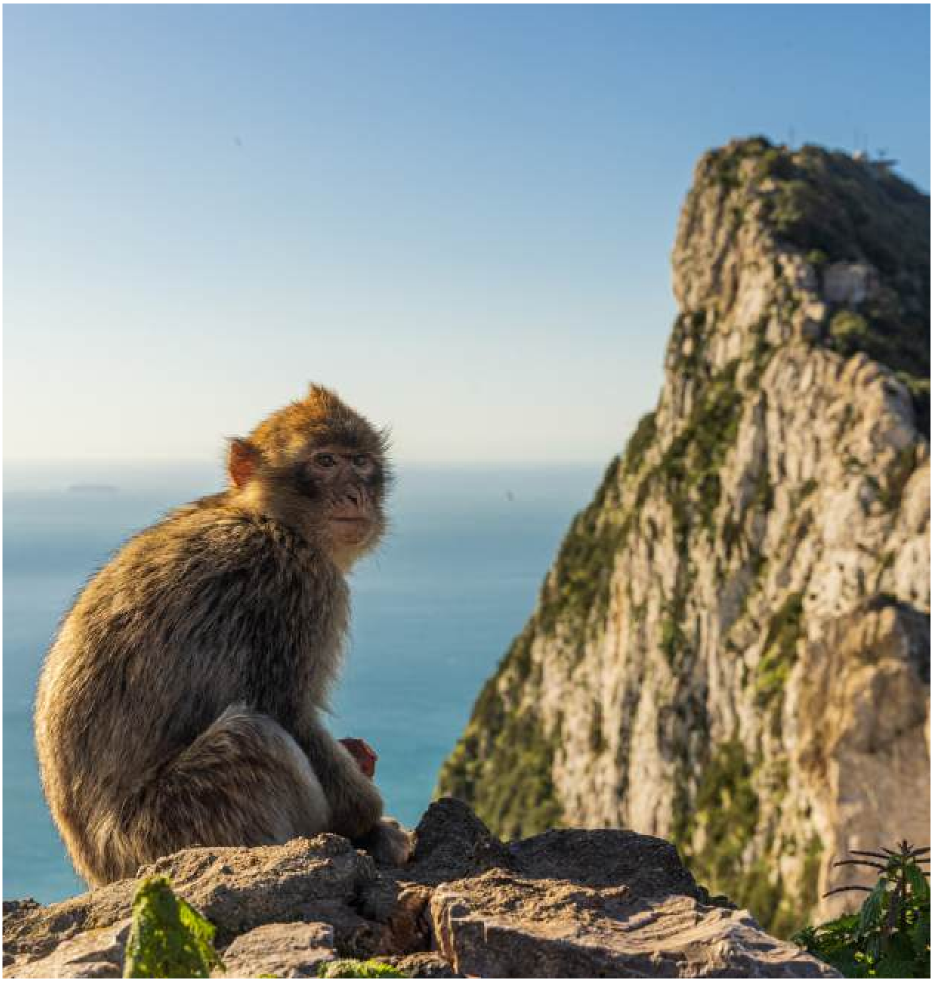
MOVING TO GIBRALTAR



Under Category 2 Residency

1986 - 2026

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FINANCIAL MANAGEMENT GROUP

A GUIDE FOR HIGH-NET-WORTH INDIVIDUALS CONSIDERING A MOVE TO GIBRALTAR

Gibraltar offers an attractive combination of Mediterranean living, a well-regulated financial services sector, political stability and close connections with the United Kingdom and continental Europe.

For qualifying high-net-worth individuals, Category 2 status can also provide greater certainty over their Gibraltar income tax liability. However, Category 2 is not simply a visa or an automatic route to residence. Applicants must satisfy financial, accommodation and suitability requirements, while carefully coordinating their immigration position with their wider tax and financial planning.

This guide explains the key considerations for individuals and families thinking about relocating to Gibraltar under the Category 2 regime.

Information is based on the position in July 2026.

WHAT IS CATEGORY 2 STATUS?

Category 2 status is a special tax status available to qualifying high-net-worth individuals. Successful applicants receive a certificate from Gibraltar Finance confirming their status.

A Category 2 individual is currently taxed under Gibraltar's Allowance Based System on a maximum of £118,000 of assessable income. Based on current rates, the annual Gibraltar tax liability is subject to:

- **A minimum annual tax payment of £37,000**
- **A maximum annual tax payment of £42,380**

These figures can change through future Budgets or legislative amendments and should be confirmed before an application is made. Gibraltar's Income Tax Office

Category 2 status is personal to the certificate holder. It does not automatically remove tax obligations in another country, nor does it mean every type of income or activity is covered by the tax cap.

WHO MAY QUALIFY?

A new applicant will generally need to satisfy the following requirements.

Minimum net wealth

Following changes introduced in June 2026, new applicants must demonstrate a minimum net wealth of 5 million.

This represents an increase from the previous 2 million requirement. Existing Category 2 certificate holders are grandfathered and are not affected by the new threshold. HM Government of Gibraltar

Applicants should expect to provide independent evidence of their wealth. Depending on the circumstances, this may include:

- **Bank and investment statements**
- **Property valuations**
- **Evidence of business ownership**
- **Company accounts**
- **Trust or foundation documentation**
- **Pension valuations**
- **A statement or reference from an appropriate financial institution or professional adviser**

The authorities will normally need to understand not only the value of the applicant's assets but also their ownership and source.

No recent Gibraltar residence

An applicant must generally not have been resident in Gibraltar during the five years immediately preceding the application.

Previous employment, business or professional activity in Gibraltar can also affect eligibility. The Finance Centre Director has some discretion in defined circumstances, but applicants should not assume that an exception will be granted.

Approved residential accommodation

The applicant must have suitable residential accommodation in Gibraltar available for their exclusive use. The property may be purchased or rented, but it must be approved for Category 2 purposes.

“Exclusive use” normally means that the property is genuinely available as a home for the applicant and their family. It should not be simultaneously rented to another person or operated as a holiday let.

The suitability of a property can depend upon its size and the number of family members who will occupy it. Applicants should therefore seek approval before making an unconditional purchase or entering a tenancy solely to support a Category 2 application.

Good character and financial standing

Applications are subject to due diligence. Applicants should expect to provide:

- **A certified passport copy**
- **Proof of address**
- **A detailed curriculum vitae**
- **Bank and professional references**
- **Evidence of net wealth**
- **Information about the ource of wealth and source of funds**
- **Police or criminal-record certificates where requested**

Additional documentation may be required depending on the applicant’s nationality, residence history, business interests and family circumstances.

CATEGORY 2 STATUS AND THE RIGHT TO LIVE IN GIBRALTAR

Tax status and immigration residence are related, but they are not identical.

Receiving a Category 2 certificate establishes the applicant's special tax status. The individual must also complete the appropriate civil registration or residence process to live in Gibraltar lawfully.

For a Civilian Registration Card, a Category 2 applicant will generally need to provide:

- **Their Category 2 certificate**
- **Evidence of funds**
- **Evidence of their Gibraltar address**
- **Comprehensive private medical insurance**

The current guidance requires private medical insurance to provide at least 100,000 of annual benefits, including appropriate inpatient and day-patient treatment and suitable geographical coverage. Travel insurance and cash-back healthcare schemes are not treated as comprehensive medical insurance. Civil Status and Registration Office guidance

The Gibraltar Government has also confirmed that Category 2 status does not provide an entitlement to publicly funded healthcare or schooling. Appropriate private arrangements should therefore form part of the relocation budget.

Under the revised framework, an individual who ceases to maintain their Category 2 status will not have an automatic right to continue residing in Gibraltar under that route. Does Category 2 require a minimum number of days in Gibraltar?

The Category 2 rules do not impose a straightforward minimum annual day-count comparable to some other residence programmes.

However, this should not be interpreted as meaning that the number of days spent in each country is irrelevant. Your physical presence, home, family location, economic interests and pattern of travel can all affect where you are treated as tax resident.

Under Gibraltar's domestic rules, an individual may generally become ordinarily resident by being present in Gibraltar for:

- **At least 183 days in a year of assessment; or**
- **More than 300 days in total across three consecutive years.**

Different countries apply different tests. The UK, Spain, Portugal, France and the United States, for example, each have their own residence and taxation rules.

A properly maintained travel calendar is therefore essential.

PARTICULAR CAUTION FOR PEOPLE MOVING FROM SPAIN

Living in Gibraltar while retaining a home, spouse, dependent family, business or substantial economic interests in Spain can create significant Spanish tax-residence exposure.

Spain does not determine residence solely by counting days spent inside the country. It may also consider where an individual's main economic interests are located and where their spouse and dependent children habitually live.

There are also specific residence provisions within the international tax agreement between Gibraltar and Spain. Category 2 status alone cannot prevent Spain from treating someone as Spanish tax resident if the relevant Spanish domestic rules or treaty provisions apply.

Anyone moving from Spain or planning to divide their time between Gibraltar and Spain should obtain specialist Gibraltar and Spanish tax advice before changing residence.

CAN A CATEGORY 2 INDIVIDUAL WORK IN GIBRALTAR?

Category 2 status is primarily intended for people whose wealth and principal activities are not dependent upon ordinary local employment.

A Category 2 individual may be permitted to undertake a trade, profession, business or employment in Gibraltar where the Finance Centre Director considers that the activity would be of benefit to Gibraltar's economic development.

Income from permitted Gibraltar activities may be taxed separately under the ordinary provisions of Gibraltar's tax legislation and should not be assumed to fall entirely within the Category 2 cap.

Activities performed in Gibraltar that are incidental to a trade, business, profession or employment carried on outside Gibraltar may be treated differently. The distinction can be highly fact-specific, particularly for company owners, consultants and individuals working remotely.

Professional clearance should be obtained before beginning any business, directorship, consultancy or employment activity from Gibraltar.

The application process

Although individual cases differ, a relocation will commonly follow these stages.

1. Review your existing residence and tax position

Before applying, establish:

- **Where you are currently tax resident**
- **Whether you can cease residence there**
- **Whether exit taxes or reporting obligations could arise**
- **Where your family will live**
- **Which homes will remain available to you**
- **How your businesses, trusts, companies and investments may be affected**

This should happen before the move—not after it.

2. Prepare evidence of net wealth

Compile a clear schedule of assets and liabilities, supported by current evidence. Complex corporate, trust or family ownership arrangements may require additional explanation.

The source of the wealth and funds used for the move should also be documented.

3. Identify suitable accommodation

Find a Gibraltar property that is appropriate for the applicant and accompanying family. Confirm that it is capable of being approved before making an irreversible commitment.

4. Submit the Category 2 application

The application is made to Gibraltar Finance. The application fee for new applicants has increased from £1,233 to £5,000.

The fee should be confirmed at the time of application and will usually be separate from legal, property, immigration and professional-advice costs.

5. Complete due diligence

The authorities may request additional information, clarification or updated evidence. Prompt and complete responses can help prevent avoidable delays.

6. Receive the Category 2 certificate

If the application is approved, a Category 2 certificate is issued. The certificate will be subject to continuing compliance with the regime's conditions.

7. Complete civil registration

Once the certificate, accommodation and insurance are in place, the applicant can complete the relevant residence and Civilian Registration Card formalities.

8. Register and comply with Gibraltar tax requirements

Category 2 individuals must meet their filing and payment obligations and maintain the conditions on which the certificate was granted.

FINANCIAL PLANNING BEFORE THE MOVE

A change of country can alter the treatment of investments, pensions and estate-planning arrangements. Before relocating, consider reviewing:

- **Investment portfolios and ownership structures**
- **UK pensions, SIPPs and overseas pension arrangements**
- **Company shareholdings and directorships**
- **Trusts, foundations and family investment companies**
- **Property in Gibraltar and other countries**
- **Bank accounts and cash holdings**
- **Life assurance and private medical insurance**
- **Wills, powers of attorney and succession arrangements**
- **Currency exposure and future spending requirements**
- **Tax reporting obligations in every connected jurisdiction**

Investments that were efficient in one country may not produce the same result after residence changes. Likewise, selling, transferring or restructuring assets immediately before or after the move may create unintended tax consequences.

US citizens and green-card holders require additional planning because the United States generally continues to tax them on worldwide income regardless of where they live.

ONGOING RESPONSIBILITIES

Category 2 status is not a one-off planning exercise. Certificate holders should continue to:

- **Keep their approved Gibraltar accommodation available**
- **Maintain appropriate private medical insurance**
- **Pay the required minimum tax**
- **Submit all necessary tax returns**
- **Report relevant changes in their circumstances**
- **Review any proposed Gibraltar employment or business activity**
- **Maintain records of international travel**
- **Monitor residence exposure in every country with which they remain connected**

Significant changes to family arrangements, property ownership, employment or business interests should be reviewed before they take effect.

HOW BLACKTOWER CAN HELP

Moving to Gibraltar is about more than securing a Category 2 certificate.
Your investments, pensions, tax residence, estate planning and long-term family objectives need to work together across every relevant jurisdiction.

Blacktower Financial Management can work alongside your Gibraltar tax and legal advisers to help you:

- **Review your existing financial arrangements before relocation**
- **Identify investments or pensions that may require attention**
- **Plan your future income and cash flow**
- **Manage assets held in different currencies and jurisdictions**
- **Consider cross-border retirement and estate-planning objectives**
- **Keep your financial plan under review after the move**

Early planning provides more time to identify issues before residence changes and before important financial decisions become difficult or impossible to reverse.

Speak to us before you move

If you are considering Category 2 residence in Gibraltar, speak to Blacktower before changing your residence, selling investments or restructuring your assets.

Our cross-border wealth management team can help you build a coordinated financial plan for your move and your longer-term life in Gibraltar.

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