



## **MOVING TO THE UK**

### **DO YOU KNOW ABOUT THE TAX ADVANTAGES OF BEING NON-UK DOMICILED (EVEN IF YOU ARE UK RESIDENT)?**

#### **RESIDENCE VERSUS DOMICILE**

In the UK, a distinction is drawn between residence, ordinary residence and domicile. A resident must normally be physically present in the country at some time in the tax year. You will always be a resident in the UK if you are there for 183 days or more in the tax year. If you are a resident in the UK year after year then you will be treated as being ordinarily resident there. Where you are a resident in more than one country the UK may have a double tax treaty.

Domicile has a different meaning. Broadly speaking you are domiciled in the country in which you have your roots, and you can only have one domicile at any given time.



#### **MOVING TO THE UK AND BECOMING UK RESIDENT**

The UK tax year runs from 5th April to 6th April. If you move to the UK part way through a tax year you should normally be able to have your tax liabilities on income calculated on the basis of the period of your actual residence rather than the entire tax year.

Generally, if you arrive in the UK to live here permanently or you come and remain here for 3 years or more you are treated as a resident and ordinarily resident from the date that you arrive.

#### **MOVING TO THE UK AND PRESERVING YOUR NON-UK DOMICILE**

If you wish to preserve your non-UK domicile you should at least retain your original passport and links with your home country. This could mean retaining a holiday home in that country, or ensuring that you make frequent visits to that country.



## **ADVANTAGES OF BEING NON-UK DOMICILED (EVEN IF YOU ARE UK RESIDENT):**

- As a non-domiciled individual, you are able to make capital gains in the UK through an offshore company, which will not be chargeable to UK capital gains tax.
- Income that is not remitted to the UK will not be chargeable to UK income tax.
- If you are not UK domiciled you are only taxed on such gains to the extent that they are received or remitted to the UK in a tax year for which you are a resident or ordinarily resident here.
- If you are resident in the UK but non-domiciled you are entitled to receive overseas investment income gross, provided it is not remitted to the UK.
- You will pay no Inheritance Tax on assets, which are not situated in the UK though this is subject to various other limitations.



**Please feel free to contact us with any questions or queries.**

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