



# Coming to the UK? A tax guide

Moving country can be difficult enough without considering the impact of going from one tax regime to another. Here we answer questions and highlight a few of the factors you might need to consider.

## Key dates and deadlines

The UK tax year runs from 6 April to the following 5 April. Annual tax returns need to be submitted to HMRC by 31 October (if filing in paper format) or 31 January (if filing in electronic format) following the tax year. Not everybody is required to submit a tax return but, if you are, you should tell HMRC by 5 October following the end of the tax year.

## What taxes will I pay?

You may pay tax on your worldwide income and capital gains or just on your UK income and capital gains. This may include if you start renting out your former home overseas. If you're working here, then you may also pay UK social security contributions (National Insurance contributions).

You're unlikely to pay inheritance tax unless you're domiciled in the UK, have a UK domicile of origin or have been in the UK for more than 15 years.

That being said, there are proposed changes to how inheritance tax interacts with tax residency and domicile, which we will report on separately.

## Am I domiciled in the UK?

Your domicile is originally the country your father considered his permanent home when you were born. It expresses the country that you're most attached to and depends on many factors, including your nationality, citizenship, permanent home and where you intend to retire.

Your domicile is normally unchanged if you go to live abroad before returning home (even if this is many years later). If you are non-domiciled in the UK then you may, for now, be able to access a preferential tax treatment called the 'remittance basis', until April 2025 when the new foreign income and gains (or FIG) regime replaces the remittance basis.

## How we can help

At Larking Gowen, we can help you understand your UK tax obligations and make sure you're making the most of any tax reliefs.

For more information, please speak to your regular contact at Larking Gowen or get in touch with our international private client team.

If you're leaving the UK, see our flyer 'Leaving the UK? A tax guide.'

### What is the remittance basis of tax?

The remittance basis is an optional method of taxing individuals who are not domiciled in the UK, i.e. they do not intend to live in the UK for the rest of their days. Rather than taxing all of your worldwide income and gains, you're only taxed on income and gains that either arise directly in the UK (such as rental income from a UK property) or are brought to the UK (such as gains from the sale of an overseas investment transferred to a new UK investment).

Claiming the remittance basis can be advantageous if you have significant overseas income or gains that you never intend to use in the UK. However, the rules are complex and you should take further advice before deciding if the claim is right for you, especially in light of the new regime coming up in 2025.

### What is the FIG regime?

The FIG regime is based on the taxpayer's residence position. UK residents in their first four years of UK residency (after a ten-year period of non-UK residency) will be eligible for the FIG regime, and won't suffer UK tax on overseas income or gains, regardless of whether they're brought to the UK. They will, however, lose their personal allowance and capital gains annual exemption for any years they claim to use the FIG regime.

After their FIG regime period, individuals will be taxed in the UK on worldwide income and gains, so they'll be in the same position as other UK residents.

### Are there any tax reliefs?

There are lots of tax reliefs depending on your personal circumstances. Some of these require advance planning so be sure to contact us as soon as possible to make sure these aren't missed.

### How am I treated for tax in my year of arrival?

If you meet certain conditions then your tax year of arrival will be split into an overseas part and a UK part. You'll then be taxed differently on these two separate parts of the year. However, the tax return still reports all UK income and gains that you receive for the full year. It's likely that you'll also need to file an overseas tax return for your overseas tax year of departure.

### What if I'm paying tax in another country as well?

Most countries have a 'Double Tax Treaty' to make sure you don't pay tax in both jurisdictions. However, sometimes you may have to pay a little bit of tax in one country, and a top-up in the other country.

Clear communication between each jurisdiction is key and our international tax team at Larking Gowen can help by speaking directly to your overseas tax advisor or recommending one for you.

### Do I need to make or review my will?

It's always sensible to have a will in place and review it regularly. You may be subject to UK inheritance tax on all your worldwide assets if you become UK domiciled. Or you may be subject to UK inheritance tax on any UK assets even if you don't become UK domiciled.

To acquire a different domicile you need to prove to HMRC that your entire way of life has moved to the UK and you intend to live here until (as far as possible) the end of your days. There are, however, proposed changes surrounding inheritance tax and how this interacts with tax residence and domicile. Please talk to your Larking Gowen tax advisor for further information.

### Do I need to tell HMRC I have come to the UK?

You'll need to complete an 'SA1 form' to register to pay taxes via an annual self assessment tax return. Your Larking Gowen tax advisor can help you with this.



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