



Non Dom Changes Put On Hold

Due to the snap General Election and the lack of time to fully consider the pre-election Finance Bill, the Government has just announced that it is dropping much of the draft legislation relating to the changes affecting individuals who are not domiciled in the UK (“non-doms”). The draft legislation that has been cut includes the following changes applicable to non-doms and offshore trusts:

- The new concept of a returning UK dom (a UK domicile of origin individual who has since acquired a domicile of choice elsewhere will become deemed domiciled upon their return)
- Reducing deemed domicile status from 17 out of 20 years to 15 out of the previous 20 tax years
- Introduction of deemed domicile status for income tax and capital gains tax purposes
- Treatment of offshore trusts settled by non-domiciled settlors who have retained an interest (the protections)
- Changes to the matching of stockpiled gains from offshore trusts to non-UK resident beneficiaries
- Rebasing of foreign assets – to allow non-doms who have previously paid the remittance basis charge to rebase their foreign assets for capital gains tax purposes as at 5 April 2017
- Cleansing of offshore accounts – to allow non-doms who have claimed the remittance basis since April 2008 to segregate their offshore funds in the two year period to 5 April 2019

It is currently unclear whether, if the legislation is introduced after the General Election, it will be introduced partly or in full. The legislation may also be retrospective from 6 April 2017 but this is also unknown.

We will continue to monitor the situation and consult with our clients to ensure they receive up to date advice given the current uncertainty. We will provide further information as it becomes available.

If you have any queries please contact Sarah Robert on srobert@jamescowper.co.uk or Helen Cuthbert on hcuthbert@jamescowper.co.uk .

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