VAULTONOMICS
STRATEGIC BULLION ADVISORY

Guide: Personal Tax Considerations For Investment Grade Gold Bullion

Major gold storage jurisdictions often offer an attractive tax environment for foreign holders of investment grade gold bullion. Importantly the rules in the holder's home country always apply, regardless of what the storage jurisdiction impose.

Double tax treaties are often applicable and need to be checked alongside expert professional advice on residency and citizenship.

Common reporting standards usually apply, and it is important to understand the interaction of different tax regimes. In the UAE, Sharia succession (Faraid) rules can override inheritance wishes if an appropriate will is not in place.

Where IHT, CGT and wealth taxes exist, complex carve outs and residency tests will apply which may increase or reduce liabilities creating planning/structuring opportunities.

Tax treatments vary and change over time and it is important to ensure that you keep up to date with developments, as they can fundamentally impact your outcomes. Professional advice is essential to maximise opportunities and avoid pitfalls for you and your heirs.

Generally, taxes are becoming more invasive with many Western countries on a much more extractive trend. Countries in the global south – such as those in South East Asia - have high incentives to remain competitive but will always face pressures (or sanction risks) from more powerful nations.

The following tables provide a high-level guide and general assessment of the major hubs. To determine your own situation, professional advice should focus on your residency/citizenship and those of heirs alongside your total fiscal footprint.

Summary tax implications by location for foreigners (non-residents) holding investment grade gold bullion

Jurisdiction	IHT	CGT	VAT /GST	Wealth Tax	Friendly
Switzerland	No	No	No	No	High
Singapore	No	No	No	No	Very High
Dubai	No	No (Muslims Faraid Caveat may apply)	No	No	Very High
UK	No if not LTR or non- dom	No	No	No	High but risky
USA	Yes, up to 40% estate > US$ 60k	Usually no	At state level only up to 10%	No (federal)	Very Low and risky
Australia	No but CGT may apply to heirs	Yes, up to 45%	No	No	Medium and risky
Hong Kong	No	No	No	No	Very High
China	No	Yes 20%	No on SGE non SGE 13%	No	Medium (access issues and unclear)

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Offshore Jurisdictions (non-residents)

Jurisdiction	IHT	CGT	VAT /GST	Wealth Tax	Friendly
Liechtenstein	No	No for private investors	No	No	High better privacy than Switzerland Useful for Europeans
Cayman Islands	No	No	0%	No	Good but limited but grey list risk Useful for USA
Jersey	No	No	5%	No	Ok no exemption for investment gold Limited capacity
Guernsey	No	No	No	No	Good but limited. useful for UK Limited capacity

Summary tax implications by location for residents holding investment grade gold bullion

Jurisdiction	**IHT**	**CGT**	**VAT /GST**	**Wealth Tax**	**Friendly**
Switzerland	Cantonal for distant heirs	No	No	Up to 1% Cantonal worldwide assets	Medium
Singapore	No	No	No	No	Very High
Dubai	No (Muslims Faraid Caveat may apply)	No	No	No	Very High
UK	Yes, worldwide for estates > GBP 325K	Yes, up to 24% but exempt products	No	No	Very low and risky
USA	Yes, up to 40% above US$ 15 m	?	At state level only up to 10%	No (federal)	Medium and risky
Australia	No but CGT may apply to some heirs	Yes, up to 22.5 %	No	No	Medium and risky
Hong Kong	No	No	No	No	Very High
China	No	Yes 20%	No on SGE non SGE 13%	No	Medium

These tables are simplified guides and there is often a lot of caveats and granularity behind each assessment so holders must research their own specific situation before a definitive answer can be found. Even then, many tax systems operate on ambiguity and you will likely need professional help interpreting them.

As globalism shifts, attitudes towards foreign holders over domestic ones may change. When selecting locations the current tax situation must be considered, as well as the pressures on and incentives of the jurisdiction, and how these may change.

In this respect indebted nations could present a long-term risk and there are no guarantees they will act logically, fairly, or even in their own long term best interests. Each jurisdiction's attitude and treatment of wealth is an important consideration. Substantial systemic risks are evident in the USA, UK and all EU states, which in the long run could ultimately compromise Switzerland.

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All content should be considered with reference to individual circumstances/suitability and no opinions should be considered in isolation.

Past performances, outcomes or forecasts are not reliable indicators of future events. Investment in precious metals involves many risks and investors may not achieve their objectives or even the return of initial capital**. Independent professional investment, taxation and legal advice should be sought before making all investment decisions including where and how to store bullion** and it is important to never invest more than you can afford to lose.

Overseas assets are denominated in currencies that differ from the home currency and movements in exchange rates may increase or decrease returns. Taxation may impact capital gains on bullion and local laws and regulations vary. Different structures or arrangements to hold and buy bullion have variant tax implications depending on the jurisdiction of the investor and the location. Some structures limit the jurisdiction or type of investor who can invest and **advice should be sought before selecting any investment vehicles, undertaking any movements of bullion or changes to storage arrangements**. Regulations, laws and taxation are constantly changing potentially impacting the appropriatness of past decisions and existing arrangements.

In most jurisdictions physical bullion is Not Regulated as a financial asset by the FCA, FINMA, SEC or any other regulatory body and consequently investors do not usually have access to compensation schemes like the Financial Ombudsman Service or the Financial Services Compensation Scheme etc. Different jurisdictions are subject to varying levels of regulation and protections. **Independent advice should always be taken before investing, moving or changing storage arrangements.**

Best efforts have been taken to ensure that the contents of this note are accurate, relevant and up to date at the time of issue but unintended errors may occasionally arise and we do not warrant its completeness or accuracy.

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