

# STAMP DUTY

## Frequently Asked Questions



**ISOLAS**  
— 1892 —

# Foreword

**Isolas LLP** is a full-service law firm providing commercial and pragmatic advice to our clients, corporate and personal, with an award-winning, market leading practice based on putting our clients first and matching the client's needs to the best person for the job.

**Sarah** is a Partner at ISOLAS LLP, whose practice is focused on real estate work. This involves assisting and advising clients on the sale and purchase of property in Gibraltar - both residential and commercial, the drafting and negotiation of leases, acting for developers, approving assignments on behalf of various management companies and lessors in Gibraltar-to include developments such as Kings Wharf, Atlantic Suites, Eurotowers and Cornwall's Centre, acting for banks and building societies in relation to facility letters, mortgages, financing and security over premises in Gibraltar on a variety of developments and acting for purchasers on off-plan projects.



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## Stamp Duty - FAQ

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### **1. How much stamp duty will I pay on a purchase of property and would I be considered a first or second time buyer for stamp duty purposes?**

Stamp duty is payable on the purchase of property where the purchase price is over £200,000. However, in order to encourage individuals to invest in residential property in Gibraltar and assist buyers with the purchase of their homes, first or second time buyers in Gibraltar are “qualifying purchasers” and only pay stamp duty on any amount over £260,000.

### **2. What if I am a first time buyer and my wife is a second time buyer?**

You would both be considered to be first or second time buyers for the purposes of the Stamp Duty Act and would qualify for the relief.

### **3. If I plan to buy a property in joint names and I am a first time buyer but the co-owner is a third time buyer can we qualify for the relief?**

No, all parties to the purchase must be either first or second time buyers in Gibraltar.





**4. If I have purchased two properties previously, both of which were under the standard £200,000 threshold, would I still be considered a qualifying purchaser or first time buyer for stamp duty purposes?**

No, you would be considered a third time buyer in Gibraltar and would pay stamp duty in the normal way, as from £200,000 upwards, as following:

**Where the value of the property does not exceed £200,000: 0%**

0%

**Over £200,000 but less than £350,000:**

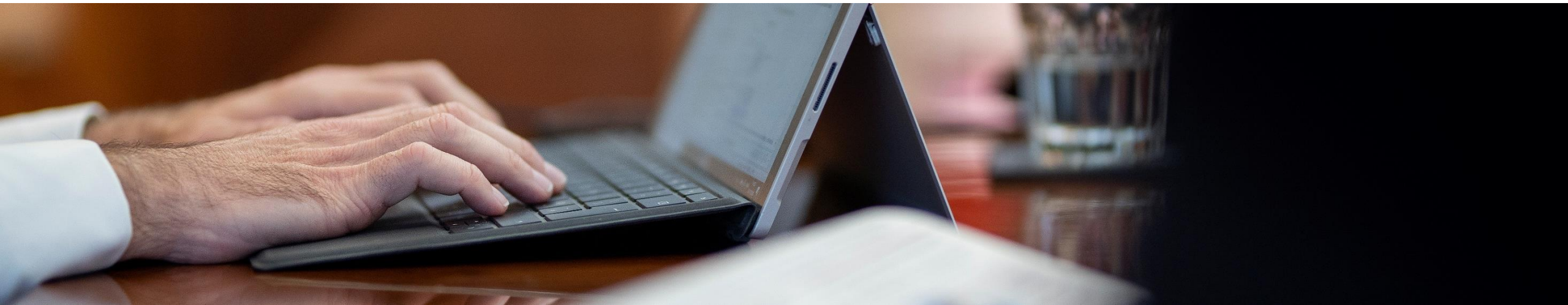
2% on the first £250,000

5.5% of the amount that exceeds £250,000

**Over £350,000:**

3% on the first £350,000

3.5% of the amount that exceeds £350,000



**5. Does it apply to companies?**

No, the relief is only available to individuals.

**6. What are the stamp duty rates for “qualifying purchasers”?**

- ❖ On the first **£260,000** of the value of the property: **0%**
- ❖ Balance above **£260,000 to £350,000: 5.5%**
- ❖ Balance above **£350,000: 3.5%**

**7. If I am a non-resident in Gibraltar, can I be considered a “qualifying purchaser”?**

Yes, if you are a first or second time buyer in Gibraltar, you would be eligible for the stamp duty relief regardless of your nationality or residency. Please note though, that there are some properties in Gibraltar which are only available to individuals who have been legally resident in Gibraltar for over three years.

**8. What if I buy a property in my name and then want to transfer it to a company name in future?**

As long as the ultimate beneficial ownership and yourself/yourselfs are the same, only nominal stamp duty of **£5** would be payable on the assignment. Please note, though, that there would be legal fees and registration costs payable to Land Property Services Limited.





**9. What if I buy a property with my wife and then we split up?**

The property can be assigned between spouses with no stamp duty payable, save for the nominal £5. Please note, though, that there would be legal fees and registration costs payable to Land Property Services Limited.

**10. Would I pay stamp duty again if I decided to sell the property?**

No, stamp duty is only payable on a purchase (save for a 'special' stamp duty in relation to the sale of low-cost Government housing such as Beach View Terraces and Mons

Calpe Mews). If there was a mortgage secured over the property, you would pay stamp duty on the release of that mortgage at the rate of 0.03% of the original amount borrowed plus registration costs payable to Land Property Services Limited.

In Gibraltar, there is no capital gains tax, so save for estate agents, legal fees and associated costs on the sale, the net sale proceeds would not be taxed. If you are domiciled in any country outside of Gibraltar you should seek legal advice in that country as to how the sale of a foreign property could be taxed in that jurisdiction.



ISOLAS LLP is a full-service law firm providing commercial and pragmatic advice to our clients, corporate and personal, with an award-winning, market leading practice based on putting our clients first and matching the client's needs to the best person for the job. With the expertise and dynamism of a firm at the vanguard of developments in legal solutions designed to tackle an ever-evolving range of issues, ISOLAS LLP stays ahead of the curve and makes sure its clients are too.

If you found this interesting, or would like further information about any of the above, Sarah can be contacted at [sarah.bray@isolas.gi](mailto:sarah.bray@isolas.gi) or  
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