

Emifast

The Entrepreneur's Guide

The Entrepreneur's Guide To Smart Tax Emigration

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Part 1: The Hard Truth

Learn from Mark's story and uncover the real challenges of tax emigration. We break down the myths, expose the risks, and show you exactly what the tax authorities are really looking for.

Part 2: Your Game Plan

Explore the top jurisdictions like Cyprus, Dubai, and Hong Kong, and follow a clear roadmap, from the first financial check to your actual move. Everything you need to relocate the right way.

Part 3: Costs & Choices

Understand the full financial picture: setup costs, long-term expenses, and hidden risks. We help you decide if it's truly worth it, and how to avoid expensive mistakes.

The Entrepreneur's
Guide To Smart Tax
Emigration

Advisors talk about "easy emigration" and "simple tax savings," but nobody explains what he can actually expect. Everyone tells him how wonderful it is, but nobody prepares him for reality.

A portrait of Mark Mulder, a man with a beard and short dark hair, wearing a light-colored button-down shirt over a white t-shirt. The portrait is partially overlaid by a large yellow graphic element on the left and right sides.

Mark
Mulder

Meet Mark: a Dutch tech entrepreneur

Mark runs a successful SaaS business from Amsterdam. His company is growing explosively, but every euro of profit he makes gets taxed at 49.5%. During lunch with a competitor from Berlin, he discovers that this entrepreneur operates from Cyprus and pays only 12.5% corporate tax. "How is that possible?" Mark wonders.

After months of research, Mark realizes that the emigration industry is full of beautiful stories. Advisors talk about "easy emigration" and "simple tax savings," but nobody explains what he can actually expect. Everyone tells him how wonderful it is, but nobody prepares him for reality.

Mark's first attempt goes wrong. He arranges an Emirates ID, opens a bank account in Dubai, but stays 8 months per year in the Netherlands for his clients. The result? A conservatory assessment from the Dutch Tax Authority and three years of legal proceedings that cost him €75,000.

The Three Hard Truths Nobody Tells You

Truth #1: Emigration Means Actually Emigrating

"I'll quickly arrange a second residency and I'm done" - this is the biggest myth in the emigration industry. Real tax emigration requires you to actually move and stay. It's not a paper exercise.

The Tax Authority has caught on that entrepreneurs are increasingly setting up complex structures. They don't just look at your passport, but at the complete picture:

- **Where do you spend most of your time?** (183-day rule is important but not decisive)
- **Where is your financial center?** (bank accounts, investments)
- **Where do you make business decisions?** (board meetings, strategy)
- **Where are your personal ties?** (family, friends, social life)

A business partner of Mark thought he was clever by formally moving to Cyprus but continued running his business from Amsterdam. He used his Dutch bank account, had Dutch clients, and flew back every two weeks for meetings. After two years, he received a visit from the Tax Authority. It ultimately cost him more than he had saved.

The 183-day rule is important, but not decisive. The Tax Authority mainly looks at your "center of life" – where the center of gravity of your personal and economic interests is located. Where does your real life take place?



The Three Hard Truths Nobody Tells You

Truth #2: Economic Substance Is Not Optional

Five years ago, you could still get away with a virtual office and a local bank account. Those days are over. Modern tax authorities now test for 'economic substance' - what does your business actually do in the new country?

An e-commerce entrepreneur recently told us his story. He moved to Cyprus, set up a local company, but kept all fulfillment, customer service, and development in the Netherlands. Cyprus ultimately didn't accept his tax residency because there were no real business activities. His "Cyprus company" was essentially a pass-through entity.

What tax authorities now check:

- **Real employees with real functions** (not just virtual office)
- **Operational activities on location** (servers, development, customer service)
- **Decision-making in the new country** (board meetings, strategic planning)
- **Value creation** locally

Economic substance means your business creates added value in the new country. A virtual address and monthly visits are no longer enough. The irony is that the more successful your emigration looks on paper, the more critically tax authorities examine it.



The Three Hard Truths Nobody Tells You

Truth #3: The Tax Authority Doesn't Let Go Easily

This brings us to the conservatory assessment - your biggest risk and something other advisors rarely discuss. When you emigrate, the Tax Authority can keep their tax claim open, even after you've left.

Mark's experience is not unique. The Tax Authority wondered why a successful tech entrepreneur suddenly moved to Dubai, while his clients, developers, and business model remained entirely Dutch. They opened an investigation and imposed a conservatory assessment on his substantial shareholding – a latent tax claim that remains after emigration.

This meant five years of uncertainty. Interest that continued to accrue. Legal costs of €75,000. And the worst part: the burden of proof lay with Mark. He had to prove his emigration was real, not the Tax Authority having to prove it was fake.

When a conservatory assessment is imposed:

- **When there are doubts about your actual departure**
- **If your emigration was suspiciously quick**
- **When maintaining significant Dutch interests**
- **If they have substance questions**

A conservatory assessment is not rare. It happens in about 20% of tax emigrations involving significant interests. The Tax Authority has learned from the past and has become much more critical



Winning combos

The Winning Combinations For Entrepreneurs

After years of practical experience and seeing hundreds of cases, we see three strategies that consistently work for entrepreneurs. Each strategy has its pros and cons, but they have one thing in common: they require commitment.



Cyprus: The European Champion

Cyprus has become the favorite of Dutch entrepreneurs who want to retain EU benefits but drastically reduce their tax burden. With 15% corporate tax, it has the lowest corporate tax rate in the EU.

But the real secret of Cyprus is the non-domiciled status. If you don't have Cyprus domicile (which most immigrants don't), you pay no tax on foreign dividends and interest for 17 years, and usually also not on capital gains – provided these don't come from Cypriot real estate. For a Dutch entrepreneur with international income, this can bring the effective tax rate close to zero.

Cyprus Tax Benefits:

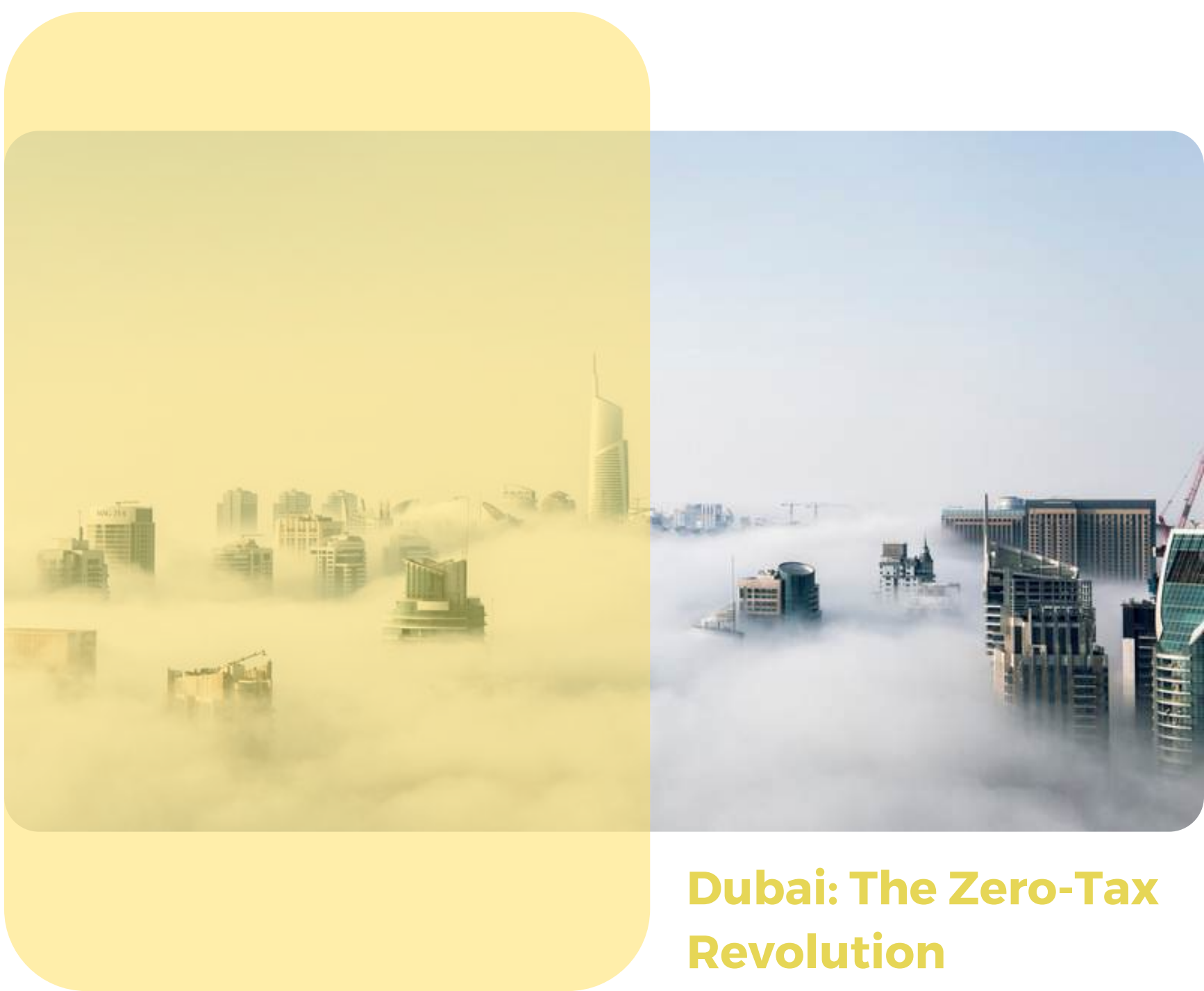
- **15% corporate tax** (lowest in EU)
- **0% tax** on foreign dividends (non-dom status)
- **0% capital gains tax** on shares (except Cypriot real estate)
- **IP Box regime** with 5% rate
- **EU benefits** retained

A client of ours, owner of a digital marketing agency, moved to Cyprus three years ago. He retained his EU clients but gradually moved his operations to Cyprus. His annual tax savings? €180,000. His biggest challenge was not the taxes, but finding qualified personnel in Limassol.

Cyprus works best for entrepreneurs who primarily trade with Europe, are comfortable with a smaller market, and value EU membership. The infrastructure is excellent, English is widely spoken, and the timezone is perfect for business with both Europe and the Middle East.

Residency options in Cyprus:

- **183 days per year** (standard, most secure)
- **60 days per year** + permanent residence + no other tax residency (legally possible, but for Dutch emigration we advise minimum 183 days to limit risks)



Dubai: The Zero-Tax Revolution

Dubai has transformed the international business world. For the first time in decades, entrepreneurs can pay 0% personal income tax completely legally in a modern, safe jurisdiction with world-class infrastructure.

Since January 2023, Dubai has introduced corporate tax - 9% on profits above €94,000 - but this is still dramatically lower than Dutch rates. For certain Freezone companies with exclusively 'qualifying income', the rate can remain at 0%. And for personal income, it remains 0%, unless you run a business as an individual with more than €250,000 turnover.

Dubai Tax Benefits:

- **0% personal income tax**
- **9% corporate tax** (only on profit above €94,000, except qualifying freezone income)
- **0% capital gains tax**
- **Free zones** with possible 0% corporate tax
- **5% VAT** from certain turnover thresholds

A tech entrepreneur told us that his move to Dubai brought his effective tax rate from 52% to 9%.

But more importantly: Dubai's position between Europe, Asia, and Africa opened new markets that were much harder to reach from the Netherlands.

Dubai's challenge is substance. The authorities have become strict about who actually does business versus who only lives there for tax benefits. You need a real office, real employees, and real business activities. A virtual office and monthly visits are not sufficient.

The best Dubai emigrations we see are entrepreneurs who adapt their business model to the new location. They hire local talent, open a real office, and build a real operation. It costs more than Cyprus, but the tax benefits are greater.

Dubai Residency options:

- **183 days** (most secure for all situations)
- **90 days** + permanent residence (for frequent travelers)
- **30 days** + significant business interests (riskier during checks)



Hong Kong: The Asian Gateway

For entrepreneurs with Asian ambitions, Hong Kong offers unique advantages through its territorial tax system. Hong Kong only taxes income arising in Hong Kong. Hong Kong doesn't necessarily require substantial local presence, but you must demonstrate that income is generated outside Hong Kong to fall outside the levy.

Hong Kong Tax Benefits:

- **Territorial system** (only HK-source income taxed)
- **16.5% corporate tax** (8.25% on first HK\$2 million)
- **0% capital gains tax**
- **Strong rule of law** and financial sector

A software entrepreneur we know serves American clients via a Hong Kong entity and has an effective tax rate of 0%. But Hong Kong requires careful structuring to demonstrate that income is generated offshore.



Your Practical Roadmap

After working with countless entrepreneurs, we've learned one thing: relocation only works with full commitment. This roadmap breaks it down: four phases, just what it takes to make the move succeed.

Phase 1: The Honesty Check (Month 1-2)

Before you spend a euro on advisors or visas, you must ask yourself three critical questions. First: do you save enough to justify the costs? Tax emigration easily costs €10,000-€15,000 in the first year and €2,000-€5,000 per year thereafter. If your annual tax savings are below €20,000, the costs are probably higher than the benefits.

Second: can your business model shift geographically? If your business depends on daily face-to-face meetings in your homecountry, it becomes difficult.

Financial checklist:

- Annual income minimum €100,000
- Liquid assets minimum €50,000
- Emergency fund for unforeseen costs

Third: is your family really willing? This is often the dealbreaker. A partner who doesn't want to move, children in critical school years, caring for elderly parents - these are practical obstacles that no tax advantage can overcome.



Phase 2: Jurisdiction Selection (Month 3-4)

If you've passed the honesty check, it's time for jurisdiction selection. This is not just a tax decision - it's a lifestyle decision.

Cyprus suits you if you want to retain EU benefits, are comfortable with a smaller business community, and value established rule of law. The climate is Mediterranean, the culture is relaxed, and the business community is close-knit but limited.

Dubai suits you if you have global ambitions, enjoy dynamic growth, and are comfortable with a more diverse, international environment. The pace is high, the opportunities are endless, but it can also be overwhelming.

Choice criteria per jurisdiction:

Choose Cyprus if:

- Your clients are mainly European
- You want to retain EU benefits
- You prefer a smaller, stable community
- Your business is IP-heavy (advantage of IP Box)

Choose Dubai if:

- You have international ambitions
- You enjoy fast growth and dynamics
- Your business is geographically flexible
- You want the highest tax benefits

Start assembling your professional team in this phase. You need a local tax advisor, a specialist for the exit procedure, and a lawyer for corporate structuring. These people must work together - don't choose advisors who have never spoken to each other.

Phase 3: Legal Structure and Setup (Month 5-8)

Now the real work begins. Visa applications, setting up corporate entities, opening bank accounts - everything that can go wrong bureaucratically often does. Plan more time than advisors tell you.

For Cyprus, this means applying for a residence permit (if non-EU citizen), setting up a Cyprus limited company, and navigating through the local banking system. Cyprus banks have become cautious with new international clients, so expect a thorough due diligence process.

For Dubai, the process is more complex but more standardized. Investor visa, Emirates ID, company formation - there are clear procedures, but they change regularly. What worked last year might not work this year.

Setup timeline expectations:

- Cyprus: 4-8 months for complete setup
- Dubai: 1-2 months for complete setup
- Hong Kong: 1-3 months for complete setup

The biggest mistake entrepreneurs make is thinking this is a 1 week process. Count on 1-6 months for a complete setup, depending on complexity and bureaucratic delays. Dubai can be especially slow if you need specific visa categories.



Phase 4: The Actual Move (Month 9-12)

This is where the rubber meets the road. You must actually move and shift your center of life. That means not just changing your address, but adapting your daily routines, banking habits, and decision-making processes.

Move your primary bank account to the new country. Ensure important business decisions are made there. Build a local network. Join a local gym, get a local doctor, develop new routines.

Document everything. Keep flight tickets, utility bills, restaurant receipts, membership confirmations. If the Tax Authority has questions later, this documentation is your defense.

Essential relocation actions:

- Move primary bank account
- Open local utility accounts
- Hold board meetings locally
- Develop social connections
- Establish daily routine

The first months are the hardest. Everything is new, inefficient, and frustrating. Entrepreneurs who survive this period without fleeing back to the Netherlands usually succeed. Those who throw in the towel after three months probably should have stayed home.

The cost

The Real Costs (No
Surprises)

03





What Tax Authorities Actually Check

Other advisors rarely speak about the real costs of tax emigration. We do. Transparency means you know what you're getting into.

For Cyprus, count on €3,800-€9,000 in setup costs. This includes legal fees, accounting setup, government fees, and property deposits. Annual operational costs are €1,800-€3,500, including local compliance.

Cyprus cost overview:

- **Setup year 1:** €3,500-€9,000
- **Annual operational:** €1,800-€3,500

Dubai is more expensive: €5,500-€12,000 for setup and €1,500-€5,000 per year operational. The variation is large because Dubai lifestyles can differ enormously. You can live modestly for less than the Netherlands, or extravagantly for much more.

Dubai cost overview:

- **Setup year 1:** €5,500-€12,000
- **Annual operational:** €15,00-€5,000

But the biggest costs are the hidden costs that arise when things go wrong. Legal proceedings for a conservatory assessment cost €25,000-€100,000+. Although you don't have to pay immediately, the latent tax claim remains open. In case of a future sale of shares or dividend distribution, this can still lead to a substantial tax payment, including interest. And then we haven't even mentioned the stress and lost time.

A simple break-even analysis shows why substance is so important. If you save €200,000 per year but spend €150,000 on setup and operational costs, your net benefit is only €50,000. A conservatory assessment can completely wipe this out.

Your Go/No-Go Decision

After all this information, it comes down to a simple question: does tax emigration fit your situation?

Green lights (proceed):

- Annual income above €100,000
- Liquid assets above €50,000
- Geographically flexible business model
- Personal willingness to emigrate for 2+ years

Red lights (wait):

- Tax savings below €10,000 per year
- Family not willing to move
- Business with homecountry regulatory requirements

The gray zone is where most entrepreneurs sit. Sufficient savings to be interesting, but complicating factors that make success uncertain. For this group, professional guidance is essential.

A recent example: an entrepreneur with €150,000 annual tax burden, but his wife didn't want to leave the Netherlands and 70% of his clients were Dutch municipalities. Technically possible, practically unwise. He decided to wait until his children left home and he had more international clients.

Gray zone factors:

- Partially international customer base
- Family that doubts but isn't completely against
- Business model that can be adapted
- Sufficient savings but high setup costs

For people in the gray zone, we often advise a phased approach. Start by internationalizing your customer base, test whether your family is comfortable with longer foreign periods, and gradually build more substance in your target jurisdiction.



The truth

The Truth For
Entrepreneurs

04





The Truth For Entrepreneurs

Tax emigration can transform your life, but it's not a quick fix. It's a fundamental lifestyle change that requires commitment, investments, and patience.

Cyprus works brilliantly for EU-oriented entrepreneurs who are willing to embrace a Mediterranean lifestyle. The non-dom benefits are real, the tax savings significant, and the EU benefits valuable. But you must be willing to actually live in Cyprus and build your business there.

Dubai offers the greatest tax benefits but requires the greatest commitment. The 0% personal income tax is transformational, but only if you're willing to adapt your business model to the new reality. Dubai is not a place where you can "phone it in" - it requires full commitment.

Hong Kong can be powerful for Asia-oriented business, but the political situation and complex substance requirements make it only suitable for experienced international entrepreneurs.

The key success factors:

- Actual relocation and commitment
- Business model adaptation to new location
- Professional guidance throughout the process
- Realistic expectations about timeline and costs
- Family buy-in and support

The choice depends on your personal situation, business model, and risk tolerance. There is no one-size-fits-all solution. A tech entrepreneur with international clients has different options than a local service provider. A single entrepreneur has more flexibility than someone with school-age children.

The final word: Tax emigration is not a product you buy - it's a lifestyle you choose. Other advisors sell the dream of tax-free profits. We prepare you for the reality of international entrepreneurship.

The question is not whether it can be done, but whether it fits you. This guide gives you the information to make that decision thoughtfully. Because your success as an entrepreneur deserves a strategy that really works - not just on paper, but also in practice.

Success in tax emigration doesn't come from finding loopholes or minimizing substance. It comes from building a real international business and lifestyle that is sustainable for the long term. That's the truth others don't tell you, but that you deserve to know.

Important Legal Disclaimer

This guide does not constitute financial or legal advice. The information provided is for educational purposes only and represents general principles that apply across many jurisdictions. While exit procedures and substance requirements are similar worldwide (with mainly percentage differences between countries), specific rules, rates, and requirements vary significantly by jurisdiction and individual circumstances.

We strongly recommend consulting qualified professionals including tax advisors, lawyers, and compliance experts in both your home country and target jurisdiction before making any decisions. Tax emigration involves complex legal, financial, and personal considerations that require expert guidance to ensure compliance with all applicable laws and regulations.

Professional advice is essential to navigate the specific requirements of your situation and to structure any arrangements within the proper legal framework of the relevant jurisdictions.

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This information is for educational purposes only. Tax emigration is complex and highly personal. Individual circumstances vary significantly, and professional advice is essential for compliance and success.