Crowe Clark Whitehill LLC

UK RESIDENT NON-DOMICILED INDIVIDUALS
Changes to Remittance Basis Rules from 6 April 2012
Updated August 2015

1. Remittance Basis Charge

No. of years UK Resident	2015-16 onwards	2012-13 to 2014-15
	£	£
7 year test (7 out of past 9 years)	30,000	30,000
12 year test (12 out of past 14 years)	60,000	50,000
17 year test (17 out of past 20 years)	90,000*	

*This will become redundant from 2017/18 onwards if the new proposals are implemented, which will deem an individual to be UK domiciled if he has been resident for 15 out of the last 20 years.

2. The charge to UK tax is removed on overseas income or capital gains remitted to the UK for the purpose of making certain qualifying business investments. To benefit from this relief a number of conditions must be met. A "qualifying investment" is an investment in an unlisted UK company, or AIM listed company, or the holding company of such a company which carries out a trading activity on a commercial basis or undertakes the development or letting of commercial property. Specific anti-avoidance provisions ensure the investment is made on proper commercial terms. Once disposed of, the investor will have 45 days to send the funds back outside the UK or reinvest in a new qualifying investment.

3. Simplification to the existing remittance basis rules in respect of nominated income and the taxation of assets remitted to and sold in the UK. The nominated income rules have been amended to allow individuals to remit up to £10 of overseas income or capital gains which they have nominated for the purposes of the annual remittance basis charge, without being taxed on that remittance and without becoming subject to the identification rules.

4. An individual, who is taxed under the remittance basis, used to be treated as remitting income and capital if he brought exempt property (i.e. property bought outside the UK with foreign income or gains) into the UK and then sold it. From 2012/13 onwards, when such property is sold, the proceeds of the sale will not be treated as being a remittance of foreign income and/or gains providing - the sale is an arm's length transaction; the purchaser is not a

"relevant" person (usually a close family member etc); and the sale proceeds are removed from the UK or placed in a qualifying investment described in (2) above within 45 days.

Foreign Currency Gains & Losses

From 6 April 2012 gains and losses on foreign currency accounts are no longer "counted", so such gains are no longer taxable and such losses are no longer relievable. This applies to all UK resident individuals, whether UK domiciled or not, and is a welcome simplification to the Capital Gains Tax rules.

If you would like to know more then please contact
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