



Winter International Tax Services

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Real Estate and tax across borders

Buying, selling or developing real estate in different countries will have tax issues.

Tax will be important both in the country the owner/developer is located, and the country the property is located in. Having the right ownership and financing structure can be critical for tax. It is also just as important to know what the tax compliance obligations and costs are on buying, owning and selling the property.

Investors

We work with property investors, including individuals, privately owned businesses and funds, on their planned investments to help them hold their investment in the best way in their home jurisdiction. That might include holding the investment through:-

- Partnerships, whether general or limited
- Companies
- Trusts or foundations
- Other structures such as insurance wrappers

We also look at the best way to hold a property (compatible with the investor's intentions) in the country in which the property is located. Depending on the size and complexity of the transaction (financing needs etc) we might also look at intermediate entities between the investor's investment vehicle (if any) and the property owning entity. The overall aim is to make sure that all tax compliance obligations are met whilst ensuring that the return is maximised for the investor with, as far as possible, minimal impact on cash flows.

When looking at taxes, we do aim to consider taxes:-

- arising on the acquisition of the property (in the UK for example, Stamp Duty land Tax, and in some cases VAT) taxes
- during ownership (using the UK as an example, income tax or corporation tax, as well as reliefs that may be available on costs of work on the building such as capital allowances) including wealth taxes, general property taxes (Annual Tax on Enveloped Dwellings for example in the UK) VAT and estate taxes
- on disposal (capital taxes including estate and gift taxes where appropriate, and indirect taxes such as VAT)
- Where the investor may be looking to use the property themselves for at least part of the year we can advise on the tax implications of that.

In addition to looking at how to structure new purchases we do also review existing structures. This can be important as at the current time, governments round the world are seeking to maximise their revenue. Therefore structures that may have been effective in the past may not be so now.

We can also help with compliance obligations including preparation of any tax returns required.

Developers

As with investors we work with developers to help them structure their deals in an appropriate manner. In some cases that may mean looking at the deal to see if it creates a taxable presence in the country where the development is taking place. If it is not intended to have a taxable presence in that country it may then involve looking to see if the deal can be structured in such a way as to remove that risk.

We do also work with developers on cases where the main value may lie in obtaining planning permission for example, rather than the physical development. This may require slightly different structures.

Real Estate Agents

In addition to working directly with investors and developers we can also work with real estate agents to help them provide an additional added value service for their clients.

Why work with us?

We work very much with privately owned businesses and individuals. As such, we make sure that we provide a very flexible, responsive and personal service. When giving advice we provide clear, practical, recommendations at a reasonable price.

For further information contact

Ross Welland
Mobile +44 (0) 7557 385836
E-mail: rossw@winternationaltax.com

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