



i-paye



**Guide to Contracting in
Gibraltar**



COUNTRY HIGHLIGHTS (2017)

Gibraltar – Individual

Currency	Gibraltar Pound (GIP)
Tax Year	Starts 1 July Ends 30 June
Personal Allowance	3,200GIP
Tax Rates	First 17,000GIP 16% Next 8,000GIP 19% Next 15,000GIP 25% Next 65,000GIP 28% Next 395,000GIP 25% Next 200,000GIP 18% Balance 5%
Social Security	Employers 20% subject to a maximum amount Employees 10% subject to a maximum amount

Tax Residency

An individual becomes Tax Resident in Gibraltar if;

- They are present for at least 183 days in a year; or
- 300 days in any three consecutive years is ordinarily resident.

Presence is defined as any part of a 24 hour period commencing at midnight.

An individual who is Tax Resident is taxable on Worldwide Income except if exempt under a double taxation treaty.

An individual who is not Tax Resident is taxable in Gibraltar on Income earned or generated in Gibraltar, unless the assignment is for 30 days or less and the earnings are ancillary to work otherwise exclusively carried on outside Gibraltar.

Social Security

Social Security is payable in Gibraltar unless the individual is paying Social Security in the country in which their employer is based and they are habitually resident. A certificate of continuing liability to Social Security is required to exempt the individual from Gibraltarian Social Security.

Right to Work

EU and EEA Nationals have an unfettered right to work in Gibraltar without the need to hold a VISA or Work Permit.

Other Nationals, generally, need to have the relevant approval to work prior to their arrival in Gibraltar, with applications to be made to the Governor's Office in Gibraltar.

I-PAYE Service

I-PAYE is not registered as an employer in Gibraltar and all individuals are engaged on contracts of employment.

All individuals will need to file a Gibraltar Tax Declaration to report and pay the appropriate taxation. I-PAYE will retain at source an appropriate level of taxation to ensure that sufficient taxation is available to settle the Income Tax arising.

I-PAYE will provide UK Nationals that habitually reside in the UK. I-PAYE will not normally seek to employ individuals who are habitually resident in Gibraltar or any other EU country.

As an employee of I-PAYE then you simply would register as working in Gibraltar and the rest is down to us.

Frequently Asked Questions

Q. I currently work on a project in the United Kingdom through a PSC and have an assignment in Gibraltar is it true that I can operate the same model in Gibraltar?

A. Under Gibraltar Domestic Law a UK PSC may be considered as having a Permanent Establishment in Gibraltar, which means that all income derived by the business will be subject to Gibraltar Taxation. No matter the taxation position of the company any employment income paid in respect of duties performed in Gibraltar will be subject to Gibraltar Taxation and Social Security from day 1.

In addition any dividends payable to shareholders will be subject to Gibraltar Dividend Taxation either at resident or non-resident rates.

Q. What happens if I choose to ignore the rules?

A. Gibraltar as with all European Countries may seek to apply the Mutual Assistance Recovery Directive (MARD) to request the UK and other Tax Authorities to collect any unpaid moneys due.

From 1 October 2017 new legislation has been enacted in the United Kingdom that means that any entity engaging in or with business that evades taxation in a Foreign Country will be subject to an unlimited fine. Failing to report income to the Gibraltar Authorities is Tax Evasion, not avoidance, and under Gibraltar Law would generally lead to a criminal conviction.

Q. I want to do it correctly where should I seek advice?

A. Information is available on the Gibraltar Tax Authorities website and we suggest seeking out Specialist advice should be sought before going on assignment.

More information is available from I-PAYE on 0151 449 3500



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