



## FALKLAND ISLANDS GOVERNMENT TAXATION OFFICE

# A General Guide to Falkland Islands Taxation for Individuals for the Tax Year 2024 onwards

## 1. Introduction

This brief guide to the Falkland Islands (FI) tax system is aimed at private individuals. This guide has been written in general terms, it does not have any legal force or bind the FI Government Taxation Office (FIGTO) in any way. It should be read in conjunction with the Taxes Ordinance 1997, Medical Services Tax Ordinance 2010 and associated legislation and regulations which can be found online at [www.legislation.gov.fk](http://www.legislation.gov.fk)

Readers familiar to the UK tax system may notice some similarities in the FI legislation. However, there are differences, both of substance and in drafting and it is best therefore to treat the FI system as a totally different regime.

The FI tax year is 1<sup>st</sup> January to 31<sup>st</sup> December, submissions are required by 31<sup>st</sup> of July in the following year for Individuals.

## 2. What taxes are there?

The main taxes are Income Tax, Medical Services Tax and Corporation Tax. The FI does not have any wealth taxes, death duties, sales tax, VAT or stamp duties. There is no general tax on capital gains.

Employers are required to withhold POAT (Payments on Account of Tax) from employee remuneration (see point 6).

Credit will normally be given for foreign taxes either unilaterally or through the one Double Taxation Agreement, with the UK. Proof of foreign tax paid and confirmation it has/will not be refunded will be required.

## 3. Tax residency

An individual's entitlement to allowances/deductions and chargeable income depends on their residency position for tax purposes (please note that this differs to residency for immigration purposes).

**Resident** – present in FI for a total of 183 days or more during the relevant tax year.

**Ordinarily resident** – repeatedly FI resident except for a temporary absence

## **4. Income Tax**

### **Entitlement to allowances/deductions and chargeable income:**

**Resident and / or ordinarily resident for tax purposes** - assessed on worldwide income, entitled to the full Personal Allowance (PA) and may claim a deduction for Retirement Pension Contributions (RPCs), contributions to certain pension/retirement benefit schemes, subscriptions and charitable donations.

**Not resident and not ordinarily resident** - assessed on income from within FI and/or for duties performed in FI. Entitled to a proportion of the PA according to the number of days present in FI during the relevant tax year and may claim a deduction for compulsory RPCs and charitable donations only.

### **Rates and allowance:**

Individuals are taxed on the first £12,000 at 21% and any remainder at 26%, after taking into account allowable deductions.

Husband and wife are taxed independently.

The personal allowance is £15,960.

## **5. Medical Services Tax (MST)**

MST has been set at a rate of 0% since 1<sup>st</sup> January 2018 for both individuals and employers.

## **6. Employee taxation**

There is a system of withholding sums (POAT - *Payments on Account of Tax*) from employee remuneration by employers set out in detail in the Payments on Account of Tax (Employees Deductions) Regulations.

Non-resident employees should have tax deducted at a straight 21% (POAT for Income Tax). All employees have the right to submit a tax return to receive an assessment. 31st December 2025 is the tax return submission deadline for a non-resident employee wishing to claim a repayment of excess taxes deducted from their 2024 employment income. There is also provision for FIGTO to issue the employee with a tax return where the POAT deduction is less than their tax liability for the relevant year.

On completion of a tax return, the employee is entitled to a proportion of Personal Allowance against their earnings (full annual rate £15,960 for Income Tax) based on the number of days present in FI/FI waters/designated area during the tax year. This allowance will reduce the amount of income on which tax is due and may therefore lead to a partial tax

refund. However, it should be noted that for Income Tax, income above the allowance will be charged; first £12,000 at 21% and any balance at 26%. Therefore depending on income levels, the employee could have an additional tax liability if sufficient income becomes liable at the 26% rate.

Resident individuals should have tax deductions made according to the monthly/weekly tax tables which take into account the PA annual deduction.

There is limited taxation of benefits-in-kind, these are set out in detail in The Taxes (Benefits in Kind) Rules. There is a separate guide available on Benefits In Kind.

Any further Income Tax due from the individual e.g. on self-employed profits, is collected through assessment after the end of the relevant tax year.

## **7. Exemptions**

There are various items of income and categories of taxpayers who are exempt from FI Income Tax.

## **8. Contacts**

Please contact our office if you have any questions concerning taxation.

FIG Taxation Office	Tel	(+500) 28470
St Marys Walk	Email	<a href="mailto:general@taxation.gov.fk">general@taxation.gov.fk</a>
Stanley	Public	Mon-Fri 9am - 12noon
Falkland Islands	opening hrs:	(afternoon appointments by prior arrangement)
FIQQ 1ZZ		

Any questions concerning Retirement Pension Contributions (RPCs) should be sent to:

Pensions Office	Tel	(+500) 28415
St Marys Walk		
Stanley	Email	<a href="mailto:FIPS@sec.gov.fk">FIPS@sec.gov.fk</a>
Falkland Islands		
FIQQ 1ZZ		