

# Does the Five Flags Theory and PT Lifestyle Still Work?

A number of readers have been asking me recently about the PT and Five Flags Theory lifestyle.

PT can stand for any number of things including “Perpetual Traveler”, “Permanent Tourist” or even “Previous Taxpayer”.

*from Peter Macfarlane*

The idea behind these theories is that smart, freedom-seeking individuals should not be bound in their allegiances to just one government. But do these theories have a practical application in real life? In other words, do they work?

There also seems to be some confusion about the number of flags: The ‘Three Flags Theory’ of Harry Schultz, the ‘Five Flags Theory’ of the W.G. Hill series, publicized last year by Neil Strauss in his bestselling book [Emergency...](#) or the ‘Six Flags Theory’ of [Bye Bye Big Brother?](#)

What useful purpose does a government serve?

Most people accept the institution of government because it

has always been there; they have always assumed it was essential. People do not question its existence, much less its right to exist.

The various flags theories are all about achieving freedom by not having one single government controlling you. Most countries treat foreigners far better than their own citizens. So the idea is to be a foreigner wherever you go – hence the ‘Permanent Tourist’ tag. You also achieve privacy, because no government will have access to the full picture of you.

In general ‘PTs’ can, by moving between countries on a regular basis, legally reduce or eliminate their tax burden. Many, however, adopt this lifestyle primarily for self-ownership or freedom reasons – checking out of “*The System*”.

Either goal is achieved by simply using different governments, or flags, for different parts of your life. At its simplest, the theory works well with three flags:

- Have your citizenship somewhere that does not tax income earned outside the country.
- Have your businesses and speculations in stable, low or no tax countries – your business havens.
- Live as a tourist in countries where what you esteem is valued, not outlawed. These countries are known as Playgrounds.

Back in the 1980s, author Dr W.G. Hill and the Scope International publishing house produced a series of books such as *The Passport Report*, *PT1*, *PT2* and *Banking in Silence* in which the original three flags were increased to five flags, by adding an additional ‘asset haven’ – a money management or offshore banking center, independent of the business flag – and a ‘residence’ flag in a tax haven where you have official residence.

Note that this is a paper or ‘official’ residence and is not

necessarily where you physically spend your time. I wrote recently about [residence and citizenship in the Dominican Republic](#) for example – it's ideal for this purpose, since you are allowed to be gone for up to a year at a time and still qualify as a resident.

Finally, in 2005, an anonymous author under the name of Grandpa wrote a new three volume update named *Bye Bye Big Brother*. In this, he added the sixth flag of cyberspace – a kind of virtual country which binds the other five flags together.

If you're interested, get more information on the [Survival Podcast forum](#).

Anyhow, having cleared up the confusion about the number of flags, the big question is, does it actually work?

It certainly does. Not only do I live this lifestyle myself, but I know plenty of other people who do too. However, I don't know anyone who follows the rules absolutely. I think this was a set of rules made up for people who don't like rules! Most people tend to interpret it in their own ways, picking and choosing the bits they like best.

When people first hear of the PT theory, they think it sounds difficult, complicated or expensive. It's not.

Most people don't decide to become PTs overnight. Think of it as a gradual process – little by little, you might open a bank account offshore (asset haven), buy real estate or spend time overseas (the playground) and expand your business by diversifying internationally (business haven.) Apply for a residence in a tax haven that can lead to a second passport, use the internet (sixth flag – cyberspace) and before you know it you are a fully fledged PT.

So this is certainly more than just an interesting theory to bear in mind, it is truly the foundation of what we teach and

how we live.

A number of readers have recently been asking about the 'Perpetual Traveler' or 'Permanent Tourist' theories. The idea behind these theories is that smart, freedom-seeking individuals should not be bound in their allegiances to just one government. But do these theories have a practical application in real life? In other words, do they work?

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If your interested, check out our Critique of the PT Five Flags Theory which explains this in more depth. There's also more information on the Survival Podcast forum.

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So this is certainly an interesting theory to bear in mind. If

you would like to learn more about it, browse the Q Wealth website, and why not sign up for our free five part course 'Secrets of the Super Rich' which covers these ideas in more depth? There is no obligation, no spam, and you are free to unsubscribe at any time..