

12th February 2008

Non-Domiciliaries clarification issued by H M Revenue & Customs.

Following the Pre-Budget Report last autumn there has been continuing concern expressed in many quarters regarding the full extent of the proposed legislation aimed at Non-Domiciliaries living in the UK.

Many of the key points already stated remain as part of the proposed legislation points but in the meantime a clarification dated 12th February 2008 was issued by H M Revenue & Customs. The key points of the clarification are:

- The new tax treatment of trusts held offshore is not intended to be applied retrospectively to gains realised before the changes come into effect.
- A remittance to pay the £30,000 remittance basis charge will not be taxable.
- Remittance basis users will not be required to disclose their unremitted foreign income and gains.

Exactly how the new rules will work remains to be seen.

It is important to note that the Government's period of consultation will last until 28th February 2008. It will be some time before the amended draft legislation is available.

If you have questions regarding the above, contact:

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