Global Opportunities for Relocation

A summary of tax regimes around the world

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Introduction

PAUL AYRES

Chair of Global Private Client Strategy Group | BDO UK

For many, the opportunity and adventure of beginning a new life outside of an individuals' home country remains an ambition. COVID-19 only further encouraged individuals to seek to achieve this ambition, whilst for others, COVID-19 saw a shift to a remote, or flexible work pattern, demonstrating that they can work from almost anywhere.

Whether relocating for climate, education, family or business opportunities, an understanding of certain aspects remain key when choosing where to move. These include lifestyle, immigration and financial aspects, but also an understanding of the tax implications and reporting obligations.

Tax is a global concept. Many jurisdictions and governments acknowledge the economic importance of attracting wealthy individuals and therefore continue to seek to attract foreigners to, and investment in, their countries through tax incentives.

Tax is not usually the driving factor behind relocating and often individuals move to a jurisdiction which may not have low tax rates. However, it is important to ensure an individual's annual tax bill is not increased unexpectedly, and an understanding of the tax regime in the country of choice prior to their arrival is fundamental to achieving this.

The Global Opportunities for Relocation Report aims to provide a high-level overview of tax regimes around the world, whilst BDO's highly integrated network of private client specialists are well placed to reassure individuals that their wealth is compliant with the demands of global regulators and structured effectively for long term preservation, wherever they are.

BDO is dedicated to providing a market leading global private client service, meaning that irrespective of location, BDO are available to offer assistance.

BROOKE ANDERSON

BDO USA

The Americas consist of 35 diverse countries in North, Central and South America. The stronger economies are in North America, but investment opportunities and private clients reside throughout the Americas.

In recent years, there has been a notable increase in global relocation to the Americas. This trend is influenced by various factors including economic opportunities, political stability, cultural diversity, quality education, and excellent healthcare. Among the countries in the Americas, the United States and Canada have experienced the greatest benefits from the continuous influx of immigrants from all over the world.

Although both the United States and Canada are considered to have higher tax rates, the US corporate tax rate of 21% remains competitive compared to most other jurisdictions. While there are countries in the Americas that offer lower tax rates, particularly in the Caribbean Islands, a number of those countries have committed to the implementation of the Global Minimum Tax, which is anticipated will bring them more in line with other developed nations.

Summary: Global Relocation to the Americas

Global relocation to the Americas has been a significant trend in recent years, driven by various factors such as economic opportunities, political stability, and cultural diversity. This summary provides an overview of the key aspects related to this phenomenon.

- Economic Opportunities: The Americas offer a wide range of economic opportunities, attracting individuals and businesses from around the world. Countries like the United States, Canada, and Brazil have robust economies, providing job prospects, entrepreneurial ventures, and investment opportunities.
- Political Stability: Many countries in the Americas and particularly the more developed nations have established stable political systems, which are attractive to those seeking a secure environment for themselves and their families. The rule of law, democratic governance, and respect for human rights are key factors contributing to this stability.
- Cultural Diversity: The Americas are known for their rich cultural diversity, with people from various backgrounds coexisting harmoniously. This multicultural environment fosters tolerance, acceptance, and the opportunity to experience different traditions, languages, and cuisines.
- Education and Healthcare: The Americas boast renowned educational institutions and advanced healthcare systems. Access to quality education and healthcare is a significant draw for individuals and families considering relocation, ensuring a better future for themselves and their children.
- Migration Policies: Each country in the Americas has its own immigration policies and procedures. While some countries have more relaxed immigration laws, others have stricter regulations. Understanding the specific requirements and processes is crucial for a successful relocation.
- Challenges: Relocating to the Americas can present challenges such as language barriers, cultural adaptation, and the need to navigate complex immigration systems. However, with proper planning, research, and support, these challenges can be overcome.

In conclusion, global relocation to the Americas offers a multitude of opportunities for individuals and businesses seeking economic prosperity, political stability, cultural diversity, and access to quality education and healthcare. Understanding the specific dynamics of each country and addressing the challenges involved are essential for a successful transition.

TAMARA PETERS VAN NEIJENHOF
BDO Netherlands

MARK POLLOCK
BDO Australia

Lifestyle and culture continue to be dominant relocation determinants. With favourable tax regimes in many European countries available in tandem with the lifestyle choices offered in terms of climate, cuisine and leisure activity, the region continues to attract high net worth individuals and their families.

Financial services continue to be at the forefront of Europe's economy, with the region attracting capital from all parts of the world. Favourable corporate tax systems of countries such as Ireland and the Netherlands, attractive tax regimes for individuals such as in Italy, Spain, Switzerland and the UK, a highly educated work force and a sophisticated infrastructure, all further contribute to this attraction. Indeed, many firms have their headquarters located in Europe, include our own at BDO being located in Brussels.

Furthermore, the region is distinguished by the quality and access to health care and schools. The stability of this region's retirement funds add to the standard of living overall, making Europe an attractive place to live and work.

Given the Asia Pacific region has been the fastest growing over the last ten years and set to continue into the near future it has attracted entrepreneurs and their families who seek to take advantage of the high growth across the region including China, India, Indonesia, South Korea, Philippines and Vietnam.

Both Hong Kong and Singapore have established themselves as major financial centres in the region, attracting not only capital from all over the world, but also workers and business migrants. Added to the attraction is the very low tax rates, simple tax systems, and good standards of living.

Singapore has taken the lead in the region for high net wealth families to establish a family office, thanks to incentives offered by the Singapore government plus the geopolitical tensions in Hong Kong, which has seen movement of capital away from Hong Kong to Singapore.

Whilst Australia and New Zealand have much higher rates of tax, migrants move to these countries for education of their children, the climate, clean air, and lifestyle, particularly in their retirement years after they have made their wealth.

World map

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

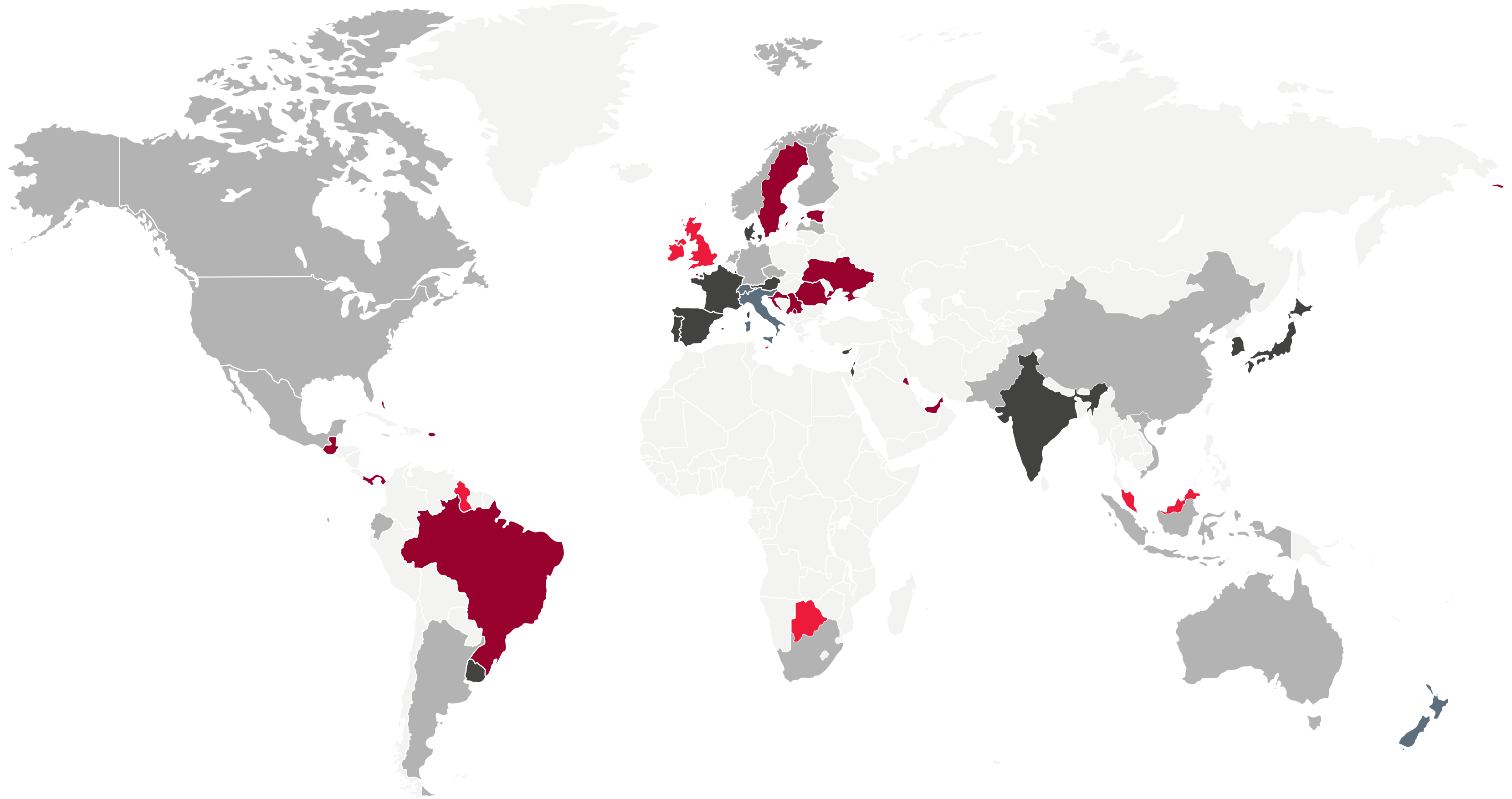
Countries that offer tax breaks for new residents to their country on passive income and capital gains, or on pensions and/or employment earnings.

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.



Americas and the Caribbean

Low tax/no tax | Remittance basis | Favourable for new residents | Lump sum | None of the above

Argentina

Argentina is an agricultural-livestock country with significant wealth in mineral reserves (gold, silver, lithium, etc.) and energy resources. In recent years, the country has also experienced exponential growth in the software industry and knowledge-based services.

Argentine residents are subject to tax at progressive rates in respect of their worldwide income.

Non-residents are subject to tax in respect of only their Argentinian source income, which can be by way of withholding tax at the time of payment.

Companies apply the 'balance sheet principle' to determine their taxable income, meaning that all profits obtained must be taxed, such that all returns, profits, benefits or interest are considered as income regardless of whether they are likely to reoccur or not. Capital gains are taxed as ordinary income under general rules. The Income Tax Law contains a mechanism to adjust the taxable income for inflation.

To avoid double taxation of foreign-source income, Argentinian tax credits may be applied, both unilaterally and under Argentina's extensive network of double tax treaties, which take supremacy over domestic law, including the Income Tax Law.

Currently, to promote productive activities, various promotional regimes (such as the Knowledge Economy Promotion Regime and the Mining Regime etc) with extensive tax benefits apply in the country. The benefits extend to national, provincial and even municipal taxes.

British Virgin Islands (BVI)

Despite its small size of 26 square miles, this English-speaking British Overseas Dependent Territory is a global powerhouse in the high-end tourism and financial services sectors. Surrounded by turquoise blue waters and lined by white sandy beaches in the north-eastern Caribbean, the islands are frequented by tourists who are looking for the 'sailing capital of the world' and expatriate employees who are searching for a slower pace of life.

The islands offer a high standard of living together with a favourable tax regime. There are no corporate or personal income taxes, nor taxes on capital gains, interest or dividends. Employees, however, are subject to a payroll tax levied on wages earned over US$10,000 plus deductions for social security and a national health insurance scheme. These are deducted at source and shared between employee and employer, though the obligation rests on the employer to submit the relevant taxes and deduct these from the employee.

Residents are subject to indirect taxation through customs duties levied on goods imported into the Territory. Duties can range from 5% to 20% depending on the class of goods, though some are also exempt based on Government policy. There are no taxes applied to transfers of shares, however, the purchase of BVI real estate is subject to stamp duty of between 4% and 12%, depending on an individual's immigration status.

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 has a thriving free-market economy with businesses ranging from small owner-managed entities to multinational corporations.

Canada enjoys a stable government, skilled labour force, modern office/plant facilities and a strong banking system. Canada ranks highly for its education system and as a place to raise children.

Canada generally levies progressive tax rates at both federal and provincial levels on a Canadian resident's worldwide income. Canada ranks favourably for corporate tax competitiveness amongst developed countries.

New residents are able to benefit from an uplift in the acquisition cost of their non-Canadian assets when they become resident, thus reducing any future net gain on the disposal of those assets while resident in Canada.

Canada has an extensive double tax treaty network and is a member of the OECD's Common Reporting Standard and Base Erosion and Profit Shifting initiatives.

Ecuador

The income tax for natural persons represents an important percentage of the tax revenues of the Ecuadorian state. Therefore, during the last few years, important reforms have been carried out in this regard.

Natural persons must declare and pay their tax whenever their tax base is greater than that determined by the Tax Administration; subsequently, the progressive income tax rate will be charged. This varies depending on the tax base, with a minimum of 0% for taxpayers who have net taxable income equal to or less than USD 11,722.00 and a maximum of 37%, for net taxable income equal to or higher than USD 105,580.01.

To determine the taxable base, payments to social security (employees under a dependency relationship) and costs related to economic activities (other natural persons) may be deducted.

After calculating the tax liability, a tax credit is granted which is based on personal expenses and varies depending on the number of dependents a taxpayer has, which may include the taxpayer's parents, spouse, common-law partner and minor children up to 21 years of age who do not receive taxable income. The reduction (tax credit) can range from USD 963.53 to USD 2,752.96 per year, the latter limit being applicable to taxpayers or dependents with catastrophic illnesses, and taxpayers who have 5 or more dependents.

Ecuador has maintained the principle of progressivity, making taxpayers who generate more income pay a higher tax and granting family-based tax deductions.

Guatemala

According to the results of the studies conducted by the National Competitiveness Program of Guatemala, the country has a diversity of factors that make it a strategic destination for investment.

It is the largest economy and the most developed metropolis in the region and has the availability of young talent, abundant natural resources, diversity of climates, a diversified exportable supply and preferential access to major international markets.

With respect to its geographic location, the country offers benefits to potential foreign investors, such as:

- Geographic position with direct access to the Pacific and Atlantic coasts of the United States
- Proximity to the main logistic center of the United States (two hours by air)
- The country ranks second in maritime cargo operations in Central America.

Guatemala maintains a territorial tax system, which excludes the taxation of income from lucrative activities, capital gains, labor income and income from profits obtained abroad. The ISR tax rate is 25% on profits, however, it grants the option to choose another simplified method to determine the tax on gross income with a much lower rate. This mainly benefits entities that generate profitability percentages on average and higher than 28% of their income; likewise, it offers the lowest tax rates in the region on capital gains, labor income and distribution of profits to partners.

Additionally, it has regulations that grant tax incentives for investment such as Free Trade Zones, Special Public Economic Development Zones, Promotion and Development of Export Activity and Maquilas.

Guatemala City ranked first in the Top 10 of the 'Major American cities of the future' category Doing Business, according to cost-effectiveness in the 2019/20 ranking of American Cities of the Future by FDI Intelligence, a service of the Financial Times.

Guyana

A gem nestled on the northern coast of South America, Guyana is more closely aligned to the islands of the Caribbean and offers a rich blend of cultures and traditions. Its pristine natural beauty – vast rainforests, majestic waterfalls, and abundant wildlife – make it a paradise for nature enthusiasts.

Its progressive tax system offers incentives for foreign investors and entrepreneurs who want to take advantage of the rapid economic growth currently being realised. Dividends from resident companies to resident shareholders are tax free, while capital gains tax is limited to 20%. Income arising outside of Guyana to persons who are not ordinarily resident or domiciled in Guyana is taxed on the remittance basis.

Whether you seek adventure in its lush landscapes or opportunities in an attractive business environment, Guyana beckons with promise and charm.

Low tax/no tax | Remittance basis | Favourable for new residents | Lump sum | None of the above

Mexico

Mexico has become a very attractive emerging market for foreign investors. It is Latin America's second largest economy, ranking highly in the world for economy size, imports and exports.

Mexico is part of the OECD and currently has tax treaties with more than sixty countries, which facilitates international transactions, including those related to personnel.

Residents are subject to income tax on their worldwide income, applying progressive income tax rates up to 35%. It is possible to apply some personal deductions related to medical expenses, dental expenses, interest on mortgage loans, donations, contributions to retirement fund, among others. Personal deductions can trigger a balance in favour of the individual, for which a refund can be requested, not only for the first year of assignment but throughout the entire assignment period.

Non-residents are subject to income tax on Mexican sources of wealth and there are reduced tax brackets with tax rates of 15% or 30%. It is important to mention that for salary income there is an exemption period of 183 days where the individual can be taxed in home country, only, as long as additional requirements are met. In some cases, the tax compliance for non-residents is possible to carry out through the local company which will act as a withholding agent, making the process of filing and payment of taxes easier.

The Bahamas

The Bahamas is the closest low tax jurisdiction to the US and is considered the gateway to the Americas. The Bahamas archipelago of 700 cays and islands is an ideal hub for regional investment and business in the Eastern United States and Canada, and much of Central and South America. It can take as little as forty-five 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 is located in one of the most idyllic tropical settings in the world and has many attractive features for those who may wish to relocate permanently or establish a second home.

The Bahamian government are committed to building an economic environment in which free enterprise can flourish. The National Investment Policy is designed to support an investment-friendly climate and facilitates Bahamian and foreign direct investments.

The Bahamas levy no income, capital gains or inheritance taxes for all who conduct business or reside in the country. There are, however, National Insurance contributions, company licence fees, stamp duty, property tax (subject to exemptions) and VAT. Import duties and VAT are the major sources of Government revenue.

Uruguay

Considered by specialists as one of the most developed country in Latin America, Uruguay is a country historically distinguished by its stability and the strength of its democracy. Its strategic position in the continent, its macroeconomic soundness and the training of its human resources make it an attractive destination for foreign investment.

Although Uruguay's taxation can be considered onerous, the country has a series of tax incentives applicable to various sectors of activity. Individuals that acquire tax residency in Uruguay have two options with respect to their foreign passive income (dividends and interest):

- to be exempt from income tax for eleven years; or
- to be taxed at a subsidized rate of 7% (the conventional rate is 12%).

With respect to foreign personnel employed in the free zones (areas in which the companies operating there are not subject to taxation), those who choose not to be included in the Uruguayan social security system have the possibility of being taxed at a proportional rate of 12% on the income derived from their work, instead of the conventional progressive rates that range from 0% to 36%.

Although Uruguay has a net worth tax applicable to individuals, such tax is not levied on assets located abroad.

USA

The US is the world's largest economy and attracts people and investment from around the globe, primarily due to its reputation as the 'land of opportunity'. It is rarely considered a favourable tax jurisdiction, as a result of relatively high progressive tax rates imposed at both the federal and state level. Additionally, punitive tax rules and information reporting requirements apply to non-US investments and business interests. While it is generally a high tax jurisdiction, the US permanently lowered its federal corporate income tax rate to 21% beginning in 2018, in addition to temporarily (through 2025) lowering the progressive tax rates for individuals and providing a deduction for certain qualified business income of pass-through entities.

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

It is possible to mitigate the US tax burden with appropriate planning prior to arrival in the US. For example, proper pre-arrival structuring may provide for an increase in the acquisition 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.

SAN FRANSISCO | THE US

Europe and Middle East

Austria

For foreign individuals whose arrival to Austria is considered to promote science, research, arts or sports, the Federal Minister of Finance may remove additional tax liabilities on foreign income, providing the individual has an established residence in Austria for the duration of their activity in Austria.

Furthermore, the Federal Minister of Finance may grant scientists a reduction of 30% of their taxable income from scientific activities in Austria for five years, starting from the date the scientist became tax resident in Austria, if conditions are met.

There may also be a step up of the acquisition cost of capital assets in the event of a relocation of residence to Austria, meaning that the fair market value of the capital assets at the time of relocation is deemed to be the acquisition cost. In the event of a subsequent disposal or a subsequent relocation, only the increase in value that occurred during the residency in Austria is taxed.

Austria stands as one of the most economically and socially stable countries in Europe, offering a multitude of advantages for its residents. Vienna has been named the world's most livable city many times in a row. Furthermore, Austria boasts a high living standard, supported by a robust health care system, a modern and well-developed public transport system, and a rich tapestry of culture and art. Additionally, it takes pride in maintaining one of the lowest crime rates among the European Union. Its unique geographical location, situated in the heart of Europe, offers strategic advantages.

Austria's commitment to environmental sustainability is evident, with drinkable water available from taps throughout the country, clean air, and an environmentally friendly waste disposal system.

Low tax/no tax | Remittance basis | Favourable for new residents | Lump sum | None of the above

Channel islands – Guernsey

Guernsey is a leading offshore finance centre with a business-friendly IT and communications infrastructure, with regular transport links to London, supported by a proactive Government that sets its own legislation. Besides the main feature of an income tax rate of only 20% and no capital taxes, VAT or Sales Taxes, Guernsey offers many other attractive features for High Net Worth individuals.

A temporary tax cap of £50,000 per annum is available to new residents in Guernsey in the first four years of residence, subject to the purchase of a home of approximately £1.4 million within 12 months before and after permanent arrival. After this initial period, High Net Worth individuals can benefit from a tax cap on overseas income of £150,000 per annum or £300,000 per annum to include Guernsey source income.

If a person's lifestyle does not suit living in one place for a whole year, so partially a Guernsey tax resident, a separate tax cap of £40,000 (referred to as the Standard Charge) is available on overseas income, restricting Guernsey income tax to the first £200,000 only.

In addition, new permanent residents are able to distribute accumulated income received by a beneficially owned overseas company without a Guernsey tax charge. The exemption applies provided the income is distributed within two years of permanent arrival in Guernsey.

Guernsey social insurance contributions rates vary depending on whether employed, self-employed or non-employed and whether over or under pension age.

Guernsey has a standard rate of income tax on companies of 0% applying to all Guernsey resident companies, unless they derive income from certain specified activities including Guernsey property ownership, 'large' retail activity, the importation and sale of hydrocarbons and regulated utility companies, which are all subject to the company higher rate of 20%. Companies whose activities are financial services regulated by the Guernsey Financial Services Commission, are taxable at the company intermediate rate of 10%.

Channel islands – Jersey

Jersey is a leading offshore finance centre with a highly developed IT and communications infrastructure, high quality office spaces, regular flights to and from the UK and, importantly, proactive government support to help businesses flourish.

Jersey sets its own tax legislation separate from the UK. The standard rate of income tax is 20%, which is the maximum rate applicable. There is no capital gains tax or inheritance tax, and social security costs are also modest, compared to many jurisdictions and subject to a maximum cap.

Jersey operates an incentive arrangement for High Value Residents arriving to the Island. Under the High Value Resident regime, individuals pay a minimum tax contribution (£250,000 from July 2023), with all income in excess of a specified threshold (£1.25m from July 2023) taxed at 1%. Jersey also operates a remittance basis for individuals that are resident but not ordinarily resident in Jersey, such that only Jersey source income and income remitted to Jersey is taxable. Ordinarily resident individuals are subject to Jersey income tax on their worldwide income.

The general company rate of income tax is 0%, with certain finance-related businesses subject to tax at 10% and specific income, such as Jersey property-related profits taxed at 20%.

Croatia

As one of the safest Mediterranean countries with a rich history, diverse culture and stunning natural beauty, Croatia stands out as a particularly attractive living destination. The way of life and high quality of life are just some of the factors that foreigners highlight as an advantage of living in the Republic of Croatia. The recent research on sustainability, which positioned Croatia as the fifth best European country to live in, is not to be neglected either.

Croatia has one of the lowest Corporate tax rates in the EUand the Government's fifth round of reform significantly helped to increase competitiveness. Income tax in Croatia is based on a progressive scale, whereby higher income is subject to a higher rate of taxation. This progressive structure ensures fair taxation of different income levels, while the Capital income tax based on dividend receipts is set at a withholding rate of 10%.

Croatia, unlike other European countries, does not have a Property tax, while Real estate tax is paid at a relatively low rate of 3%. Additionallly, the extensive double taxation treaty network between Croatia and other countries play a substantial role in preventing tax evasion and tax fraud in international transactions.

Despite frequent changes in laws and unnecessary administrative procedures, there is still a certain interest in investments in the IT sector, call centers, logistics and distribution centers, energy, electrical industry and tourism. This is due to the favorable geostrategic position, the well-educated and qualified workforce and the developed infrastructure of Croatia.

Low tax/no tax | Remittance basis | Favourable for new residents | Lump sum | None of the above

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 and enjoy the beautiful Cyprus landscape and weather.

Cyprus has a very attractive and favorable tax regime, with relatively low income tax rates, extensive Double Tax Treaty network (with currently more than sixty treaties in effect) and significant incentives for individuals taking up Cyprus tax residency and employment in Cyprus.

For individuals previously non-tax resident in Cyprus and commencing their first employment role in the country, they may benefit from a deduction on their earnings (expatriate allowances that may lead to 50% tax deduction on salaried income from Cyprus exceeding EUR 55,000 per annum).

Individuals who become tax resident but are not domiciled in Cyprus are exempt from the Special Defense Contribution tax on passive interest (i.e. bank deposit interest) and dividend income for up to seventeen years.

In addition, the following are also applicable:

- Foreign pension income may be taxed at the flat rate of 5% (the first EUR 3,420 are exempt).
- Profits from trading of securities (i.e shares, bonds) are tax free.
- Capital gains tax is generally restricted only to profits on disposal of immovable property situated in Cyprus at the rate of 20%
- There is no gift or inheritance tax in Cyprus.
- There are no withholding taxes in Cyprus on foreign dividend distributions and interest payments (unless these will be paid to blacklisted jurisdictions.
- The existence of the Intellectual Property (IP) tax regime means that an 80% exemption applies to qualifying income from the exploitation of IP owned by a Cyprus company (using the Nexus formula) to the extent that it is developed by the Cyprus company.

Czech Republic

The Czech Republic has a competitive tax regime, a comfortable standard of living, and a stable and strong economy. Prague is generally considered as one of the most expatriate friendly cities in the world.

The Czech tax system for individuals can be interesting as there is progressive taxation with tax rates of 15% and 23%. Certain types of income are subject to a 15% withholding tax or can be declared in a separate tax base that is only subject to a 15% tax rate.

Special rules allow no tax to be paid on capital gains if a certain period of ownership is met:

- Two years for the sale of a primary residence or five or ten years for the sale of other immovable assets. Under certain conditions, the income from the sale of immovable assets can also be exempt if the funds are used for housing needs.
- Three years for the sale of securities and five years for the sale of shares in business corporations. The proposed bill of an exemption limit of 40 mil. CZK per year may be introduced in 2024 for the sum of both types of income.

The Czech Republic has an extensive network of Double Tax Treaties, which set rules to prevent the double taxation of income. There is no Czech inheritance tax and no tax is due on gifts between family members. The Czech Republic also has no wealth tax or exit tax.

Denmark

As with most Scandinavian countries, Denmark is not a typical front-runner when choosing somewhere 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 notbe widely known.

Denmark allows an uplift in the acquisition 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.

Under certain conditions, capital gains from the disposal of a main residence are not subject to tax. In addition, Denmark has a special tax regime where an individual may opt for a reduced flat rate income tax charge (27%) on employment income for the first seven 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 an individual breaking Danish tax residence, this only applies for longer-term residents who have lived in Denmark for seven out of ten 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 five years of leaving Denmark.

Estonia

For more than eight years, Estonia has been at the top of the list for the Tax Competitiveness Index. There is no real estate tax, but there is a land tax, which is up to 2.5% of the cadastral value of the land.

The Estonian tax system is characterised by its simplicity and efficiency. Tax on earnings from the operation of a company is paid exclusively if income will be distributed. The system gives the possibility for firms to reinvest at a 0% rate. This encourages companies to invest in growth and innovation, leading to increased economic activity and job creation.

Estonia has been labelled an e-country – 99% of government services are online, including company formation and tax declaration procedures. In this way, it is possible to submit all the documentation to the E – Tax and Customs Board within a couple of minutes. This makes it easy for businesses and individuals to manage their tax affairs and reduces the administrative burden of compliance.

Estonia was the first nation to offer e-Residency, beginning in 2014. It remains a popular programme of its kind for entrepreneurial people. In a nutshell, it is an ecosystem of online services for business owners that equips them with the resources they need to run their operations wherever they are.

Finland

Finland is a Nordic country, surrounded by Russia, Sweden, and Norway. It is a modern and stable economy and despite having high rates of tax, Finland provides advantages which can make it an attractive destination for individuals looking to relocate.

HELSINKI CATHEDRAL | FINLAND

Finland taxes residents on their worldwide income. Earned income (such as salary and pension income) is taxed at progressive tax rates. Capital income (such as dividends and gains from the sale of assets) is taxed at a flat tax rate. A non-resident individual is taxed on Finnish-source income only. The corporate tax rate is relatively low in Finland and relief exists on dividends received from non-listed companies, making wealth structuring using limited liability companies common.

Foreign employees whose work requires special knowledge can benefit from the special foreign expert tax regime which provides a lower flat tax rate on Finnish-source salary income.

An exemption from capital gains tax applies in connection with the disposal of a real estate, if used as a family home continuously for two consecutive years. The exemption is also applicable to non-resident individuals.

There is no wealth tax nor exit tax for individuals in Finland. Inheritance and gift taxes are levied, however, gifts and inheritances received from close relatives are taxed at a lower rate.

The Finnish tax system provides relief for transactions that aim at passing a business or a farm to the next generation.

An accelerated application process (fast-track) for a residence permit and work visa is available for students, researchers, entrepreneurs, specialists and other skilled workers (including their families) in different sectors.

The safety, northern nature and clean environment, stable institutions, low corruption, a renowned education and a universal healthcare system, are important assets in attracting individuals to Finland.

France

Despite having high rates of tax, there are several incentives available to individuals who are seconded to France by their employer, or who move to France to take up a position in a French company, or in a French branch of a foreign company.

For a period of up to eight 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 to reduce the net taxable income in France, whilst only 50% of overseas dividend income, interest, capital gains and royalties are subject to French income tax.

In addition, an exemption from wealth tax applies for a period of up to six years for all new French tax resident individuals in respect of real estate and rights therein located outside France.

It should also be noted that individuals who have been tax resident in France for a period of less than six years over the last ten years are not subject to the French Exit Tax on unrealised capital gains, in case of future relocation outside France.

Low tax/no tax | Remittance basis | Favourable for new residents | Lump sum | None of the above

Germany

As an important member of the European Union, Germany is known worldwide for innovation, leading technology and high productivity.

Companies and Individuals from all over the world are welcome in Germany. Germany plays a key role in the growing European domestic market, especially for the finance and banking industry with its hub in Frankfurt am Main, and is a gateway to the future markets in Central and Eastern Europe.

Resident individuals are liable to income tax on their worldwide income at progressive rates up to 45% and their liability is increased by a 5.5% solidarity surcharge. Individuals carrying on a trade or business are also subject to trade tax, whilst employees are liable to social security contributions.

Germany also has a lump sum taxation regime regarding capital income, which limits the tax rate on capital income only. Therefore, the income tax rate for dividends, interest and capital gains arising from the sale of shares and bonds is generally limited to 25% (26.38% including the 5.5% surcharge) regardless of other income subject to personal income tax rate.

Inheritance and gift taxes are levied, starting from the first day of taking up a residence in Germany. However, Germany does not impose any wealth tax.

Real estate transfer tax (GrESt) is levied on the acquisition of a piece of land or a portion of land. Depending on the federal state, the tax rate ranges from 3.5% to 6.5%.

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. 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 from abroad for a period of between one to five years may be entitled to an income tax exemption on a proportion of their salaries under a special regime known as the Special Assignee Relief Programme (SARP).

DUNLUCE CASTLE | IRELAND

Israel

Located on the eastern shore of the Mediterranean Sea, Israel is an attractive destination to visit and reside, with its cultural diversity, its rich historical and religious background, sandy shorelines, and exceptional weather throughout the year.

Israel grants tax benefits to foreign residents who come to live in Israel for the first time or to Israeli individuals who return to Israel after living abroad for more than 10 years ('Benefiting Individuals'). If an individual complies with the conditions to be classified as a Benefiting Individual, they will only be subject to tax on Israeli sourced income, and all foreign sourced income whether passive, or active work income, will be exempt from tax for a period of 10 years from their arrival date. In addition, a Benefiting Individual is exempt from reporting their foreign sourced income. These benefits are granted to all new immigrants and are not subject to any minimum wealth, local investment or other conditions.

Other benefits granted to such individuals include an exemption from Purchase Tax for their first residential property, additional tax credit points to reduce their tax on locally derived income, an exemption from VAT and custom duty upon import of household goods immediately following their immigration, and other one-off benefits.

Israel has an extensive network of Double Tax Treaties, although some of these may caveat a Benefiting Individual.

Currently there is no inheritance tax, gift tax (unless gifted to a foreign resident), or wealth tax in Israel.

Low tax/no tax | Remittance basis | Favourable for new residents | Lump sum | None of the above

Italy

Italy is today a leading country in world trade and exports, ranking as the third largest economy in the Eurozone and the eighth largest in the world, where business is encouraged via modern infrastructures and high-level public services.

A strong dependence towards the European market and improving links through the Alps make Italy a key centre for doing business in Europe. When combined with the high quality wine and food, the Mediterranean climate of peninsular coastal areas, smooth hills of Tuscany and Piedmont, Medieval towns, Greek temples overlooking a crystalline sea and lakes nestled in green mountains (to name a few), Italy is an attractive country for individuals to consider when relocating.

Extensive improvements in the public sector and the universal public healthcare system, plus improving efficiency of justice and civil rights reforms, combined with recently decreasing tax rates for companies and individuals, further enhance the attraction of Italy.

Italy has a very low inheritance and gift tax rate compared to most countries and has in force a wide set of measures to attract foreign individuals to the country. These include a 70% (up to 90%) tax exemption for income from employment or self-employment for five years (available for an additional five years with a 50% up to 90% tax exemption, if certain conditions are met) for individuals moving for work in Italy.

Even more significantly, the Flat Tax regime which is aimed at 'high-net-worth individuals', providing for a yearly flat tax of EUR 100,000 on foreign income (or EUR 25,000 for each family member that opts for this regime), instead of the ordinary progressive tax rates. Exemptions from donation and inheritance tax, remittance tax, wealth tax on assets owned abroad and monitoring obligations are also granted with this regime.

Another measure is a six-year tax break for foreign retirees who decide to relocate to one of Italy's attractive southern regions, which may qualify for a six-year tax break by paying a substitute tax of 7% on foreign income instead of the ordinary progressive tax rate.

LIGURIA | ITALY

Kosovo

A small country located in the centre of the Balkans which offers very low tax rates in comparison to other jurisdictions. A country where you will find a rich cultural life, Kosovo has one of the youngest populations in Europe and is known for its hospitality and friendliness towards foreigners. Although Caffè Macchiato is an Italian invention, rumours around the internet are clear; Kosovo offers one of the best Macchiatos. The nature in Kosovo is incredible with fantastic views of mountain peaks, breathtaking lakes and waterfalls, as well as picturesque villages.

Gross income of individuals resident in Kosovo is taxed at a progressive rate from 0% to 10%. An individual is considered resident for tax purposes if they have a principal residence or are physically present in Kosovo for 183 days in any twelve-month period. An individual who is tax resident in Kosovo is subject to taxation on their worldwide income, however, where a double tax treaty exists between Kosovo and the country where the income derives from, the double tax treaty provisions prevail. If individuals do not have a permanent residence then they are not required to make any pension contributions. There are no wealth or inheritance taxes.

Taxpayers with business activities with annual gross income of up to EUR 50,000 are taxed at a rate of 3% on the gross income received from trade, transport, agricultural and similar commercial activities; and a rate of 9% on the gross income received from services, professional, vocational, entertainment and similar activities. Individual entrepreneurs with annual gross income of over EUR 50,000 can choose to voluntarily be taxed on real income at 10%, calculated after a deduction from gross income for expenses paid or incurred during the tax period, which are fully, exclusively and directly related to the economic activity.

Kuwait

Kuwait is a wealthy country nestled in the Arabian Peninsula with one of the largest oil reserves in the world. Kuwait has one of the lowest unemployment rates with increasing job opportunities and a reasonable level of disposable income. It is an attractive destination for individuals looking to relocate and is only a short flight from Europe.

There are no net wealth taxes, estate duty, inheritance or gift taxes, value added taxes or taxes on the remittance of funds from Kuwait. There are no personal taxes in Kuwait on income earned by individuals from local or foreign employment. Social security contributions are not applicable to expat employees. Kuwait has signed double tax agreements with various countries.

Kuwaiti incorporated limited liability companies owned by individuals are not required to pay any form of corporate taxes in Kuwait. The corporate tax regime applies only to foreign companies (with the exception of entities registered in Gulf Cooperation Council (GCC) countries having GCC shareholders) carrying on business in Kuwait.

Foreign individuals can set up a 100% foreign owned company in Kuwait under the Foreign Direct Investment law, subject to meeting certain conditions.

Latvia

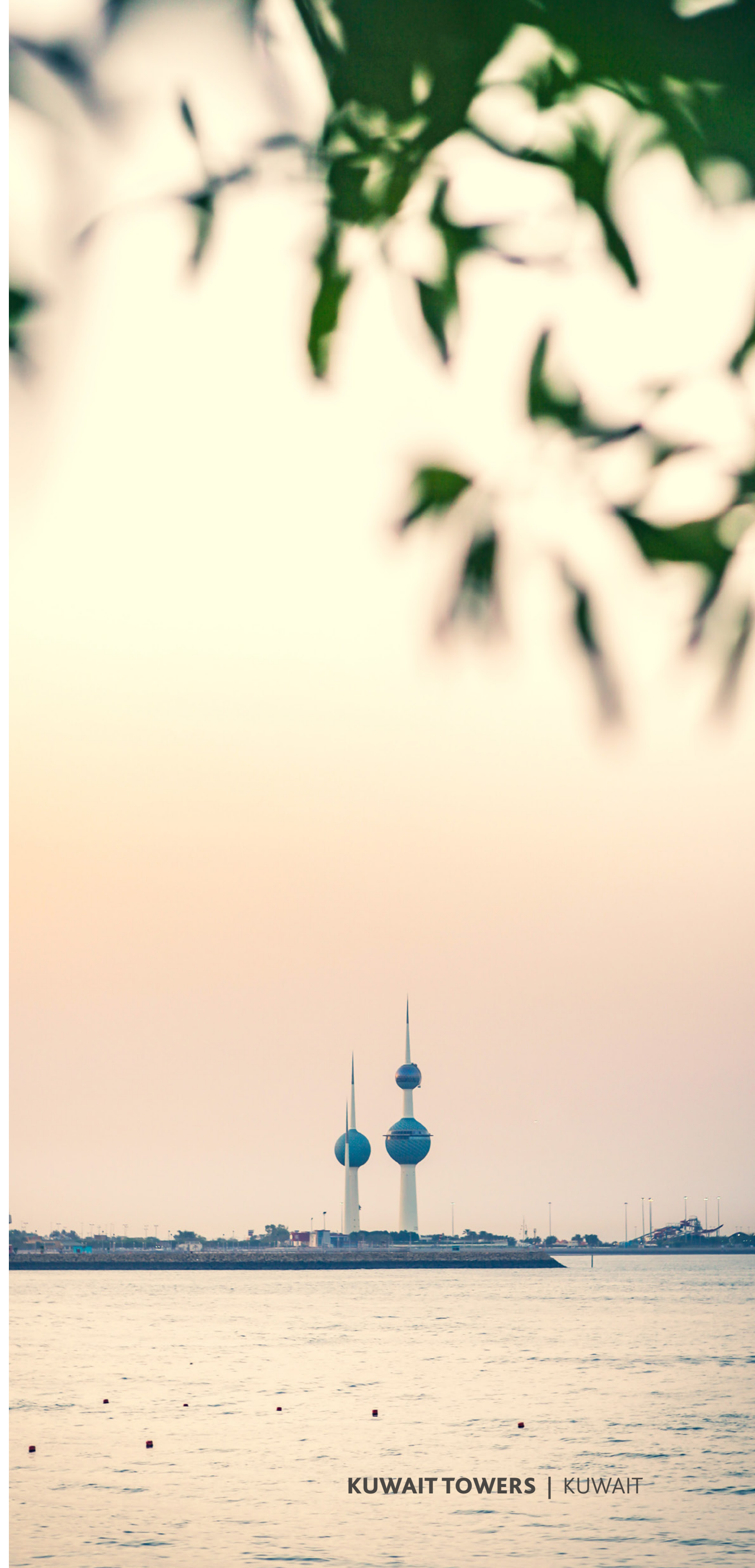
Latvia is an independent democratic parliamentary republic, which is located in North-Eastern Europe, on the shores of the Baltic Sea. Latvia is one of the three Baltic States.

In 2018, Latvia reformed its corporate income tax (CIT) system. The new CIT system means that the payment of tax is deferred until profits are distributed, or otherwise diverted to expenditure that does not ensure the taxpayer's future development, i.e. tax is deferred from the time when profits are made to the time when profits are distributed.

Tax is payable irrespective of the amount of income earned during the year, only if the taxpayer distributes profits in dividends or similar distributions, incurs non-business expenses, makes increased interest payments (thin cap) or provides loans to related parties. The aim of the Latvian CIT system is to promote economic development, encourage companies to keep more of their profits in the company, increase their profitability and productivity, and boost re-investment.

Latvia is attractive for investments – especially to develop production and to carry out commercial activities in special economic zones which provide several tax benefits. There are two types of economic zones – Special economic zones (SEZ) and Freeport economic zones, where companies located in the territory are subject to a free zone regime, i.e. a set of tax exemptions and special customs control measures

The main benefits for businesses in economic zones are a discount of real estate tax (up to 100%) , a discount of CIT (up to 80%) and exemption from customs duties and excise duties on petroleum products in the SEZ etc. Also, value added tax is charged at a rate of 0% for the supply of goods to the free zone companies, which are a part of the special economic zone, for their further export and for the supply of goods to a licensed company (zonal administration).



KUWAIT TOWERS | KUWAIT

Low tax/no tax | Remittance basis | Favourable for new residents | Lump sum | None of the above

Liechtenstein

The Principality of Liechtenstein in the very center of Europe, nestled between Switzerland and Austria and in the middle of the Alps, is an oasis of well-being with an exceptional quality of life.

Liechtenstein is the fourth smallest state in Europe and the sixth smallest in the world. But in terms of entrepreneurship, the country is right at the forefront. A professional, innovative financial center with world market leaders, globally operating industrial corporations, and a large number of commercial enterprises show the strength of the Principality of Liechtenstein as a business location.

CASTLE VADUZ | LIECHTENSTEIN

Liechtenstein has the Swiss franc (CHF) as its legal tender, is closely connected to Switzerland as being part of the Swiss customs territory, and is part of the European Economic Area (EEA) as well.

Taxes are levied in Liechtenstein, but the tax law is simple, transparent, attractive, and adapted to the economic and legal framework conditions at home and abroad.

In the case of private individuals, assets and income from self-employed or employed activities are subject to a progressive tax rate.

A state tax is levied and a municipal tax can also apply depending on the respective municipality of residence. The rate of the state tax is progressive in eight levels with a top rate of 8%. The municipal tax is levied by means of a surcharge on the calculated state tax. This surcharge ranges between 150% and 250% of the national tax and is set annually by each municipality at its discretion within this framework. In 2022, no municipality collected a surcharge higher than 180%. This resulted in a maximum top tax rate of 22.4%.

A wealth tax is integrated in the calculation of the income tax by applying a minimum return of currently 4% on the value of the relevant assets which then also serves as the basis for calculating the income tax liability. Furthermore, Liechtenstein does not levy inheritance or gift tax.

Nevertheless, there is a hurdle to take, as foreign nationals cannot easily take up residence in Liechtenstein; this requires an application for a residence permit, which is only granted in certain cases or awarded to a small number of lucky people in an annual lottery.

Besides the above-named ordinary taxation, a person domiciled in Liechtenstein may be entitled to apply for Lump Sum Taxation (taxation based on expenditures) instead of the ordinary income taxation (by which the wealth tax is covered as well). For Lump Sum Taxation to apply, the person must:

- become a tax resident in the Principality of Liechtenstein for the first time (or after at least ten years absence from the country);
- not be a Liechtenstein citizen;
- not engage in gainful employment in Liechtenstein; and
- live from the income of their assets or other income accruing to them from abroad.

The assessment basis for the lump-sum taxation is not the actual income and/or the value of the assets, but the total of the annual living expenses of the taxpayer and their family members worldwide (including Liechtenstein). The lump-sum tax rate is 25% of the value of these annual living expenses. The minimum amount of the lump-sum tax in the Principality of Liechtenstein is CHF 300,000 per year.

Although the immigration of natural persons to Liechtenstein is associated with certain hurdles, Liechtenstein offers very attractive (tax) framework conditions for the transfer of legal entities to Liechtenstein or the establishment of legal entities and structures in Liechtenstein.

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 more than 600,000 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 assets have been held for more than six months, but there is an exception for equity investments where holdings exceed 10%. However, new residents are able to benefit from an uplift in the acquisition cost 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 qualifying dividend received by an individual is taxed in Luxembourg, with the other 50% exempt, if the dividend derives from a treaty country. In addition, a foreign tax credit may be available for overseas dividends.

Interest income is subject to a 20% final withholding tax in Luxembourg (under certain conditions).

A specific tax regime may be available under certain conditions to expatriates who are hired by a Luxembourg employer. This preferential tax regime exempts all or part of certain benefits granted to expatriate employees by their employer in connection with the move to 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 (e.g. parents to children). Gift taxes do not apply unless the gift is registered.

Malta

Malta is not only a beautiful island with an abundance of history, a warm climate and stable economy, but it offers a very attractive tax regime for expatriates looking to relocate to Malta.

Malta operates a remittance basis tax regime, meaning that foreign source income is only taxable if remitted to Malta, however, foreign capital gains are exempt from tax even if remitted to Malta. Moreover, there is no wealth tax, inheritance/gift tax or real estate tax, whilst a low capital gains tax rate applies to disposals of immoveable property in Malta.

There are a number of favourable programmes available to expatriates, which enables them to benefit from a special tax status. Some of those programmes are 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, both of which apply a fixed rate of tax on non-Maltese source income in certain circumstances. In addition, the Malta Permanent Residence Programme, which is a residency-by-investment programme based on investments in property and government contributions, offers applicants and their dependents the opportunity to reside, settle and stay indefinitely in Malta.

Netherlands

The Netherlands has traditionally been attractive for international companies. Nonetheless, it can also be attractive for private clients, particularly for new residents with a foreign company, because of the uplift in acquisition cost for substantial shareholdings for capital gains tax purposes. Furthermore, the Netherlands has an extensive Double Tax Treaty network.

Resident individuals are taxed on their worldwide income. Under the schedular tax system, taxable income is grouped into three 'boxes'. Income from (former) employment and dwellings is taxed at progressive rates (maximum of 49.50%). Income from substantial shareholdings (including dividends and capital gains) in resident and non-resident companies is taxed at a flat rate of 26.9%. Income from savings and investment is based on a deemed yield on net assets taxed at a flat rate of 32%.

Inheritance and gift taxes are imposed if the deceased or the donor was a (deemed) resident of the Netherlands at the time of death or at the time of the gift. If a new resident of the Netherlands obtains an inheritance or gift from a resident of another country, this acquisition is not subject to Dutch inheritance or gift tax.

In the Netherlands it is possible for employees who come from abroad and meet certain conditions to apply for the so-called 30%-ruling. This means 30% of their salary can be paid out tax-free. An employee who has been granted the 30% ruling can also elect to be treated as a 'partial non-resident', whereby the employee is subject to Dutch income tax on specific sources of income.

Low tax/no tax | Remittance basis | Favourable for new residents | Lump sum | None of the above

Norway

Norway with its beautiful fjords and mountains has a thriving economy in oil, gas, fishing and energy. Both work-life balance and gender equality is highly valued in Norway, which is reflected in the labour law legislation.

In general, Norway has a high rate of indirect tax, which leads to high living costs. Norway has discontinued inheritance and gift tax, however, there are discussions as to whether it should be reintroduced.

A progressive tax system with several brackets is in place for the ordinary taxation of personal income.

In 2019, Norway introduced a PAYE (pay as you earn) Scheme which allows foreign workers (those undertaking short work stays in Norway or in their first year of living in the country) to choose their preferred method of taxation; via the general tax rules or via the PAYE scheme.

The scheme applies a flat tax rate to earnings from these assignments, which includes Norwegian social security contributions. If the individual is exempt from paying social security contributions in Norway, the flat tax rate is reduced. The taxation is based on the gross income, including all payments from the employer. This scheme eliminates any deductions. The assessment is done on a monthly basis and the individual does not submit a personal income tax return nor do they receive a tax assessment notice.

Social security contributions are on a lower level. Employers' contributions are staggered according to different zones. In the big cities and southern and eastern Norway, the contribution amounts to 14.1% in 2023 of the gross income, but in Northern Norway the rate is 0%. Employees' contributions are generally 7.9% in 2023. The social contribution includes unemployment payments, sick leave payments as well coverage of medical help.

Norway also has wealth, capital and real estate taxes. A Norwegian tax resident individual is subject to wealth tax on their global net worth, even if they are also considered as tax resident in another jurisdiction by reference to the tax treaty for that country. If the tax treaty between Norway and the other jurisdiction does not include a provision for wealth tax, Norway will be able to tax the wealth of the individual.

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.

The 'Non-habitual Residents (NHR)' regime exists 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 is consecutive, meaning that it will be enacted whilst the individual is a local tax resident, and will continue to be counted even during a period where the individual loses their tax residency in Portugal.

Subject to meeting the various conditions, certain sources of non-Portuguese income such as interest and dividends may be exempt from tax in Portugal and, in certain circumstances, may also be exempt from tax in the source country. Additionally, a flat tax rate of 10% applies to foreign pension income and other payments from pension funds and similar retirement schemes.

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 (i.e. 20%), 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.

Subject to certain conditions, individuals who become resident in Portugal in 2023, having been non Portuguese resident for the prior three tax years, may qualify for a 50% relief on employment or self-employment income they receive.

This regime is known as the "returning regime" (ie. "Regressar") and has the particularity of not being able to be cumulated with the aforementioned NHR regime.

Non-EU/EFTA nationals who wish to reside in Portugal may have to apply for a national residence visa before entering Portugal, which may then be converted into a Portuguese residence permit after arrival.

The NHR regime is not expected to be available for new applications after 31 December 2023.

Romania

Due to its varied landscape, Romania is one of the most biogeographically diverse countries in the European Union. With snow-capped mountains, green hills covered in forests and vineyards, sandy Black Sea beaches and Europe's largest and best-preserved delta, Romania has something for everyone.

On top of that, Romania is a low tax jurisdiction with most of the income and capital gains being taxed at a flat tax rate of 10%. As an exception to this, income from dividends are taxed at 8%, income from gambling activities of more than 66,750 RON/prize (approx. 13,350 EUR/prize) are taxed at 40% (only for the part that exceeds 13,350 EUR) and income for which the source cannot be identified by the tax authorities is taxed at 16%.

Additionally, Romania levies no tax on wealth, inheritance or donations (up to third degree relatives for donations/inheritance of immovable property). As an exception to the above, inheritance tax of 1% is due on the value of property if the inheritance process is not finalized within 2 years from the date of the death of the donor.

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. After 20 successful years of the regime, the new rules have substantially increased the number of qualifying individuals, extending the Beckham Law benefits to Directors, employees, entrepreneurs and digital nomads, under certain conditions.

One of the new changes allow directors of a Spanish company to hold up to 100% of its share capital, provided the company is not passive (in passive companies, directors will need to hold less than 25% of its share capital).

Qualifying individuals who have not been tax resident in Spain for any of the previous five years may not pay tax on their overseas income and gains for up to six tax years. An exception is employment income, which is only exempt if the income relates to duties performed outside Spain, prior to relocating to Spain. Non-Spanish pensions for work performed prior to relocating to Spain are out of the scope of Spanish income tax.

This regime also reduces the wealth tax exposure in Spain to Spanish assets/properties. However, whilst it is attractive from an income and wealth tax perspective, the Beckham Law does not provide protection from exposure to Spanish estate taxes and forced heirship provisions.

SPAIN

Sweden

During the last two decades, Sweden has evolved into a popular low tax jurisdiction in Scandinavia for individuals with wealth.

The Swedish tax friendly environment for capital now offers a zero rate of tax for wealth, inheritance and gifts.

Payments from a unit-linked life insurance to the beneficiary, or the proceeds from the sale of such an insurance policy are tax exempt for residents in Sweden.

The capital contribution from the founder of a Swedish family foundation into the foundation is tax exempt for both founder and foundation – irrespective of whether the capital is contributed as cash or other assets. Payments from a family foundation to resident beneficiaries who are below 18 years old, or who have not yet completed their university studies (at Degree of Bachelor level) are tax exempt. Payments from a Swedish family foundation to anon-resident beneficiary are also tax exempt.

For private real estate, the annual property tax is capped at SEK 9,287 (EUR 829) for 2023, irrespective of the market value of the real estate.

For investment income from listed securities, it is possible for individuals to hold such investments in an investment savings account (investeringssparkonto, or ISK) without being taxed on dividends or the actual capital gains derived from the disposal of the shareholdings. Instead, for 2023 a deemed income of 2.97% of the value of the assets are taxed at a rate of 30%. Therefore, for 2023, all income in the ISK, exceeding 2.97% of the value of the assets, is tax exempt. ISKs are offered free of charge by all major Swedish banks.

Income from capital in the form of dividends, or capital gains from non-listed companies, could be taxed at effective rates of 20% or 25%.

Sweden runs an incentive scheme for high earners, if monthly salary exceeds SEK 105,000 (the amount is decided annually by the Government), then 25% of the salary is exempt from income tax and social security charges during the first five years in Sweden. This results in a top individual marginal tax rate of 37.4 % (if resident in Stockholm) for the salary.

Sweden has no 'exit-tax', only a prolonged taxation for some capital gains that occur during a period of ten years after relocating from Sweden. This prolonged taxation is however often negotiated in Swedish double tax treaties to five years, or totally abolished.

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. Capital gains from the disposal of private assets, except real estate and business assets, are generally tax free. An individual will be assessable to tax in the canton in which their personal and business interests lie (Canton of residence), with intercantonal double tax relief applying to ensure an individual is only assessed to the same Income once.

Depending on the canton, the combined income tax rate (federal and cantonal) could be as low as 22%. Income tax on dividends from substantial participations (more than 10%) can be reduced by up to 50%. The transfer of assets to their own children, grandchildren and spouses is exempt from gift and inheritance tax in most of the cantons.

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 most Cantons, such as Geneva, Berne, Lucerne or Obwalden, recognise lump sum taxation, it is not available in all Cantons, including Zurich and Schaffhausen. In addition, minimum taxable bases apply at both federal and Canton level.

The UK

An advanced, diverse, and regulated jurisdiction, the UK remains one of the most popular and multicultural jurisdictions for people looking to relocate.

The UK offers a prime location for accessing the rest of the world and its strong infrastructure, good legal, educational and healthcare systems and robust business regulations ensure that the UK continues to be a leading financial centre which offers the balanced lifestyle that many wealthy individuals seek for themselves and their families.

As an alternative to the worldwide basis of taxation which applies to UK resident and domiciled individuals, non-domiciled individuals are able, for a period of 15 years, to elect to be taxed under the remittance basis regime, which limits their liability to UK tax on non-UK source income and capital gains to amounts actually remitted (i.e. used/enjoyed in/ brought) to the UK.

The UK does not have wealth taxes and, for non-UK domiciled individuals, the exposure to estate taxes may be limited to assets situated in the UK, thus making the UK a particularly attractive destination for entrepreneurs and their families to relocate to.

Low tax/no tax	Remittance basis	Favourable for new residents	Lump sum	None of the above

United Arab Emirates

The UAE boasts a highly attractive business environment, with excellent infrastructure and an outstanding strategic location between the Asian, European and African markets.

Foreign workers make up nearly 90% of the UAE population, making it one of the most ethnically and culturally diverse countries in the world. Expats benefit from an open and inclusive society and can enjoy a luxury, cosmopolitan lifestyle with no personal income taxes.

Investors interested in establishing a business in the UAE have the option of establishing a 'mainland' or 'free zone' business. There is a wide network of free zones in the UAE that offer certain trading advantages and tax reliefs, and some are customs-free areas. The decision on whether to take the mainland or free zone route will depend on a range of factors.

For many years the UAE levied virtually no taxes of any kind. However, since 2017, various business taxes have been introduced, albeit at relatively low rates. The low rates, and the absence of withholding tax or restrictions on the movement of funds, reinforces the country's attractiveness for foreign businesses.

The two taxes that most businesses will encounter are corporate tax and value added tax. However, importers may also be required to pay customs duties.

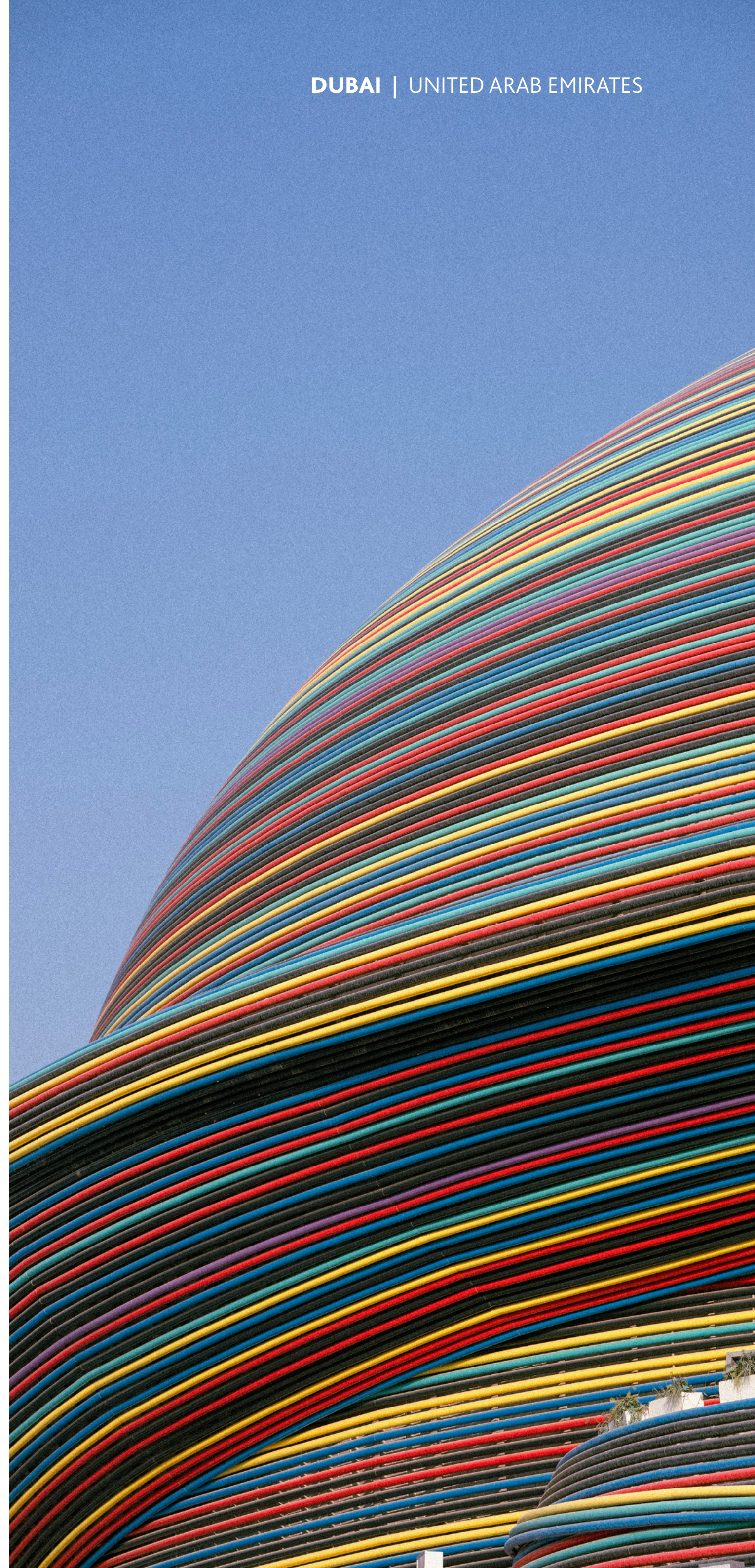
The majority of businesses in the UAE will be obliged to register for corporate tax but there are thresholds and reliefs that will effectively take smaller businesses out of the tax net. The tax is paid on adjusted net profits taken from the financial statements. Under the corporate tax law, transfer pricing is applied, using the normal OECD models. Foreign businesses will be liable to UAE corporate tax if they are deemed to be tax resident, or if they have a permanent establishment in the UAE.

The UAE has a value added tax system, which follows principles very closely aligned to the European VAT system. There are exemptions and zero-rates that support international trade and certain social needs.

Businesses established in the UAE are subject to Economic Substance Regulations. In brief, these regulations require a business to maintain adequate substance in the UAE to support the income it generates. There are annual reporting obligations associated with these regulations.

Excise tax is levied on specific goods which are typically harmful to human health or the environment.

There is no personal income tax or any other statutory payroll deductions in the UAE.



MELBOURNE | AUSTRALIA

Asia Pacific and Africa

Low tax/no tax | Remittance basis | Favourable for new residents | Lump sum | None of the above

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 acquisition 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.

Botswana

Foreign sourced interest and capital gains for non-citizens are not taxable whether remitted or not. Other business income is taxed if remitted to the country.

Relocation and passage benefits for expatriates and their family are not taxed. Passage benefits are not limited. Botswana does not have exchange control; funds can be remitted easily.

China

One of the biggest developing countries in the world, China is known worldwide for its long history and deep cultural deposits.

Companies and individuals from all over the world are welcome in China. China offers favourable investment policies to them, especially under the support of the One-Belt-One-Road policy.

The People's Republic of China (PRC) Individual Income Tax (IIT) position depends on an individual's domicile status and residence status. PRC domiciled individuals (herein refers to Chinese citizens) are liable to IIT on their worldwide income. Non-PRC domiciled individuals are only liable to IIT on their Chinese-sourced income if they are physically present in China for less than six years consecutively. Consolidated income including employment income, remuneration for personal service, author's remuneration and loyalties are subject to IIT rates ranging from 3% to 45%. Also, individuals who are working in China are liable to social security insurances. The flat IIT rate for dividends, interest and capital gains arising from the sale of shares is 20%.

Currently, China does not impose any inheritance, gift or wealth taxes.

NANJING | CHINA

Hong Kong

As one of the world's leading international financial centres, Hong Kong has a capitalist economy characterised by relatively low taxation, free trade and minimum government intervention. Its simple tax system has led to Hong Kong being one of the most famous low-tax jurisdictions.

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 has now agreed double tax treaties with many major economies in the world.

HONG KONG

India

Driven by a large economy, strong economic reforms, a growing consumer market and a talented workforce, India has emerged as a lucrative country to do business in, and one of the most attractive destinations for investments.

The Indian tax structure follows a three-tier system, with power to levy taxes distributed amongst Central, State and Local governments.

India follows residence as well as source-based taxation. India is not a low tax jurisdiction, but there is no inheritance tax, no wealth tax, no death duties, and no tax on gifts given to relatives.

India has two tax regimes for individual taxpayers to choose from; both of which follow a progressive slab rate system. One involves gross income being taxed at higher slab rates after allowing certain prescribed deductions, while the other taxes gross income at lower slab rates.

Capital gains are taxed at specific rates depending on the type of asset and period of holding.

Residents and ordinarily resident individuals are taxable on their worldwide income, whereas non-residents are taxed only on income sourced in or received in India. Hence foreign income and foreign asset disclosures are excluded for non-residents. Further, depending on certain factors, individuals may be taxed under the applicable double tax treaty or local Indian tax laws.

Transactions involving flow of funds in and out of India are regulated by India's banking and exchange control regulatory body. The exchange control regulations have largely been liberalised keeping in mind the need of the stakeholders.

Indonesia

Indonesia is a wonderful and exotic country, consisting of a vast archipelago stretching over more than 17,000 islands with an ethnically and culturally diverse population of over 276 million people. It is the world's fourth most populous country and expected to be amongst the world's largest economies by 2030.

As a large economy in Southeast Asia which is rich in natural resources, Indonesia has been attracting many individuals to live and work. Many of them live in the sprawling metropolis of Jakarta, the country's capital and economic financial centre. Not forgetting Bali, a popular tourist hub, which is a popular location for retirement.

Indonesian tax residents are taxed on worldwide income at progressive rates. This may be mitigated by the application of double taxation agreements. Non-resident individuals are subject to Indonesian withholding tax in respect of their Indonesian-sourced income. This rate may reduce depending on the applicable tax treaty provisions.

Capital gains, offshore interest income and other types of investment income are taxed at standard income tax rates. Sale of land and/or buildings located in Indonesia are subject to final tax on the taxable sale value or the actual proceeds, whichever is higher. Rental income from a building or land located in Indonesia is subject to final tax, which is calculated on the gross rental income.

The sale of shares on the Indonesian stock exchange are subject to final income tax on the proceeds. Interest income on time deposits and savings with Indonesian banks or Indonesian branches of foreign banks in any currency, are subject to final tax. Interest income on Indonesian bonds is subject to final tax.

Withholding tax on dividends received from an Indonesian company may be exempt from tax, if certain requirements are met. Although Indonesia is not a low tax jurisdiction, there is no net wealth, inheritance, estate or gift taxes.

Japan

Japan, known as the Land of the Rising Sun, has captivated the hearts of millions with a unique blend of ancient traditions and cutting-edge technology. While the country's cultural heritage, stunning landscapes, and delicious cuisine are reasons enough to consider relocating to Japan, there are also striking vocational reasons to relocate to Japan.

Two reasons come to mind when asked why foreigners relocate to Japan. The first reason is employment. The second is investment.

Three crucial attributes of Japanese society underwrite the two mentioned reasons, namely, property rights, personal liberty, and peaceful existence. The oldest corporation in existence is in Japan demonstrating a near 1,500-year tradition of property rights, whilst Japan also boasts some of the lowest crime statistics.

Although not known as a low tax jurisdiction, Japan's tax system does offer incentives for both individuals and businesses.

Japan's standard corporate tax rate stands at 23.2% and an effective corporate tax rate (including local taxes) is 30% to 35%.

Individuals residing in Japan can take advantage of various personal exemptions and deductions. For instance, the basic personal exemption allows a certain portion of employment income to be exempt from taxation. Additional deductions are available for dependents, education expenses, and even mortgage interest payments. Moreover, with planning, a non-permanent resident of Japan may not suffer income tax on investment income for the first five years of residence.

Japan's social insurance system consists of a pension system and a health insurance system. All residents of Japan can enrol in the Health Insurance system, regardless of their nationality, allowing equal access to medical coverage. To protect the rights of individuals working abroad, Japan has concluded social security agreements, known as totalization agreements, with many countries, and these agreements ensure that individuals who work in both their home country and Japan are not subjected to double taxation of social security taxes.

To stimulate economic growth in specific regions, local governments offer various regional tax incentives. These incentives include reduced corporate taxes, land and property tax exemptions, and subsidies for business relocation and expansion.

The Government of Japan recognizes the importance of research and development (R&D) as a driving force behind innovation. To encourage R&D activities, the country offers tax credits and incentives to businesses engaged in technological advancements and scientific research.

Attributes such as cultural richness and breathtaking landscapes along with the country's competitive tax rates, personal exemptions, social security agreements, regional tax incentives, and R&D tax credits make it an appealing destination for relocating individuals and businesses seeking growth, financial advantages, and international collaboration.

Korea

Located between China and Japan, Korea is the center of aviation and maritime logistics connecting the Asia-Pacific region as well as Eurasia and the Americas. Korea also has become a very attractive place known as a test bed, gateway to the Global Market. The demand for high-tech devices exists among all generations in Korea, based on the country's competitiveness in a variety of industries, as well as its top-class IT infrastructure. Powerful consumer groups prefer the newest products and are sensitive to global trends.

Residents are taxed on worldwide income regardless of where it is earned or paid. Korea generally levies progressive tax rates on income taxes (including capital gains).

Foreign source income of a resident, whose total residence period in Korea was five years or less over 10 years before the end date of the attributable taxable year, is taxed in Korea only when the income is paid in Korea or remitted to Korea.

If a foreign executive or employee providing services in Korea meets certain conditions, then for a 20 year period, commencing from the date of work, their tax liability may be calculated at a rate of 19% of the relevant wage and salary income. This is instead of applying the basic tax rate.

The income earned by foreign engineers offering services in Korea who meet certain conditions is subject to a 50% income tax reduction for a period of 10 years from the date they started offering services.

Low tax/no tax | Remittance basis | Favourable for new residents | Lump sum | None of the above

Malaysia

With a relatively low cost of living, Malaysia is well known for its tropical natural landscapes, multicultural society, and food.

Income tax in Malaysia is imposed on a derived and remittance basis, i.e. on income accruing in or derived from Malaysia or received in Malaysia from outside Malaysia. However, there is an exemption for the income of non-residents from sources outside Malaysia and received in Malaysia. For resident individuals, an exemption is given until 2026 on all income received in Malaysia from outside Malaysia which has been subjected to income tax in the territory where it arises, except for such income received through a partnership business in Malaysia.

Resident individuals are subject to income tax at scaled rates from 0% to 30%, whereas non-resident individuals are subject to income tax at a flat rate of 30%.

There is currently no capital gains tax, except on gains arising from the disposal of real properties and shares in real property companies, which are subject to real property gains tax. There is also no inheritance tax or estate duty in Malaysia.

Malaysia has a sales and service tax (SST) system for indirect taxes.

New Zeland

New Zealand has a modern, prosperous and developed market economy, situated in the South Pacific with a quality of life envied by many. It comprises two main islands known as the North Island and the South Island. There are two main cities in the North Island being Auckland, New Zealand's largest city and the manufacturing and commercial centre; and Wellington where central Government is based. Christchurch is the largest city in the South Island. Destination centres such as the picturesque Queenstown; Kerikeri or Tauranga are also proving to be attractive places for new migrants looking to settle in New Zealand.

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 ten 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 (although some gains are taxed as ordinary income), no social security contributions (although a levy is payable for accident cover), no inheritance tax, no death duties, no gift duty and no stamp duty. A goods and services tax is imposed on all goods and services other than financial services and residential rentals. Overseas portfolio investments may be taxed under a favourable regime, whilst 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.

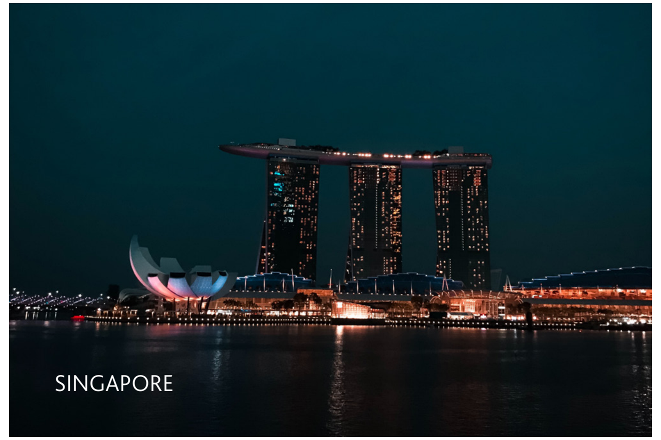
New Zealand has a full disclosure regime and has signed up to the Automatic Exchange of Information between countries.

Singapore

Singapore offers a high standard of living with excellent business and financial infrastructures, efficient public transportation, and world-class healthcare facilities. The city-state is renowned for its safety, cleanliness, and well-planned urban environment. The country's strong education system, including renowned universities and schools, make it an ideal place for families seeking quality education for their children.

Singapore has progressive personal income tax rates for tax residents from 0% up to 24%, no capital gains tax, and no net wealth, estate duty, inheritance or gift taxes. As Singapore adopts a territorial basis of taxation, individuals are subject to tax in Singapore on any income accrued in or derived from Singapore. Singapore has also concluded double tax treaties with many countries.

Remittances of non-Singapore source income by an individual taxpayer are generally exempt from Singapore tax, unless the money is remitted through a partnership.



Low tax/no tax | Remittance basis | Favourable for new residents | Lump sum | None of the above

South Africa

South Africa is renowned for its beautiful landscapes and wildlife, and while it may not be as famous for its tax rates, there are a few tax benefits in South Africa.

Capital gains are not taxed directly, but are included in an individual's taxable income at 40% after various exclusions (i.e. R40,000 annual exclusion and R2 million on disposal of a residence). The exclusions can mean that the effective tax on capital gains ranges from 0% to 18%.

Investing up to R36,000 per year can be made without any tax on the growth of the investments. Furthermore, as much as 27.5% of an individual's taxable income may be deducted in respect of retirement annuity contributions.

The government has introduced various tax incentives In an effort to encourage South African individuals and corporates to invest is solar power.

Vietnam

Vietnam is a beautiful country located on the Indochina peninsula in Southeast Asia. Security and political stability, rich natural resources, a convenient transportation hub location as well as a young labour workforce have contributed to the attractiveness to foreign investors. Vietnam is also a member of the Association of Southeast Asian Nations (ASEAN) and the World Trade Organization (WTO), committed to creating a favourable investment climate.

For foreigners, Vietnam is a family-friendly place to live with a low crime rate and relatively inexpensive cost of living.

Individual taxpayers are subject to Vietnam Personal Income Tax (PIT) based on their residency status. Particularly, Vietnam tax residents are taxed on their worldwide income whilst non-residents are taxed only on their Vietnam-sourced income. With respect to employment income, progressive rates up to 35% and a flat rate of 20% are applied to tax residents and non-residents respectively. Other income is subject to tax at different rates.

Income from disposals of securities by individuals are subject to a tax rate of 0.1% on the gross sales.

Compared to ASEAN neighbour countries, Vietnam might not be considered as a low tax jurisdiction, yet there is no tax on inheritance and gifts, being real estate between direct family members. There is also no tax on foreign pension income and bank deposit interest.

Foreign individuals working in Vietnam under a labour contract with a valid Work Permit/Practicing Licence/Practicing Certificate are generally subject to Vietnam compulsory social securities.

HA LONG | VIETNAM

Conclusion

The BDO Global Opportunities for Relocation Report shows that, despite the many different tax regimes across the globe, most offer some attractions and they are favourable in different circumstances.

Countries with higher tax rates may still attract investment due to the economic opportunities these countries are able to offer – the US and Canada for instance. Also the UK, which has maintained rules for inward business investment. Some countries, such as Sweden, look to attract high net worth individuals with incentive schemes for high earners, with the local economy boosted by attracting such wealthy individuals.

Those with lower tax rates, such as Singapore, are perhaps more attractive from a tax perspective, but may also offer high growth potential to attract inward investment.

Many countries provide a step up of the acquisition cost for new residents, limiting capital gains tax to the increase in value of assets from the date of arrival, whilst others offer investment VISA opportunities to attract wealthy individuals. Wealth and Estate taxes of varying forms are imposed in numerous countries, but often with exemptions or reliefs to preserve wealth as it passes to the next generation.

Tax rules and initiatives to attract wealthy individuals are a global trend. However, the reality is that many of these individuals are highly-internationally-mobile and a mix of decision-making drivers for physical and capital relocation has always been complex and contingent upon personal preference, cultural factors, business opportunities, risk appetite, and lifestyle priorities.

When relocating, individuals focus on quality across infrastructure, healthcare, social, political and legal systems where they feel comfortable and confident. Having chosen upon a location to live, individuals should then consider the tax implications to remain compliant, preserve their wealth and avoid unexpected surprises following their arrival – speaking with our Global Private Client Services team can help with this!

About BDO

BDO Global

US$12.8 billion 2021/2022 REVENUE

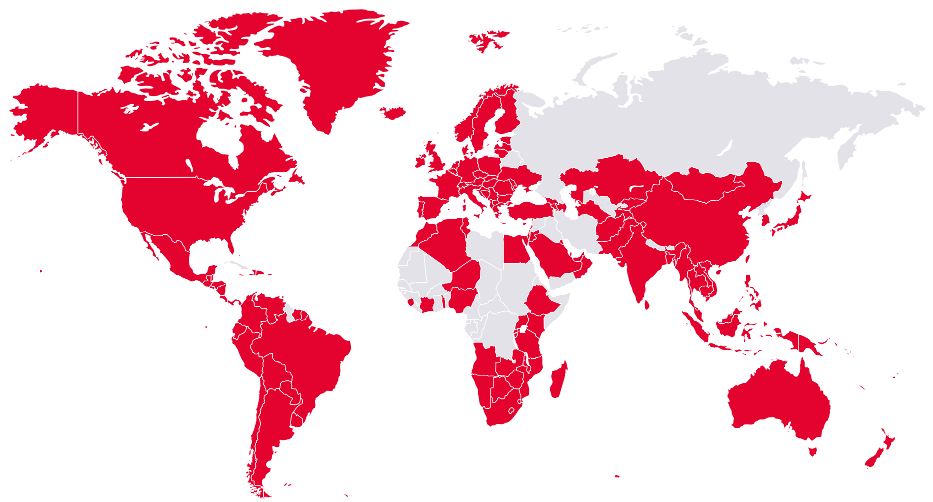
A YEAR ON YEAR INCREASE OF **12%**[1]

164 Countries

1,800 Offices

111,300 Staff

1. At constant exchange rate.
All numbers have been updated as of 30 September 2022.



BDO Global Private Client Services

Wealthy individuals, their families, and their businesses' financial interests often cross international borders.

BDO's Global Private Client Services team is experienced working with high net worth and ultra-high net worth individuals and their families, entrepreneurs, and family offices. We work with our clients to structure their domestic and international affairs in an efficient and compliant manner.

Our private client specialists worldwide offer not only exceptional client service, but advice of the highest integrity and quality, covering cross jurisdictional tax issues with the support of our extensive private client network.

The professionals within our Global Private Client Services team work together to provide a complete range of tax services to individuals, including:

- Tax compliance services
- Assistance from a tax perspective for individuals relocating to other countries
- Analysis of double tax treaty reliefs for dual-residents
- Formation of wealth preservation structures both within the country of residence and overseas for investing and managing passive wealth
- Estate and gift tax advice for succession and inter-generational planning
- Tax advice on investing in real estate in foreign jurisdictions.

BDO ensures that clients get comprehensive tax advice no matter where they live or invest.

Find out more about Global Private Client Services at BDO

https://www.bdo.global/en-gb/services/tax/global-private-client-services

FOR MORE INFORMATION:

PAUL AYRES
Chair of Global Private Client Strategy Group
BDO UK
+44 (0)207 893 2247
paul.ayres@bdo.co.uk

BROOKE ANDERSON
BDO USA
+1412 315 2322
btanderson@bdo.com

TAMARA PETERS VAN NEIJENHOF
BDO Netherlands
+31 (0)13 4666 212
tamara.peters.van.neijenhof@bdo.nl

MARK POLLOCK
BDO Australia
+6186 382 4794
mark.pollock@bdo.com.au

www.bdo.global

42022871