

Moving to the UK?

A quick checklist

If you are planning on moving to the UK you need to have a clear understanding of the UK tax system and prepare for your arrival by arranging your affairs efficiently. Such preparations may involve thinking about immigration, tax in both the UK and overseas, and family needs and circumstances.

We set out below some of the key issues for individuals intending to relocate to the UK to help with the planning process but many individuals and families will require specialist and tailored advice to reflect their particular circumstances.

The key is to take action as soon as possible.

Immigration

If you need a visa to enter the UK you will need to decide what visa is best suited to your circumstances and understand the ongoing compliance requirements. You may also want to consider your long term plans so that you can make sure you meet the requirements for settlement and British citizenship if you intend to stay in the UK for the long term.

Tax residence

The UK has a statutory residence test, which determines whether you are tax resident in the UK for a particular tax year (6 April–5 April). If you are moving to the UK you will need to understand precisely when you become UK resident since this impacts upon your exposure to UK taxation, even if you do not intend to work in the UK. Note that you can become tax resident in the UK for a period before you actually arrive.

Domicile

Your domicile status can affect your exposure to UK taxation, the basis upon which you are taxed, and the rules governing succession to your assets. There are a number of different types of domicile and you will need to understand the circumstances in which you may become domiciled in the UK.

UK tax rules

If you become resident in the UK then worldwide income and gains will be subject to UK tax unless you are not domiciled in the UK and claim the remittance basis. If you claim the remittance basis then only UK income and gains and overseas income and gains that are remitted to the UK will be subject to UK tax.

Pre-arrival planning and practical tips

There are a number of practical steps you can put in place before moving to the UK to ensure that your move is as tax efficient as possible:

Timing	If possible you should review your affairs and plan your move in the tax year before you move to the UK. If you have been resident in the UK before you may need advice on the implications of this.
Establish separate bank accounts	If you intend to claim the remittance basis then it is important to set up separate offshore bank accounts for capital, income and gains so that you can reduce the risk of bringing offshore income and gains into the UK.
Realising capital gains	If you have assets that have increased in value you may wish to sell these before becoming UK resident so that the gains are not charged to tax in the UK.
Funding UK lifestyle	Linked to the above is the need to consider how you will fund your living expenses in the UK, particularly if you are not intending to work in the UK. This may involve selling assets and moving funds into the UK before you become UK resident.
Acquisition of property	You will need to think about where you are going to live and whether you want to rent or buy UK property. You will have to think about funding your property costs and the best ownership option for you.
Working in the UK	If you are moving to the UK to work you will need to review your contract of employment, particularly if you are also undertaking work outside the UK.
Review of offshore structures	If you have set up, or are a beneficiary of a trust, or own a company then these arrangements will need to be reviewed because becoming a UK resident can bring these structures within the scope of UK tax.
Will	If you acquire UK assets you should put in place a UK Will to deal with these. You will need to ensure that Wills and estate planning strategies you have in other jurisdictions work together with your UK arrangements.

For further assistance or advice regarding UK tax planning and estate planning please contact:



Deborah Carrivick

Partner

T +44 (0)203 553 4896

M +44 (0)7583 072806

E deborah-carrivick@birketts.co.uk



Jane Johnson

Legal Director

T +44 (0)203 553 4872

M +44 (0)7929 186605

E jane-johnson@birketts.co.uk



Sacha Wooldridge

Senior Associate

T +44 (0)203 553 4897

M +44 (0)7813 582177

E sacha-wooldridge@birketts.co.uk