



# Frequently Asked Questions

## **Questions and Answers**

### **Why does Global Development Group need money for land acquisition?**

Global sources land across the world with development potential. It has contacts in every continent looking for opportunities, and when the right property becomes available, it must act fast to secure ownership.

### **What type of property does Global Development Group normally buy?**

Global generally buys property at any early stage of the planning process – when it has done its due diligence to ensure planning consent is highly likely.

### **How can Global Development Group pay such good returns?**

Once formal planning has been agreed, the value of the Property increases greatly, and Global can obtain institutional finance at very competitive rates. Your returns are paid out of the increase in value.

### **What do I acquire when I invest with Global Development Group?**

You acquire Shares in a Limited Liability Company – the Investor Company. Through the Investor Company you acquire the Right to some or all of the sale proceeds of the Property at a specified date in the future. Global has the Option to buy out your Right at any time at a much higher price than you paid.

### **Will Global exercise the Option?**

Yes, it has the firm intention to do so, because it wishes to develop the Property.

### **What happens if Global Development Group does not exercise the Option?**

Global must sell the Property, and pay you and the other Investors from the proceeds the amount you would have received if it had exercised the Option. Since an independent valuation has confirmed prior to purchase that the land is worth more than double what you and the other Investors have paid, this provides you with ample security.

### **What is a Limited Liability Company?**

It is an offshore company that is 'fiscally transparent', meaning that it pays no corporate taxes. You and the other Investors are the only shareholders, so it is your company. Wyoming pioneered this company structure in 1977, which has been widely copied in other US states and elsewhere across the world.

## **Who forms my Company?**

Powerscourt Services Ltd. forms the Company on your behalf. Powerscourt Services Ltd. has also developed the legal structure of this investment, of which the Company is a central part.

## **Do I pay any personal taxes?**

If you are domiciled in the UK or the Republic of Ireland, you will be liable for Capital Gains Tax (CGT) on the difference between the money you invest and your returns. There is an annual threshold of capital gains (currently £9,600 in UK, €1,270 in Ireland) below which there is no CGT - this is doubled if you invest as a couple. Above this the rate is 18% in UK and 20% in Ireland. If you are a 'non-dom' - resident but not domiciled in the UK or Ireland - you are not liable to UK/Irish CGT unless the funds are remitted into the country.

## **What is Powerscourt?**

Powerscourt Services Ltd is a legal and financial consultancy, specializing in creating and administering structures for property investment.

## **Where will my returns be remitted?**

You can have your returns remitted wherever you wish.

## **How secure is my contract with Global Development Group?**

It is very secure. It specifies that English law governs it, and the English courts have jurisdiction. Under private international law it is also enforceable in the country where the Property is situated. However, is not a mortgage contract whereby your Investor Company has a first charge over the land. This is because financial institutions require a first charge so raising institutional money to exercise the Option precludes a mortgage.

## **How many developments does Global Development Group currently have in place?**

Currently there are projects in the Caribbean, SE Asia as well as Morocco, all using the same or similar legal and financial structure, with many millions of pounds invested. Investment through Global is proving very popular and successful.

## **Can I invest in other developments?**

Yes. Global encourages Investors to establish their own portfolio of property investments. Once you have your first property investment in your Global Portfolio, Global will let you know about each new property opportunity as it

arises, so you can reallocate your returns. Global is currently looking at several new projects across the world.

### **What happens if Global Development Group is unable to obtain planning permission on the land?**

This is where the risk lies. However, in this event Global allows you to reassign any shortfall in your returns to other Global projects. So Global provides you with an important extra layer of security.

### **What happens if I need my money back before the due date?**

You can sell your interest in the Ownership Company to a third party at any time at a price mutually agreed. There is a special Share Buy-Back Form for this purpose. In the event of death your Shares go to the beneficiaries of your will.

### **What happens if Global Development Group becomes insolvent?**

Each Local Company is legally separate from every other Local Company and from the Global Development Group itself. So if any other companies in the Global Development Group experience serious financial difficulties, the Owners interests in the Local Company would be unaffected. However, Global would not be able to offer reassignment in the event of failure or delay in planning consent.

### **Why is Global Development Group able to buy land so cheaply?**

The essence of Global's strategy is to find land with major development potential and with a strong likelihood of obtaining planning permission. It is relatively inexpensive because it doesn't yet have planning permission. Global's expertise lies in finding such land through its contacts across the world, and in negotiating with the local authorities to obtain planning permission.

### **What kind of developments does Global Development Group sponsor – and can I buy into them?**

In general Global's developments are luxury leisure and life-style properties, with villas and apartments for private purchase. As an initial Investor, you will be offered such properties at the earliest – and most economical – stage in the development.

### **If I live outside the UK, can I invest?**

Yes. Investors come from all over the world. There is no restriction whatsoever on where you are resident, although there are restrictions for those liable to US federal taxes.

**Can I invest through a SIPP (Self Invested Personal Pension)?**

This is not possible. The reason is that under pension law SIPPs need to intend to hold land for a significant period, normally understood to be at least 3 years. With Global, the period between your purchasing and selling will be much shorter.

**Can I show this material to my professional advisors?**

Yes, by all means. Global is happy to answer any further questions, if necessary taking guidance from its own professional advisors.