

# Top 10 Reasons for Choosing Gibraltar for M&A Deal Structuring

- Eran Shay, an Associate Director at Deloitte Limite, Gibraltar, highlights the key factors that make the country an ideal location for M&A deal structuring.



*Eran Shay is an Associate Director at Deloitte Limited, Gibraltar.*

One of the key challenges in structuring a cross-border M&A deal is to ensure that tax liabilities and costs will be minimised for the acquiring company. Traditionally BVI, Luxembourg, Cayman and Dutch Antilles “Special Purpose Companies” (SPCs) have been used for this purpose. Gibraltar features some unique attributes that makes it a perfect holding structure through which M&A transactions can be carried out.

The top 10 reasons for using a Gibraltar SPC for cross-border M&A structuring include:

1. English speaking jurisdiction applying English Common Law
2. Gibraltar is within the EU, and has transposed EU M&A Directives and Parent Subsidiary Directive
3. Being a small jurisdiction, regulators and government officials are easily accessible
4. No tax on dividends received from Target by Gibraltar SPC (BidCo) and no withholding tax on dividends paid by Gibraltar BidCo to Buyer
5. There is no capital gains tax in Gibraltar
6. No stamp duty, capital duty or other similar taxes in connection with transactions involving shares of the Gibraltar SPC
7. No VAT, so significant savings can be achieved by appointing local professional services firms
8. Territorial tax system with 10% corporate tax rate
9. Close-knit business community fostering cooperation between professional service providers to maximise time efficiency for transaction
10. Central European Time Zone and easily accessible location within Europe

Gibraltar also boasts a buoyant domestic M&A market; its diversified economy includes the dynamic online gaming sector (recently featuring a EUR 2.5 billion transaction), the

thriving financial services sector with banks and insurance companies being particularly active on the M&A front; the Real Estate sector, characterised by chronic excess demand over supply (especially in commercial property); the shipping sector which has recently caught the eye of foreign private equity houses, and retail/tourism sector characterised by some long established family owned businesses.

Whether you are contemplating an M&A or interested in diversifying your portfolio to new frontiers, make sure Gibraltar features on your radar.



**Deloitte.**

Company: Deloitte Limited

Name: Eran Shay

Email: [eshay@deloitte.gi](mailto:eshay@deloitte.gi)

Web: [www.deloitte.gi](http://www.deloitte.gi)

Address: Merchant House, 22/24 John Mackintosh Square, Gibraltar

Telephone: +350 200 41200