

mgi midgley snelling llp

CHARTERED ACCOUNTANTS



Guide to Tax Services for UK non-domiciliaries



# Reliable, practical tax advice

For people who are not domiciled in the UK – usually known as non-doms – there are still tax planning opportunities available, despite the proposed changes which take effect from April 2017. The possible benefits will depend on a number of factors, including the length of tax residence in the UK – but even calculating this can be complicated!

MGI Midgley Snelling LLP understands the complexities of the UK tax regime that apply to non-doms. While advice should ideally be sought before becoming resident in the UK, it is always worth overseas nationals checking if any tax planning opportunities are still available – regardless of how long they have been resident.

We have many years' experience in advising individuals – especially non-doms – on tax, financial and commercial matters. Consequently, we understand the many factors that govern which tax benefits can be available, including the care that must be taken in the implementation of any planning and the importance of recording overseas income, gains and assets.

We can advise on:

- Income tax
- Capital gains tax
- Inheritance tax
- National insurance contributions
- Immigration matters
- International VAT reclaims
- Setting up and managing onshore and offshore trusts
- Tax relief for foreign pension contributions
- Services for non-resident landlords

# Income and capital gains tax mitigation

When it comes to tax, no-one wants to pay more than is necessary. To minimise your tax, you need to plan ahead and take expert advice in order to ensure you have identified the strategies and implemented the solutions that will help you make the most of your money.

This is where MGI Midgley Snelling LLP can help. We can advise you on making the best use of the available reliefs and deductible expenses. Our international expertise and global connections enable us to give practical advice on how to navigate through the complex, and often confusing, tax rules that apply to overseas issues, as well as possible solutions. For example, are there any double taxation agreements applicable which would avoid having to pay tax twice on the same income in different countries?

It is also essential to plan the disposal of overseas investments and assets in order to minimise the tax liabilities resulting from a sale.



# Inheritance tax planning

MGI Midgley Snelling LLP can help you take full advantage of any planning opportunities available to maximise your estate and ensure your loved ones and dependents are adequately provided for after your death, giving them financial security and you peace of mind.

UK non-doms are still in the enviable position of being able to minimise inheritance tax liabilities with effective planning and the judicious use of trusts, but strict time limits apply to how long these opportunities are available.

Even after your death, tax savings may be possible. For example, we are able to advise on deeds of variation, which can alter the way that the assets from your estate are distributed.

MGI Midgley Snelling LLP also provides full executorship administration services, ranging from acting as the executors of your estate and taking care of every aspect to simply drafting estate accounts or liaising with HM Revenue & Customs on inheritance tax issues. We can also assist with the necessary tax forms.

To make it easier for the executors to collect together all the details required to deal with your estate, we have prepared a booklet which sets out essential information required in the event of your death. Please ask for a copy, as completing this in advance makes an unhappy job a lot easier at what is already a very difficult time.

**“Even after your death, tax savings may be possible. For example, we are able to advise on deeds of variation, which can alter the way that the assets from your estate are distributed.”**

# National insurance advice for home and abroad

National insurance is often forgotten but is, in effect, a further tax on earned income, and is the second largest source of UK government revenue after income tax.

At MGI Midgley Snelling LLP, we can advise on the national insurance implications of receiving remuneration and benefits in kind (such as company cars) for both companies and individuals, as well as advising on any social security benefits that might be due.

Foreign nationals are often entitled to a “contributions holiday”, and we can advise on what national insurance contributions apply to foreign nationals working in the UK. MGI Midgley Snelling LLP can also assist in the preparation of applications for certificates of continuing liability for UK individuals working on short-term assignments overseas.

**“MGI Midgley Snelling LLP provides a very efficient and helpful service. They are on time, quick to respond to queries and we never have to chase them.”**

International consulting firm

# Setting up and managing onshore and offshore trusts

While trusts can be complex to set up, they can still be an effective way of sheltering assets, income and gains. However, the tax rules that apply, particularly to overseas trusts, are very complex and great care is required to ensure that you do not fall foul of the many associated tax anti-avoidance provisions.

It is also particularly important that trustees and beneficiaries maintain good records.

At MGI Midgley Snelling LLP, we have many years' experience in establishing both onshore and offshore trusts, as well as ensuring that they are operated correctly and as tax-effectively as possible.

Calculating the tax liabilities for beneficiaries of offshore trusts can be complex and MGI Midgley Snelling LLP can undertake these calculations on behalf of the trustees.

We can also analyse the likely tax implications of future distributions from trusts.



# Immigration matters

The immigration rules of the UK are complicated and constantly changing. MGI Midgley Snelling LLP understands the requirements and can assist clients wishing to relocate to the UK, both practically and by introducing lawyers who are experts in that field.

Through our membership of the international accounting network MGI worldwide, we have access to expertise in other countries in the event of emigrating out of the UK. We also provide post-immigration services, helping individuals new to the UK to set up and deal with their financial affairs.

# International VAT reclaims

Whilst it is possible for a company to reclaim the VAT on business costs incurred in another country even if it is not registered there, the eligibility rules vary depending on the regions involved.

MGI Midgley Snelling LLP has experience in identifying possible opportunities to reclaim VAT and in completing and filing the necessary forms.

Our membership of the international accounting network MGI Worldwide means we can also call upon equivalent expertise in most other countries.

# Tax relief for foreign pension contributions

Whilst wanting to take steps to minimise their UK taxes, non-doms may also still want to save for their retirement through an existing pension plan. However, there are a number of issues that they need to take into account.

Firstly, individuals with a pension scheme overseas may qualify for migrant member relief on the contributions made while they are in the UK. This means they will receive the same tax relief as if they were contributing to a UK-based scheme.

Secondly, there are no tax charges on transfers from UK pension schemes to overseas pension schemes, provided these are recognised by HM Revenue & Customs (HMRC).

HMRC maintains a list of Qualifying Recognised Overseas Pension Schemes (QROPS), with transfers to non-qualifying overseas schemes taxed at 40 percent.

While transfers out of a UK-based scheme to a QROPS will be subject to the individual's lifetime allowance, the same does not apply to transfers into UK schemes until benefits are received from the scheme.

There are detailed rules defining what counts as a QROPS, but MGI Midgley Snelling LLP can help you understand these to ensure you do not end up with an expected tax bill.



# Annual Tax on Enveloped Dwellings

If your UK property is owned by a company or other structure then you may need to pay the Annual Tax on Enveloped Dwellings (ATED) charge. There are also other reporting requirements and possible tax payments due when such properties are sold. We can help you with:

- Preparing the form when you sell your property and calculating any tax due
- Registering your company for ATED and submitting your annual ATED return

## Services for non-resident landlords

Individuals are required to declare and pay tax on any income they receive from renting out property in the UK. This is usually done through a UK agent, more often than not an estate agent, or by registering as a non-resident landlord.

Most UK estate agents who collect rent will simply deduct UK withholding tax at 20 percent on the gross rent. This means that relief for other allowable expenses (such as interest on loans used to buy properties) may have to be reclaimed at a later date, which can lead to cash flow problems. MGI Midgley Snelling LLP assists many clients who own and rent out property in the UK. We can usually register you under the Non-resident Landlord Scheme, which means rents can be received without having tax deducted at source.

We can help you with:

- Advising on suitable ownership structures for UK property
- Registering you as a non-resident landlord
- Advising on what expenses are allowable
- Calculating your actual tax liability, and preparing and submitting your annual tax returns
- Acting as your UK agent
- Collecting rent and arranging payment of tax liabilities – providing a complete accounting and management service

# Satisfied clients

At MGI Midgley Snelling LLP, we have consistently provided a high level of service to our clients since 1925.

We have many clients who have been with the firm for several decades, which is testament to the close relationships we have developed with them. We have taken the time to understand what they want to accomplish and helped them to achieve this in the most effective way.

We are equally committed to supporting new clients and budding entrepreneurs in achieving their business goals.

Don't just take our word for it – in fact, at MGI Midgley Snelling LLP, we like our clients to do the talking...

For example, we have acted as the accountants for Tata International (UK) Limited since the company's incorporation in 1981, taking care of the accounts, audit and payroll functions.

“Whatever we need, we get, and we have a positive rapport with them. I would not hesitate to recommend MGI Midgley Snelling LLP, and have already done so to a small start-up business looking for a small to medium-sized accountancy firm.

“If somebody is new to the country or is looking to change their accountants, I would only recommend someone I knew and didn't have any problems with.”

**Dinesh Mistry**, Company Director,  
Tata International (UK) Limited

# A full range of services and solutions

In addition to the international skills and services that MGI Midgley Snelling LLP offers, we also provide a full range of UK accounting, audit, tax and related financial services. By working closely with our clients and understanding their needs, we can provide real solutions to real problems.

Our services include:

## **Business Clients**

- Auditing/accounts preparation
- Business start-up advice
- Company secretarial services
- Payroll services
- Accounting systems advice
- Due diligence and corporate finance advice
- Forensic accounting
- Bookkeeping and management accounts preparation
- Business taxation advice
- Business recovery advice

## **Personal Clients**

- Income and capital gains tax planning and advice
- Tax compliance services
- Remuneration planning
- Assistance in dealing with HMRC enquiries
- VAT advice and compliance services
- Inheritance tax planning advice
- National insurance advice and planning

## **International Services**

- Personal tax advice for non-domiciliaries of the UK
- Advice on inheritance tax mitigation planning
- Family office management
- Business office management
- Offshore structuring
- Inward investment to the UK
- Outward investment from the UK
- International tax planning for cross border transactions





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