

Property Holding Structures

Holding Properties utilising local and Offshore Corporations

Properties may be held in many tax efficient ways and the method of holding properties will depend on your personal circumstances and requirements. In most countries your principal private residence, or the house that you reside in for the majority of the year is not liable to taxation upon sale when you re-purchase another property.

For property investors it is normally more tax efficient for a property to be held by a corporation. Corporations can borrow funds and offset borrowings against any rental income received thus reducing income taxes charged.

With careful structuring and planning, an offshore company can provide the perfect method to hold property in a well-regulated jurisdiction and a means of passing on wealth to your heirs. Offshore companies in conjunction with local companies, can hold properties anonymously in countries such as the United Kingdom, Bulgaria, Romania, Turkey, Morocco and Cyprus with subsequent sales or transfers being made free of capital gains taxes. International offshore banks have the capabilities to offer complex methods of financing overseas purchases. In many cases assets held in your home country can be used as security.

Holding multiple properties in this way is a proven route used by many High Net Worth Individuals and international Corporations. This is not only to mitigate Capital Gains Tax (CGT), but also for inheritance tax planning purposes so that a separate will or probate is avoided in each country where a property has been purchased.

Holding a Property utilising a Personal Pension Scheme (SSAS)

AMP & Partners have made an alliance with an HMRC registered pension specialist, in London, to assist its UK clients to take advantage tax breaks offered by occupational pension schemes. Although the perceived tax advantages of investing in residential property were removed on 6 April 2006, again with careful structuring an SSAS can indirectly invest in property and receive up to 40% tax relief.

For further information, about how you may utilize an offshore property holding company or an SSAS, you can on this website supply us with some information about your requirements by completing our free tax-planning assessment form.

Or you can call us on +34 620059536 or Contact Us by e-mail.