



Gibraltar Tax Facts 2025–2026: Key Updates and Highlights

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1. Personal Tax Systems

Residents can elect between two systems — the Gross Income-Based System (GIBS) or the Allowance-Based System (ABS). The final assessment is automatically calculated under whichever option is most beneficial to the taxpayer.

Gross Income-Based System (GIBS)

Under GIBS, income is taxed in bands according to total earnings. For gross income up to £25,000, rates range from 6% to 28%. For income above £25,000, rates range from 16% to 28%. Notable deductions include property frontage improvements, mortgage interest, pensions, medical insurance, solar energy, and EV chargers.

Allowance-Based System (ABS)

This system applies graduated rates and includes numerous allowances: personal (£3,455), spouse (£3,455), single-parent (£5,800), nursery school (£5,480 per child), blind person (£5,475). Mortgage interest, life assurance, and health insurance costs are deductible. Low-income earners and pensioners benefit from targeted reliefs.

2. Specialist Tax Categories

Category 2 individuals are taxed only on the first £118,000 of income, with a cap of £42,380. HEPSS professionals pay tax only on the first £160,000 of income. These schemes attract high-net-worth individuals and executives with specialist skills.

3. Corporate Taxation

The standard corporation tax rate is 15% from 1 July 2024. Utility and fuel companies pay 20%. Gibraltar taxes only income accrued in or derived from Gibraltar. Incentives include deductions for training, renewable energy, and energy-efficient improvements.

4. Trusts and Foundations

Trusts and foundations are taxed at 15% from 1 July 2024. Non-resident structures are taxed only on income from Gibraltar sources.

5. Residency Rules

Individuals are ordinarily resident if present in Gibraltar for 183 days per year or 300 days over three years. Non-residents present fewer than 30 days are not taxed on directors' fees or work performed abroad.

6. Indirect Taxes and Levies

No VAT applies in Gibraltar. Stamp duty ranges from 2% to 5.5% with relief for first-time buyers. A sustainable tourist tax of £3.50 per night applies, and cruise passengers pay £1.

7. Employment, Social Insurance and Benefits in Kind

Employers contribute 18%, employees 10%, and self-employed 20% towards social insurance. Approved health insurance and employer pension contributions are exempt within limits.

8. New Corporate and Property Measures

Capital allowances: plant & machinery (£30,000, 15%), computer equipment (£50,000, 15%). Property disposal rules now tax sales of five or more residential properties over five periods.

9. BEPS Pillar Two and Multinational Compliance

Gibraltar has implemented the OECD's Pillar Two global minimum-tax framework for MNEs with €750m+ revenue, ensuring a 15% minimum effective rate.

10. Summary and Key Takeaways

Gibraltar remains a stable, transparent, and competitive jurisdiction with a flat 15% corporate tax, no VAT, and generous incentives for innovation and sustainability. Visit the Gibraltar Income Tax Office for details.