



Tax changes for non-UK domiciles

From 6 April 2025, the tax rules for non-UK domiciled individuals changed. The concept of domicile status in the UK tax system has been replaced by a system based on tax residence. This affects:

- anyone who had non-UK domicile or deemed UK domicile status
- new arrivals to the UK who have non-UK assets or foreign income and gains

We think these changes may affect you. We want to help you to get your tax right and avoid unexpected tax complications. Please see our collection guidance on the tax changes for non-UK domiciles. For details, go to GOV.UK and search 'UK tax residence guidance'.

You may find it helpful to discuss them with your appointed tax advisor.

The changes and what they mean for you

Arising basis of taxation

From 6 April 2025, you'll pay tax on foreign income and gains (FIG) as they arise in the same way as other UK resident individuals. You'll need to include your FIG on a tax return.

Foreign Income and Gains (FIG) Regime

New arrivals to the UK can claim relief on eligible FIG in their first 4 tax years of UK tax residence. They can do this as long as they are 'qualifying new residents'. This means they weren't UK tax residents in any of the 10 tax years immediately before they arrived. This is called the FIG Regime.

Temporary repatriation facility

If you have untaxed foreign income or gains that arose in a tax year you were subject to the remittance basis, you can designate them using the Temporary Repatriation Facility (TRF). The rates on designated amounts are:

- 12% in tax years 2025 to 2026 and 2026 to 2027
- 15% in tax year 2027 to 2028

To use the TRF, you must make the designation election in your tax return. This can include amounts of an uncertain origin. For amounts you don't designate or remit by 5 April 2028, you'll pay tax at the same rates a UK resident would pay. For full details, go to GOV.UK and search 'RDRM71000'.

There's no need to remit the funds you designate. But if you've remitted funds to the UK, they won't benefit from the lower rate unless you make a designation.

Capital Gains Rebasing

You may have claimed the remittance basis before. If you meet certain conditions, you may be able to rebase your personally held foreign assets to their market value as at 5 April 2017.

Removal of Trust Protections

If you're non-domiciled or were previously deemed domiciled, you'll no longer receive protection from tax on FIG arising within settlor-interested trust structures. This is unless you qualify for and claim the FIG Regime. This may mean you owe tax on amounts that wouldn't have previously been subject to UK tax.

Distributions from overseas settlements can also qualify for the TRF if they're made within the 3-year window and the beneficiary meets the conditions. For full details, go to GOV.UK and search 'TSEM4705' and 'INTM603615'.

Overseas Workday Relief

The Overseas Workday Relief (OWR) has changed. From 6 April 2025, you may be eligible for OWR on employment income from work outside the UK during a tax year you're a 'qualifying new resident'.

OWR eligibility now lasts for up to 4 years. Income can be received in a UK or an overseas bank account. You can also remit it into the UK without paying a charge. For each tax year you can claim the lower of:

- 30% of the qualifying employment income
- £300,000.

If you were already claiming OWR, transitional rules may apply to any future claims. For more information about OWR, go to GOV.UK and search 'OWR'.