

An introduction to \_\_\_\_\_



# Pre-arrival \_\_\_\_\_ \_\_\_\_\_ planning

Prepare effectively  
for UK tax residency

# Introduction

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**Every year, many individuals move or return to the UK for work, family or lifestyle reasons. One of the most important steps is understanding how the move will affect your tax position, your assets, and your long-term plans.**

This guide outlines the key areas you need to consider – before you arrive and during your early years as a UK tax resident.



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## What to know about UK tax residency

It's important to know exactly when you become a UK tax resident. In fact, you might have already triggered this without realising, so it's worth checking your status.

Once you're clear on where you stand, you can start planning ahead – and potentially adjust when you spend time in the UK to make sure you become tax resident at a time most favourable to you.

The UK uses the Statutory Residence Test (SRT) to determine tax residence. It's worth noting that you don't need to be in the UK for a full tax year to become resident. In broad terms, you are likely to be UK-resident if you spend 183 days or more in the UK and have a home here. However, residency can start much sooner depending on your UK ties, which include:

- **Family:** spouse, partner or minor children in the UK
- **Accommodation:** a UK property available for at least 91 days
- **Work:** 40 or more working days in the UK (a working day equates to three hours or more of work)
- **UK presence:** more than 90 days spent here in either of the previous two tax years

The more ties you have, the fewer days there are before you become tax resident. For example, with three ties, you may become resident after 91 days, and with four ties, after just 46 days.

Most people are UK-resident for the full tax year but split-year treatment can apply if you move to or from the UK part-way through a year.



## Know your tax position before you arrive

While you're not resident in the UK, you'll only be taxed here on income or gains from UK assets. Your tax position on non-UK assets or income depends on the local rules where you're currently tax resident.

That's why it's worth comparing – ahead of time – how the UK would tax your assets versus your current tax situation. In some cases, it may make sense to realise gains or income before you arrive. In others, it's better to wait until after you're UK tax resident.

## Returning to the UK? Look out for the temporary non-resident rules

If you're a returning UK resident, be aware of the UK's temporary non-resident rules. Although foreign income and gains aren't taxed in the UK while you're abroad, returning within five years may bring those gains back into the UK tax net. This generally only applies to assets you owned before leaving the UK.

If you're returning as a temporary non-resident, it's advisable to get tax advice and review any asset sales you made to check whether any tax will be due when you return.

## The foreign income and gains (FIG) regime

If you're becoming UK resident for the first time, or you're a returning expat who's been non-resident long-term, you may benefit from the new FIG regime. This replaced the Remittance Basis regime from 6 April 2025. Under the FIG regime, new arrivals don't pay UK tax on foreign income and gains for up to four years. This is a significant benefit that can provide substantial tax savings if your assets are organised efficiently.

## Inheritance Tax (IHT)

The new rules mean that your exposure to UK Inheritance Tax (IHT) is based on how long you have lived in the UK, rather than the previous, more complex domicile status.

### If you are not UK-resident:

Only your UK-based assets are subject to UK IHT.

### If you are moving to, or returning to, the UK:

You will not immediately be taxed on your worldwide assets. Instead:

- For your first 10 years of UK residence, IHT generally applies only to your UK assets
- Once you have been UK-resident for 10 years, your global assets fall within the UK IHT system
- If you later leave the UK, you may stay within the UK IHT net for a period linked to how long you lived here – often referred to as the "IHT tail"

Only a few countries have inheritance tax treaties with the UK, so it's important to consider how any non-UK assets may be taxed. Trusts – whether created while UK-resident or non-resident – can also be affected by these rules, so personalised advice is essential.

### We're here to help

Our specialist advisers are on hand to support you. If you'd like to discuss your situation or better understand the latest rules, give us a call on 020 7444 4030.

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# Top Tips

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## **Start planning 12–18 months before arrival**

This gives you time to understand how the move will affect your tax position and to prepare your assets in the most efficient way. The earlier you start, the more options you have to make any meaningful changes.

## **Understand exactly when UK tax residence will begin**

Your tax position can change the moment you become UK-resident, so knowing the trigger points helps you avoid becoming resident earlier than intended. A clear timeline also allows you to plan disposals or restructuring at the right moment.

## **Review existing assets, structures and investment wrappers**

Different jurisdictions tax assets in different ways, so it's important to know how the UK will treat what you already hold. This review can highlight any risks or opportunities before you arrive.

## **Build a clear plan to manage tax and structure holdings efficiently**

A well-thought-through plan helps ensure that you use allowances effectively and avoid unnecessary tax charges. It also gives you confidence that your finances are set up appropriately from the moment you become UK-resident.







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