CENTURION

CENTURION GROUP TAX NEWSLETTER – Q4 2025

FRANCE: A DECADE OF TAX AFTER YOU LEAVE?

France's Finance Committee approved a left-wing proposal in October to tax high-earning emigrants (€235,500+) for up to 10 years after relocating to low-tax jurisdictions. However, **passage in the National Assembly remains highly unlikely** given France's fragmented parliament - the Assembly already rejected similar wealth tax proposals in late October. French nationals considering relocation should monitor developments but note this remains speculative rather than imminent policy.

Q4 2025: TARGETED PRESSURE ON MOBILE WEALTH

Q4 brought no new "grand bargains" in international tax, but a series of targeted moves that matter for internationally mobile families and property investors. France saw a proposal to tax certain wealthy emigrants on a quasi-worldwide basis, the UK Autumn Budget confirmed higher effective taxation of property and investment income, and Hong Kong's foreign-sourced income exemption (FSIE) regime moved firmly into the compliance foreground.

UK – AUTUMN BUDGET 2025

The Autumn Budget confirmed higher taxation of UK property. From April 2028, a new **High Value Council Tax Surcharge** applies to homes over £2 million in England: **£2,500/year** (£2-2.5m properties), rising to **£7,500/year** (£5m+ properties), with annual CPI increases from 2029.

Rental income will face new "property" rates of **22%, 42% and 47%** from April 2027, increasing the marginal rate on leveraged portfolios. Combined with frozen thresholds, these changes make holding structures, debt strategy and disposal timing more important for UK-sited property.

PORTUGAL – NEW NON-HABITUAL RESIDENCE (NHR) 2.0

Portugal's original NHR regime ended December 31, 2024, replaced by the narrower "IFICI" incentive targeting in-bound employees in defined scientific, innovation and export sectors. Access requires new Portuguese tax residence (no residence in previous five years) and a qualifying role.

Qualifying income is taxed at **20% flat rate** for ten years, but **foreign pensions are now fully taxable at progressive rates** (not the old 10% flat rate), and income from "blacklisted" jurisdictions faces 35% taxation. The EU continues to favour targeted incentives over broad wealth taxes.

SINGAPORE: SUBSTANCE-BASED ADVANTAGES AFTER FSIE

Singapore continued to refine its incentives for fund managers and family offices in 2025, including enhanced tax concessions for qualifying fund vehicles and extensions of GST remissions for prescribed funds and special purpose vehicles. For internationally mobile families comparing Asian hubs post-FSIE, Singapore's stable exemption regimes and clear substance expectations remain a draw, particularly where structures are anchored by on-shore management and real decision-making.

HONG KONG – FSIE IN PRACTICE

The FSIE regime now clearly brings foreign disposal gains and certain dividends and interest into charge unless taxpayers meet economic substance, participation or nexus conditions. IRD guidance and professional commentary issued in 2025 clarify how to determine the source of gains, which expenses are deductible and what documentation will be expected on review.

Family-owned groups and private investment platforms using Hong Kong holding entities should revisit whether their functions, people and risk are aligned with FSIE requirements, or whether alternative structures or locations may better support their objectives. For many, the issue is no longer whether the rules technically apply, but how to evidence compliance and avoid unexpected profits tax charges

LOOKING FORWARD: Q1 2026 AND BEYOND

2026 PLANNING PRIORITIES:

- **French nationals:** Monitor emigrant tax proposal, though passage remains uncertain; review existing exit tax implications for current relocations
- **UK property holders:** Stress-test portfolios under April 2027 rental income rates; properties near £2m threshold should obtain professional valuations ahead of 2026 HVCTS assessment exercise
- **Hong Kong structures:** Review economic substance documentation (people, premises, expenditure) for FSIE compliance; ensure alignment of functions with holding entity location

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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