CENTURION

DEVELOPMENTS ROUNDUP

Malta: ECJ ruled investor citizenship scheme incompatible with EU law, raising residency program compliance concerns.

Hong Kong: One-off 100% tax reduction for 2024/25 (capped HKD 1,500), gazetted 9 May 2025.

Mauritius: 5% "Fair Share Contribution" on income exceeding Rs 24 million; Smart City Scheme overhauled, removing exemptions after 5 June 2025.

CENTURION GROUP TAX NEWSLETTER – Q3 2025

The third quarter of 2025 marked the operational launch of Pillar Two globally, while personal and real estate tax developments remained quiet ahead of autumn budgets. With 90% of multinational enterprises now within scope by year-end, Q3 transformed theoretical corporate tax frameworks into practical compliance obligations.

2025 YEAR-TO-DATE: PERSONAL AND REAL ESTATE TAX RECAP

The first 9 months of 2025 delivered significant shifts for high-net-worth individuals and property investors across key jurisdictions.

SPAIN: FOREIGN BUYER PROPERTY TAX PROPOSAL STALLS

The proposed 100% tax on non-EU property purchases announced in January stalled in parliament through Q3. Regional authorities including Catalonia independently increased transfer and stamp duties, raising costs for international buyers.

UK: NON-DOMICILE REGIME TRANSITION CONTINUES

The revised regime effective 6 April 2025 continues reshaping the wealth management landscape. The Temporary Repatriation Facility saw continued utilization as firms restructured client arrangements throughout Q2 and Q3.

AUSTRALIA FOREIGN RESIDENT CGT

From 1 January 2025, the withholding rate increased from 12.5% to 15% with the $750,000 threshold removed entirely. Build-to-rent incentives also commenced, offering concessional tax treatment for large-scale rental projects.

FRANCE HIGH-INCOME MEASURES

The 2025 Finance Bill's differential contribution targeting high earners has implications for non-residents with French source income.

Property tax notices (Taxe Foncière) were issued late August, due 20 October for online payers.

LOOKING FORWARD: Q4 2025 AND BEYOND

UK AUTUMN BUDGET 2025: PROPERTY TAX OVERHAUL ON THE HORIZON

Chancellor Rachel Reeves faces mounting pressure with a £20-40 billion fiscal gap. Property taxes remain in focus with proposals including:

Capital Gains Tax on Primary Residences: Proposed CGT on homes above £1.5 million would affect 120,000 higher-rate taxpayers, with potential bills reaching £200,000 (24% higher-rate, 18% basic-rate).

Stamp Duty Replacement: New property tax on sales above £500,000 at approximately 0.54%, plus 0.278% above £1 million.

Council Tax Reform: Potential revaluation with minimum annual payments around £800 and rates of approximately 0.44% of property value.

Property experts warn proposals could lock older homeowners into properties and reduce housing market mobility. All eyes on the late October Budget.

Q4 2025 OUTLOOK

For UK-Based Investors: Review property portfolios ahead of October Budget; consider disposal timing; assess stamp duty replacement impact.

For International Property Investors: Monitor UK Autumn Budget; review Spanish regional changes; assess Australian reforms; consider diversification strategies.

Broader Trends: US-EU tensions over digital taxes; wealth tax momentum; enhanced beneficial ownership requirements; residency program scrutiny; property tax increases targeting foreign investment.

The window for proactive planning remains open but narrowing. Families and businesses should engage advisors now to optimize structures under current rules.

We help clients with:

- Cross-border property investment structuring and tax optimization
- Post-UK non-domicile regime planning and structure reviews
- International residence, citizenship, and succession planning
- Multi-jurisdictional tax planning for high-net-worth families

Contact Us

Centurion Group: Leading international tax advisors with over 30 years' experience in helping high-net-worth individuals navigate complex cross-border taxation.

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