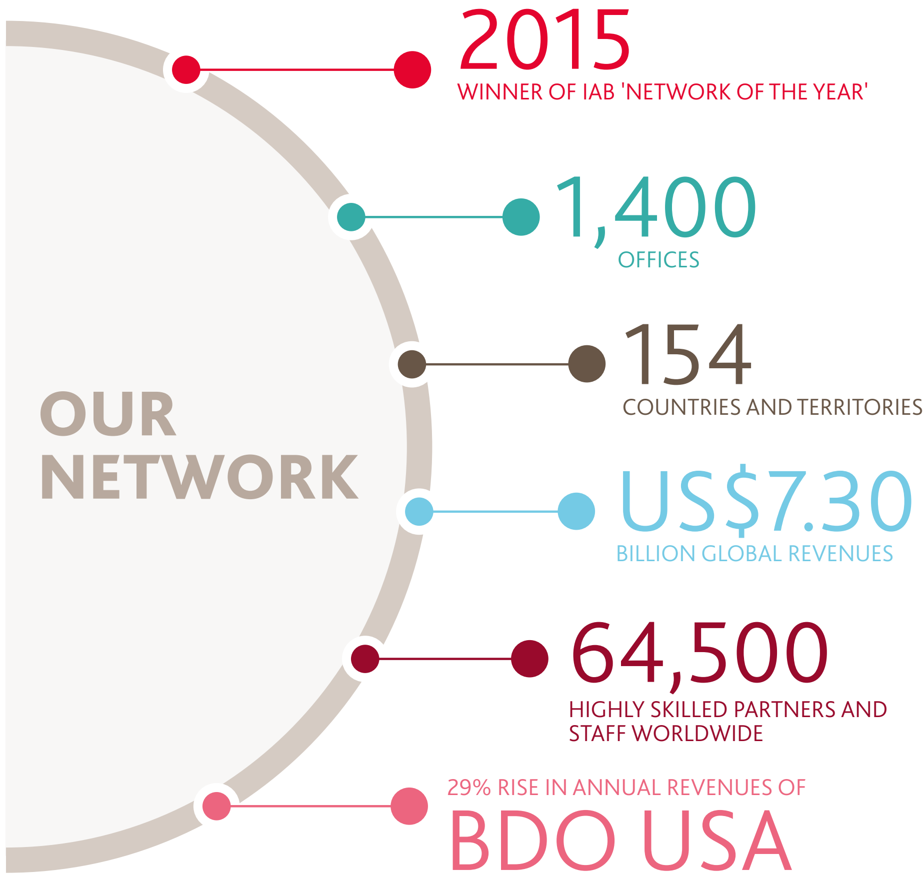


BDO
9 to 1



LARGER NETWORKS
15 to 1

Countries with a BDO office


OUR NETWORK
2015
WINNER OF IAB 'NETWORK OF THE YEAR'
1,400
OFFICES
154
COUNTRIES AND TERRITORIES
US$7.30
BILLION GLOBAL REVENUES
64,500
HIGHLY SKILLED PARTNERS AND STAFF WORLDWIDE
29% RISE IN ANNUAL REVENUES OF
BDO USA

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