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# Blissfully Tax Free

## Where The Sun Sets On Tax



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In the tropical tax havens of the Caribbean along with some 25 or so other tax havens around the world the sun has already set on tax.

Instead of swimming up to your eyeballs in tax you could be swimming in the turquoise waters of the Caribbean, living off the money saved from taxes.

You can wait for the sun to set on tax within your high tax country of origin or take the next flight out and have it set immediately.

This newsletter contains a glimpse of a coherent plan which when implemented will gradually see the sun set on tax, and the dawn of a new and exciting lifestyle living *blissfully tax free*.

Good luck on your journey.



### Special points of interest:

1. Living tax free is a lifestyle choice.
2. Invest in a tax haven to preserve your wealth.
3. If still accumulating wealth consider working offshore.
4. If seeking happiness pack it between the ears before you go.

### Quote

“The despotism of custom is everywhere the standing hindrance to human development, being in unceasing antagonism to that disposition to aim at something better than customary, which is called, according to circumstances, the spirit of liberty, or that of progress or improvement”.

*On Liberty* by John Stuart Mill

## Living Tax Free



Since the 1920's personal income tax has been steadily rising in most western countries, as their citizens slowly yet inexorably move further down the road to serfdom.

Based on OECD statistics (2004) the average income tax paid throughout OECD countries by a worker on the average wage is about 36% of gross salary. For those earning 167% of the average wage this figure is about 39%.

When you realize these figures do not include indirect taxes it is conservatively estimated workers on the average wage throughout OECD countries are losing some 40% of their LIFETIME earnings in tax.

Given most of the countries in the Middle East are tax-free, it is an irony that those working in the Middle East under monarchy have greater financial freedom than those working in most of the western countries of the world under democracy.

A professional woman working in a typical western country recently completed her 12 page tax return with the help of 3 instruction booklets totaling about 300 pages. It resulted in a tax bill of some US\$70,000 in direct tax alone.

She is 50 years old, married without children and visits the doctor at most once a month. Because of the dubious state of the public hospital system, she additionally pays for medical insurance to cover private hospital care.

Thanks to rising property prices over the last 4 years, she will make some US\$200,000 in capital gains on an investment property she owns. Of the US\$200,000 she will lose an additional US\$50,000 in capital gains tax.

Because her net worth will disqualify her for a government pension in retirement, it all amounts to some US\$120,000 in tax for a trip to the doctor once a month!

If she took out international medical coverage with a reputable health insurer, she would pay about US\$2000 per year in premiums for comprehensive health care in private hospitals.

**"It all amounts to some US\$120,000 in tax for a trip to the doctor once a month!"**



## Living Tax Free (cont)



This leaves her with about US\$118,000 to do as she pleases, be that a donation to her favorite charity, or whatever.

Realize the US\$120,000 does not include stamp duty on the sale of her investment property, goods and services taxes, local council rates, petrol excise etc. The US\$120,000 therefore, is direct tax alone.

Some individuals are definitely not getting value for their tax dollars in high tax countries, and it is usually the productive that bear the burden of income redistribution schemes. The higher your income, the higher your tax burden, without any additional benefits over those paying no tax at all.

In stark contrast to drowning in a stormy sea of tax, some 17 years ago Bill Hill wrote his inspirational "PT" books outlining a strategy for living tax free.

In expensive leather bound volumes costing US\$100 a piece Bill outlined a strategy for living tax free in any country of the world, including your high tax country of origin.

The strategy is entirely legal.

It does not involve illegally evading tax by hiding funds in offshore tax havens behind banking privacy laws or company nominee services, where you potentially face fines and imprisonment.

The key to living legally tax free is to take advantage of the many tax havens of the world where you can presently live without income, capital gains or inheritance tax.

Even if the tax-free lifestyle is not for you, at a minimum you can consider locating your funds offshore, such that they are potentially free of taxes at a later date. If not for yourself, then at least consider this option for the sake of your heirs.

Given the rising trend in taxes thus far in most western countries, it is highly likely tax will be more rather than less in the future. It is bad enough now; do you really want to be around when it gets worse?

In fact why not leave now and make this year's tax return your last?

**"Even if the tax-free lifestyle is not for you, at a minimum you can consider locating your funds offshore"**



## Investing for Income



Financial independence is considered the holy grail of financial freedom and its benefits speak for themselves.

Imagine not having to work and instead living anywhere in the world off a tax free source of income generated from your offshore investments.

Whether you choose the Bahamas, Rio or Paris as your destination of choice one of the keys to financial independence lies in wise investing.

Investing goes hand in hand with savings.

In spite of the miracle of compound growth, doubling your money on the stock market and similar hype designed to line the investment communities pockets with silver, look upon a consistent savings plan as the road to riches.

As your savings accumulate you invest the funds in a balanced portfolio of income generating investments.

Finding the right mix of good income investments is a major challenge however.

Whether you choose to manage your own securities or invest through offshore fund managers, you need to find good dividend yield investments, held in custody with reputable offshore banks or brokers.

Most invest however in their high tax country of origin. This means investment income is subject to income tax no matter where in the world you reside, and possibly capital gains and inheritance tax.

As socialist governments find the welfare burden further strained by the baby boomers it will be necessary to collect even further revenue to balance budgets.

Under socialist ideologies you can bet this burden will fall on societies most productive citizens. Any system that rewards poverty through welfare and punishes wealth accumulation through tax will create more poverty for the community at large.

Whatever you invest in make sure it is offshore and tax free.



**“Whatever you invest in make sure it is offshore and tax free”**

## Tax Havens



**“From the Bahamas (above) to Hong Kong (below) the tax havens of the world stand as a beacon of financial freedom in a stormy sea of tax”**



If one aspect of developed democratic societies stands in glaring contradiction to the notion that democracy and freedom walk hand in hand it is financial freedom.

Most western democracies have the highest tax burden in the world, yet by contrast countries in the middle east under monarchy live tax free.

Whilst citizens under democracy have seen increasing freedoms in most other areas of life, their financial freedom has been steadily declining since the 1920's. With taxes continuing to rise this trend shows no signs of abating.

Standing as a beacon of financial freedom within a stormy sea of tax however are the world's 30 or so tax havens.

The shifting sands of justice are such that whilst something within your country may be banned, you will likely find another country in the world where the same activity is legal.

Whereas it is illegal to keep the fruits of your labor within your high tax country of origin, thankfully in the tax havens of the world tax itself is illegal.

Whereas tax legislation would run into multiple volumes within your high tax country of origin, in a tax haven it can be engraved on the sharp end of a pin. Think about that for a while.

When it comes to tax havens all are not born equal.

Some are good for investing, others for working, retirement etc.

If investing your hard earned savings is your primary reason for your interest in tax havens, then for security you should invest in only the more well established and reputable tax havens.

If you are looking for a tax haven in which to work, head for those who already have a vibrant expatriate community in tax havens that welcome foreign talent.

It is horses for courses so make sure you pick the tax haven that best suits your needs at any given point in time.

## The Secret to Happiness



Adding the bliss to living *blissfully tax free* has been aided by recent research on the factors that contribute to happiness.

The old adage that money doesn't make you happy is well supported by this research. In fact wealth, level of education, age, looks, children, and health are not major determinants of happiness.

At most these factors produce only a temporary state of euphoria after which you revert back to your normal state of well being. A pay rise for instance can produce elation for a few days or weeks thereafter but these effects are usually short lived.

This is best explained by the process of adaptation.

Whatever your state of material well being you adapt to suit the circumstances. Whether rich or poor the individual learns to accept their position in life and make the most of their circumstances.

Some can even adapt to serious physical handicap.

If the circumstances surrounding your life are not a major determinant in happiness then what is?

A whopping 50% is attributed to genetic disposition. Whatever personality you are born with is likely to carry throughout your life. If you were born with a carefree disposition you are likely to remain so, and visa versa.

Another 10% consists of friendships and marriage. The company of congenial friends including intimate relationships is highly correlated with levels of happiness.

The remaining 40% is due to altruistic activities and living a meaningful life by capitalizing on your strengths and weaknesses.

There is no joy being stuck in a boring job that has degenerated into a meaningless process of filling in time.

The purpose of life is to live, not just make a living.

If wealth comes as a by product of working in a meaningful job full of challenge then it is highly likely happiness will be your pleasant companion.

**“The purpose of life is to live, not just make a living”**



## Working Offshore

Greater take home salary, expatriate perks, interesting new work colleagues, exotic new culture and travel to neighboring countries can all characterized the expatriate lifestyle.

If you are willing to travel to distant shores an expatriate position in an offshore tax haven can open up new vistas in nearly all areas of your life, not just work.

Working in an offshore tax haven is not restricted to the CEO transferred to the overseas branch office by the company on lucrative terms and conditions.

In many cases these postings are subject to the whim and fancy of top management, and a transfer back to the high tax country of origin could occur at any time.

Your position is more assured if you take charge of your own destiny, and this means actively applying for expatriate positions or setting up your own business in your tax haven of choice.

Tax havens offer employment in nearly all walks of life. Engineers, pilots and crew, medical personnel, lawyers, accountants, teachers in all disciplines, welders, etc. In fact most disciplines and professions can find expatriate opportunities.

In applying for positions try and ensure expatriate terms and conditions are included in the package.

These “perks” often include return airfares to your “home” country at end of contract, medical insurance, children’s education allowance, subsidized accommodation or accommodation subsidy, lump sum gratuity at the end of your contract, settling in allowance etc.

For success in securing offshore employment two factors must be present: opportunity and preparation. If opportunities are available and you have the right qualifications and experience there is a good chance of securing the position.

If you put nothing into life you get nothing out.

Given an expatriate posting can see your take home salary double it can be well worth the effort.



**“Singapore (below) is the most prosperous country in south east Asia, and offers interesting possibilities for expatriate work”**





www.BlissfullyTaxFree.com  
where the sun sets on tax

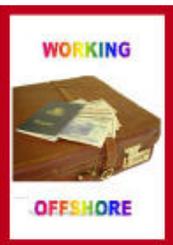


E-Books  
for sale

A step by step coherent plan for living *Blissfully Tax Free*.  
Click the book cover for contents, and [here](#) to order.



A 20 year research study by Srully Blotnich found those who had accumulated great wealth did so through their work rather than passive investments. The first step is to find your vocational niche. When you find work you enjoy you add the bliss to living tax free with wealth coming as a by-product.



Though having found your career niche it is difficult to achieve financial independence when you are losing some 40% of your earnings in tax. Working in an offshore tax haven can increase your income some two or three fold. The second step is to secure work offshore.



Working offshore now places financial independence well within your grasp. In spite of this many expatriates leave their offshore postings penniless. The third step is to become master rather than slave over your money, and through savings watch your nest egg grow.



Now you are well on your way to financial independence the fourth step is to construct a balanced portfolio of income generating investments. Your funds must be placed in high dividend yield investments linked to inflation and free of all forms of tax. It all adds up to more bang for bucks.



When the income from your offshore investments reaches the point where it can support your lifestyle needs you are now financially independent. The fifth step is to ensure you are free of tax on this income and capital no matter where in the world you reside, even if that be “home”.



Congratulations you are now living *blissfully tax free*. With time on your hands you have lots of exciting things to do in your leisure. If so consider building an offshore web site which is inexpensive to set up and run, tax free on profits and a lot of fun.



www.BlissfullyTaxFree.com  
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**Working in Singapore** : Attractive salaries, low personal tax, openness to foreign talent, safety and excellent infrastructure make Singapore one of the premier expatriate destinations in the far east. It is no surprise Singapore ranks high as an expatriate destination on the HSBC's Expat Explorer Survey.



**Retiring in Thailand:** Hassle free retirement visas, tax free offshore income and low cost of living means you can live like a king as you explore Thailand's many attractions. From Thailand's beaches to its mountains it has fast become the budget retirees destination of choice in South East Asia.



**Offshore E-Commerce:** Companies and businesses requiring little operational presence in their country of residence can find tax advantages relocating offshore. This involves setting up offshore accounts and legal entities plus all the operational tasks in building an E-commerce web site.



**Coaching:** Drawing from the latest in transpersonal psychology coaching includes both Life Purpose Coaching for discovering your vocational niche in life and Financial Coaching to help you become financially independent.