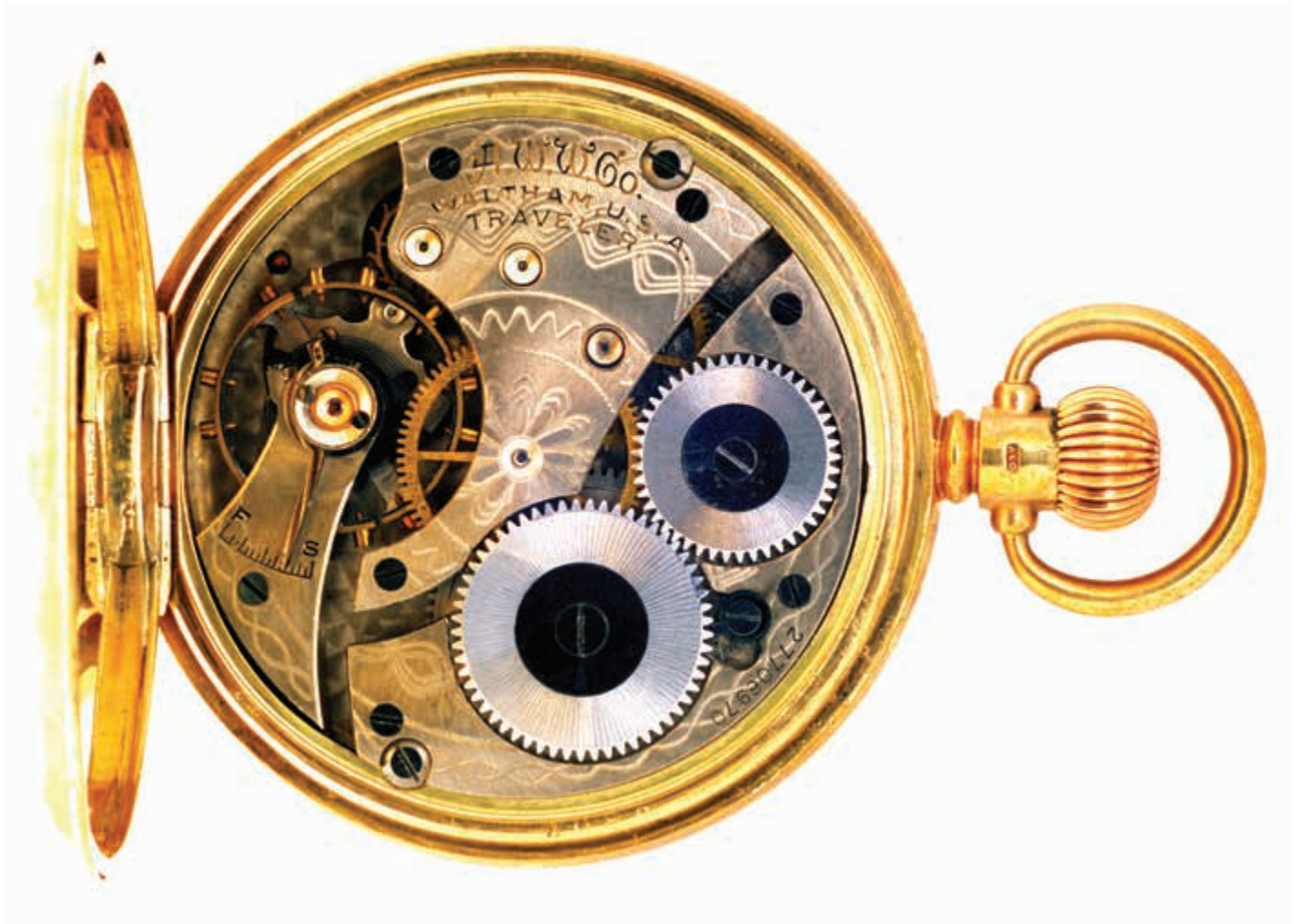


Deloitte.

Asset Management Services
The low tax EU base



Gibraltar

Deloitte Gibraltar

Global Connections, Local Expertise

The EU home for asset managers

As a separate and distinct low-tax British territory within the European Union, Gibraltar boasts many advantages for the promotion and management of investments and funds. It has a **legal system based on UK common law within a sterling currency environment (Gibraltar lies within the EU but outside the Eurozone), a highly-developed professional infrastructure, first-class financial services regulation and access to the EU single market in financial services.**

For these and many other reasons, numerous asset managers, from within the EU, Switzerland and beyond, already call Gibraltar home.

A mature international finance centre

Gibraltar is already a well established financial services centre within the EU. It is the natural domicile for many insurance companies wanting to write business into the EU and as an e-gaming centre where Gibraltar is the international jurisdiction of choice. Furthermore, Gibraltar is a widely recognised base for private banks and wealth management.

Gibraltar is an excellent place for business thanks in no small part to its excellent professionals, who can boast not only of the significant experience and expertise that working within a mature finance centre brings, but also because the large majority of Gibraltar professionals have experience outside the jurisdiction, typically in the UK and Switzerland.

These professionals are easily accessible, all operating within a small area of one another.

A powerful tax package

The Gibraltar tax regime provides significant advantages to individuals and entities operating from Gibraltar. All companies in Gibraltar are subject to a low corporate tax rate of 10% on assessable profits. In addition, many sources of income do not suffer tax at all in Gibraltar which enjoys:

- No capital gains tax
- No VAT
- No wealth or inheritance taxes
- No withholding taxes on dividends to non-residents
- No tax on externally sourced income
- No tax on investment income including dividends from listed companies, capital gains and bank interest
- Application of the EU Parent/ Subsidiary directive and Interest & Royalties directive
- Income of trusts with non-resident settler and beneficiaries is exempt from tax.

A less taxing lifestyle

Ordinarily resident individuals are taxed on earned income up to a maximum effective rate of 25%. There is also a concessionary tax status available for qualifying high net worth individuals who are only taxed on the first £80,000 of income remitted to, accrued in or derived from Gibraltar, with a maximum tax payable of circa £29,000 per annum. Under this scheme only income actually remitted to, accrued in or derived from Gibraltar is subject to tax, although individuals may elect for their worldwide income to be subject to Gibraltar tax.

Gibraltar also offers an exclusive status for senior management staff, known as High Executive Possessing Specialist Skills ("HEPSS"). Under this status, qualifying executives would be capped to tax on the first £120,000 of assessable income. This equates to a tax liability of circa £30,000 per any given tax year.

Passporting within EU – licensed asset managers

As a jurisdiction within the EU, Gibraltar offers both MiFID and AIFMD licences and, subject to the formality of notifying the relevant regulatory authorities of the intention to market their services, Gibraltar managers can passport their services across the EU.



Numerous asset managers, from within the EU, Switzerland and beyond, already call Gibraltar home.

An efficient and approachable regulator

The Gibraltar Financial Services Commission (the FSC) provides financial services regulation in an effective and efficient manner in order to protect the public from financial loss and enhance Gibraltar's reputation as a quality financial centre. Gibraltar has been a recognised financial centre for over 30 years and has developed a reputation for firm but fair regulation, alongside a well-developed mature infrastructure of professionals in a wide range of fields. The FSC has self-set delivery standards, which mean that licence applications are processed in a professional manner, within a known time frame. In addition, the FSC encourages potential new licensees to meet them before commencing the licensing process, so that clear and realistic expectations can be set.

AIFMD: no gold-plating

AIFMD allows individual EU jurisdictions certain flexibility in the implementation of the directive. The FSC is as permissible as possible with the available derogations allowing for example the delegation of core management functions including portfolio management as appropriate outside the jurisdiction, on condition that the licensed entity retains appropriate resources to oversee all delegated functions.

MifID: an established EU centre

Gibraltar has many entities licensed under the European Markets in Financial Instruments Directive ("MiFID") and those managers and advisers are able to passport their services into other EU jurisdictions based on that regime. In accordance with the directive, the licences range from category 3, which allows portfolio management without holding client monies, to category 1, which allows more services to be performed including the holding of client monies. There are minimum capital requirements which depend on the category of licence held and the level of risk in the entity – with quarterly reporting to the regulator to ensure that such minimum requirements are met. The internal organisation of each entity must also be adequate to meet the requirements of the directive. Gibraltar has proven to be a popular jurisdiction based in particular on the fiscal advantages, EU passporting and the sensible business environment.

Deloitte's services to asset managers

- We offer audit, taxation and advisory services to licensed managers and their employees/principals
- Our practitioners have significant relevant experience assisting with asset managers establishing on the Rock – in terms of tax and structuring advice. Our locally based team works closely with the Deloitte global network to deliver the services and industry insight our clients expect
- We offer expert guidance in navigating the licence application process – developing/reviewing business plans, assessing business predictions in the context of regulatory returns and preparing ICAAPs
- We can provide support in the preparation of accounts, as well as ensuring all ongoing regulatory filing requirements are fulfilled
- We have valuations experts in Gibraltar, as well as access to the supporting Deloitte global network, all of whom can support licensed managers in valuing difficult-to-value investments.

Quality of life

Any asset manager obtaining a licence will require a significant permanent presence in the jurisdiction in order to meet the requirements of the regimes.

Whilst relocation of the principals is not obligatory, for those managers who themselves wish to relocate, Gibraltar is ideally placed to lead a relaxed lifestyle in an English speaking environment:

- An excellent and temperate Mediterranean climate boasting more than 300 days of sunshine a year
- Close proximity to Spain's popular Costa del Sol and Costa de la Luz, together with Portugal's Algarve and opportunities for skiing in the Sierra Nevada – both within a 3-hour drive
- Gibraltar lies in the heart of some of Europe's finest natural parks and golf courses
- Easy access to 4 international Airports within just over an hour: including the Spanish hub of Malaga and Gibraltar International Airport which has several daily flights to the UK
- Availability of spacious quality accommodation and numerous locations to choose from
- A safe, family-friendly environment with an education system which follows the UK curriculum.

Your Deloitte team



Joseph Caruana

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Joseph, a graduate of the LSE, has been working in public practice for over thirty years first in the City of London and then in Gibraltar. A chartered accountant, Joseph has extensive experience in servicing international audit clients operating in Gibraltar with primary responsibility for the firms' banking and investment fund clients. Joseph has served as President of the Gibraltar Society of Accountants and Chairman of the Gibraltar Finance Centre Council, and is presently a member of the Financial Services Commission.



Louise Gonçalves

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Louise qualified as a Chartered Accountant with a 'Big 4' firm in London in 2001 before joining Deloitte in Gibraltar in 2003. In 2005, Louise set up a dedicated tax department in the firm and has since been at the forefront of the development of the firm's tax practice. Louise specialises in providing local and international tax advisory services including tax due diligence to private as well as corporate clients. She has experience in financial services, insurance, gaming, telecommunications and travel & leisure.



Daniel Delgado

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Daniel joined the Gibraltar member firm of Deloitte in 2001 and leads the audits of many of the firm's most significant clients, with a focus on insurance companies. Daniel also has experience in the areas of tax, due diligence and corporate finance and has led investigations into insurance and other companies for the Gibraltar Financial Services Commission. He is a member of the Executive Committee of the Gibraltar Society of Accountants and a member of the Technical Committee of the Gibraltar insurance Association.

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