



THE
RESORT
GROUP
PLC

Property Ownership
Guide to costs

MELIÁ Llana Beach Resort & Spa
White Sands Hotel & Spa

Purchasing & completion costs

Average 2.5-3% including purchase taxes specified below.

Purchasing and Selling Taxes

Transfer (IUP) Tax – flat rate of 1.5% on the attributed value to be paid before the Deed of purchase and sale.

Capital Gains

There is a tax over the capital gains obtained in the sale of the property (difference between sale price and acquisition price) of 1% under the terms of article 50º a) of the Personal Tax Code

There is no succession tax in Cape Verde, however, the transfer of real estate assets by succession are subject to 1,5% tax calculated on the tax value of the property.

Miscellaneous taxes

Holding property/ Annual Rates – flat rate of 1.5% on 25% of the attributed value to be paid annually in April (or in two installments in April and September of each year)

Inheritance/Gift Tax – Any Property transmitted by inheritance or by gift is taxed at a flat rate of 3% on the attributed value.

Ongoing costs of ownership

Operational Costs - When part of a Meliá Hotels International Hotel Managed Programme

Payment is deducted from the gross room revenue prior to the split with TRG and investor. The cost of attraction is a % based on the occupancy of the room, ie the higher the occupancy the higher the cost. The cost of attraction is covered within the calculation method annex to the contracts and this explains what is included within this cost, for example utilities, insurance and toiletries for the room. In simple terms, this is the operational costs to sustain the property for touristic use.

Management Fee - Paid by all owners

Payment is deducted from the 50% owners share of revenue prior to returns being paid. Refer to schedule of management fees for exact cost as this is fixed dependent on property type and Resort. Cost ranges from €1500 - €2500 per property per year. This fee is explained in the Resort Management Agreement and covers the cost of the maintenance of communal areas of the Resort, i.e. pools, gardens etc and is payable by all property owners.

Rental Income Tax (Cape Verde Only)

As per article 13º of the Personal Tax Code of Cape Verde, Rental Income obtained in Cape Verde is exempt from taxation in Cape Verde as long as the following conditions are cumulatively fulfilled:

- The property is located in a touristic project;
- The income is connected with the touristic exploitation of the property made by the classified touristic operator;
- The income is supported by a written touristic exploitation contract (such as a rental agreement)

Regarding the above, the rental income obtained by the purchaser that is derived by the properties sold by The Resort Group PLC within its touristic projects are exempt from taxation in Cape Verde and therefore will not be subject to 20% withholding tax.

Fractional Ownership Costs - As part of a fractional ownership only

€250 set up fee (covered within purchase price)

€100-€400 depending on membership (smaller fractions and therefore more members = lower fee) Payment is deducted from the owners rental income prior to returns being paid

Other helpful information

Cape Verdean Will

Once you have acquired the property, it is advisable that you execute a Cape Verdean Will to deal with your property in Cape Verde. Although an English Will is valid, obtaining probate in Cape Verde is easier if there is a Cape Verdean Will.

Visas

A Tourist Visa has a duration of 90 days. It may be extended at the Serviços de Fronteiras (Frontier Service) for another 90 days. This extension must be requested before the initial 90 days have elapsed. The time for processing such a request varies from Island to Island, the fastest being in Praia and may take up to 5 days. A fee must be paid in the region of 30 euros.

Furthermore, if a foreigner wishes to extend their stay further, and is involved in some type of job or service, they may obtain a Declaração de Trabalho (Work Statement) from the entity employing them, which will allow the Visa to be extended up to a maximum period of a year, including the time already elapsed under the initial Tourist Visa.