



# NON DOM CHANGES ARE BACK IN! WHAT DOES THIS MEAN FOR TRUSTEES?

JULY 2017

You will no doubt have received bulletins from our onshore lawyers and tax advisers over the last week about the Non Dom changes. They were withdrawn from the Finance Bill at the last minute earlier this year and are now anticipated to be introduced in a second Finance Bill after the summer Parliament break, with effect from 6 April 2017.

While our place is not to provide tax advice, the recent announcement *does* impact upon our trustee clients and the families that they look after so it is important to be familiar with the changes in order to ensure that any planning opportunities are not missed.

As a reminder, the key changes are as follows:

- Deemed domicile for all tax purposes for individuals who have been resident in the UK for 15 out of the previous 20 years
- Protection from income tax, capital gains tax and inheritance tax for trusts established before deemed domicile unless those trusts are tainted by additions
- Liability to UK inheritance tax in respect of UK residential properties and associated loans / collateral, even if held in offshore structures
- Ability to cleanse mixed funds of income and capital at any time up to 5 April 2019
- Rebasing of personally held non-UK assets as at 5 April 2017
- New rules for valuing benefits from offshore trusts consisting of loans, use of chattels or occupation of property

Although the legislation will not be certain until the Finance Act comes out in the Autumn, trustees can take steps now to reconnect with Non Dom clients to establish protected trusts and to begin to audit mixed funds. Clients should, however, avoid taking any steps which would give rise to actual tax liabilities until the legislation is published.

Please do not hesitate to contact us if you would like us to assist with the establishment of new trusts for Non Doms or if we can help to connect you to our network of expert tax advisers.

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FOR MORE INFORMATION PLEASE CONTACT:



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