

If you have answered 'Yes' to Question 9, fill in Pages NR1 and NR2. If you want help, look up the box number in the Notes on Non-residence etc. at the back of your Tax Return Guide. They are colour-coded to match the form.

**Residence status**

I am (please tick appropriate box)

<input type="checkbox"/> resident in the UK <b>9.1</b>	<input type="checkbox"/> not resident in the UK <b>9.2</b>
<input type="checkbox"/> ordinarily resident in the UK <b>9.3</b>	<input type="checkbox"/> not ordinarily resident in the UK <b>9.4</b>
<input type="checkbox"/> not domiciled in the UK (and it is relevant to my Income Tax or Capital Gains Tax liability) <b>9.5</b>	<input type="checkbox"/> claiming split year treatment <b>9.6</b>
<input type="checkbox"/> claiming personal allowances <b>9.7</b>	<input type="checkbox"/> resident in a country other than the UK (under a double taxation agreement) at the same time as being resident in the UK <b>9.8</b>

**Information required if you claim to be non-resident in the UK**

<ul style="list-style-type: none"> <li>Are you in any of the following categories: <ul style="list-style-type: none"> <li>a Commonwealth citizen (this includes a British citizen) or an EEA national?</li> <li>a present or former employee of the British Crown (including a civil servant, member of the armed forces etc)?</li> <li>a UK missionary society employee?</li> <li>a civil servant in a territory under the protection of the British Crown?</li> <li>a resident of the Isle of Man or the Channel Islands?</li> <li>a former resident of the UK and you live abroad for the sake of your own health or the health of a member of your family who lives with you?</li> <li>a widow or widower of an employee of the British Crown?</li> </ul> </li> </ul>	Yes <b>9.9</b>	No <b>9.10</b>
<input type="checkbox"/> How many days have you spent in the UK, excluding days of arrival and departure, during the year ended 5 April 1997? Enter the number of days	<b>9.11</b>	days
<input type="checkbox"/> Were you resident in the UK for 1995-96?	Yes <b>9.12</b>	No <b>9.13</b>
<input type="checkbox"/> How many days have you spent in the UK, excluding days of arrival and departure, since 5 April 1993? Enter the number of days	<b>9.14</b>	days
<input type="checkbox"/> What is your country of nationality?	<b>9.15</b>	
<input type="checkbox"/> In which country are you resident?	<b>9.16</b>	

**Information required if you claim to be not ordinarily resident in the UK**

<input type="checkbox"/> Were you ordinarily resident in the UK for 1995-96?	Yes <b>9.17</b>	No <b>9.18</b>	
<input type="checkbox"/> When you came to the UK, did you intend to stay here for at least three years?	Yes <b>9.19</b>	No <b>9.20</b>	Not applicable <b>9.21</b>
<input type="checkbox"/> If you have left the UK, do you intend to live outside the UK permanently?	Yes <b>9.22</b>	No <b>9.23</b>	Not applicable <b>9.24</b>

SA109 (NET)

**Information required if you claim split year treatment**

● Date of your arrival in the UK	Day	Month	Year
	9.25	/	/
● Date of your departure from the UK	Day	Month	Year
	9.26	/	/

**Information required if you claim to be not domiciled in the UK**

● Have you submitted to the Inland Revenue a completed domicile questionnaire (DOM 1) in the six years ended 5 April 1997?	Yes	9.27	No	9.28		
● Has there been a relevant change in your circumstances or intentions since submitting to the Inland Revenue a completed domicile questionnaire?	Yes	9.29	No	9.30	Not applicable	9.31

**Information required if you are resident in the UK and you also claim to be resident in another country for the purposes of a double taxation agreement**

● In which country as well as the UK were you regarded as resident for 1996-97?	9.32			
● Were you also regarded as resident in the country in box 9.32 for 1995-96?	Yes	9.33	No	9.34

You must fill in and send me the claim form in *Help Sheet IR302: Dual residents* available from the Orderline.

*Additional information*

Now fill in any other supplementary Pages that apply to you. Otherwise, go back to page 2 in your Tax Return and finish filling it in.



**CONTENTS**

<b>Filling in your Non-residence etc Pages</b>	NRN1
<b>Deciding your residence status</b>	NRN1
<b>Deciding your ordinary residence status</b>	NRN2
<b>Split-year treatment</b>	NRN3
<b>Domicile</b>	NRN4
<b>Tax implications</b>	NRN5
<b>Double taxation agreements</b>	NRN6
<b>Non-residents and UK property income</b>	NRN6
<b>Non-UK residents</b>	NRN6
<b>Dual residents</b>	NRN7
<b>Claims for allowances</b>	NRN7
<b>Further advice or information</b>	NRN7
<b>Table 1 - Scope of liability to Income Tax on employment income</b>	NRN8
<b>Table 2 - Scope of liability to Income Tax on pension income</b>	NRN9
<b>Table 3 - Scope of liability to Income Tax on investment income</b>	NRN10
<b>Table 4 - Scope of liability to Income Tax on self-employment income</b>	NRN11
<b>Table 5 - Scope of liability to Capital Gains Tax on disposals of assets</b>	NRN12

**HELP SHEETS AND LEAFLETS**

Help Sheets and leaflets giving more detailed information about particular tax rules on non-residence etc are available from the Orderline.

- IR20: Residents and non-residents etc.
- IR58: Going to work abroad?
- IR205: Foreign Earnings Deduction
- IR211: Employment - residence and domicile issues
- IR212: Tax equalisation
- IR300: Non-residents and investment income
- IR302: Dual residents
- IR304: Non-residents claiming relief from UK tax under a double taxation agreement

**Filling in your Non-residence etc Pages**

Broadly, you are resident in the UK if you spend at least half of a tax year here, or regularly spend at least a quarter of each tax year here. These Notes will help you to determine whether you are:

- not resident in the UK
- not ordinarily resident in the UK
- entitled to split-year treatment
- not domiciled in the UK.

They also explain how residence and domicile affect Income Tax and Capital Gains Tax.

If any of the four categories above applies to you, you should fill in the Non-residence etc Pages **before** you fill in the rest of your Tax Return to give details of:

- income from working wholly or partly outside the UK
- pensions from abroad
- overseas investment income
- a trade or profession carried on wholly or partly outside the UK
- chargeable capital gains
- claims for allowances
- claims for relief from UK tax as a resident of another country or under the terms of the double taxation agreement between the UK and that country.

The Notes explain:

- what double taxation agreements are, and how they can reduce the UK tax you pay
- what to do if you are a resident in the UK **and**, for tax purposes, also resident in a country with which the UK has a double taxation agreement
- how, in general terms, the rest of your Tax Return is to be completed, as a result of your tax status
- what other information is available.

**Deciding your residence status**

You can find out your residence status by working through questions 1 to 5.

1. Were you present in the UK at any time during the year ended 5 April 1997? Yes  No

If 'NO', you are not resident in the UK. Tick box 9.2 on Page NR1 of the Non-residence Pages. Please also complete boxes 9.9 to 9.16 as appropriate. Go to the section headed 'Deciding your ordinary residence status'.

If 'YES', go to question 2.

2. Were you in the UK for a total of 183 days or more in the year ended 5 April 1997? Yes  No

If 'YES', you are resident in the UK. Tick box 9.1. Go to the section headed 'Deciding your ordinary residence status'.

If 'NO'

- go to question 3, if you have previously been resident in the UK but left before 6 April 1996, **or**
- go to question 4, if you left during the year ended 5 April 1997, **or**
- go to question 5, if you came to the UK before 6 April 1997 having previously been not resident in the UK.

Notes on **NON-RESIDENCE ETC.**

3. If you left the UK before 6 April 1996

- (a) since your departure have you lived, or do you intend to live, outside the UK for three years or more?  Yes  No
- (b) have you, or your spouse, worked full-time outside the UK or have you been abroad for a settled purpose throughout the year ended 5 April 1997?  Yes  No

If 'NO' to (a) and (b), you are resident in the UK. Tick box 9.1. Go to the section headed 'Deciding your ordinary residence status'.

If 'YES' to (a) or (b), go to question 3 (c) below.

- (c) have your visits to the UK in the period to 5 April 1997 averaged fewer than 91 days in a tax year (excluding days spent in the UK owing to exceptional circumstances beyond your control, for example illness) over the period of absence or from 5 April 1993 (whichever is the shorter)?  Yes  No

If 'YES' to (c), you are not resident in the UK. Tick box 9.2. Please also complete boxes 9.9 to 9.16 as appropriate. Go to the section headed 'Deciding your ordinary residence status'.

If 'NO' to (c), you are resident in the UK. Tick box 9.1. Go to the section headed 'Deciding your ordinary residence status'.

4. If you left the UK during the year ended 5 April 1997:

were you resident and ordinarily resident in the UK for the year ended 5 April 1996?  Yes  No

If 'YES', you are resident in the UK. Tick box 9.1. Go to the section headed 'Deciding your ordinary residence status'.

If 'NO', go to question 5.

5. If you came to the UK before 6 April 1997:

- (a) when you came to the UK did you intend to remain here for two years or more?  Yes  No
- (b) if you came to the UK before 6 April 1996, did you at any time between the date you came and 6 April 1996 anticipate remaining in the UK for two years or more from the date you came?  Yes  No
- (c) during the year ended 5 April 1997 did you anticipate remaining in the UK for two years or more from the date you came?  Yes  No
- (d) at any time during the year ended 5 April 1997 had you been in the UK for two years or more from the date of your arrival?  Yes  No
- (e) if you are remaining in the UK, have you owned or had a lease of three years or more on accommodation in the UK at any time between your arrival and 6 April 1997?  Yes  No

- (f) if you came to the UK before 6 April 1992, have your visits to the UK exceeded 363 days (excluding days spent in the UK owing to external circumstances beyond your control) in the four years ended 5 April 1996?  Yes  No
- (g) at any time during the year ended 5 April 1997, did you anticipate making visits to the UK that would average 91 days or more a tax year, over a four year period including 1996-97?  Yes  No

If 'YES' to any of questions 5(a) to 5(g), you are resident in the UK. Tick box 9.1. Go to question 6.

If 'NO' to all of questions 5(a) to 5(g), you are not resident in the UK. Tick box 9.2. Please also complete boxes 9.9 to 9.16 as appropriate. Go to question 6.

### Deciding your ordinary residence status

If you are resident in the UK year after year, you are 'ordinarily resident' here. You can find out your ordinary residence status by answering questions 6 to 9 (or question 10, if you are a student).

6. Were you resident in the UK in the year ended 5 April 1997?  Yes  No

If 'YES', go to question 7.

If 'NO', you are not ordinarily resident in the UK. Tick box 9.4. Please also complete boxes 9.17 to 9.24 as appropriate.

7. Were you ordinarily resident in the UK in the tax year ended 5 April 1996?  Yes  No

If 'YES', you are ordinarily resident in the UK. Tick box 9.3.

If 'NO', go to question 8.

8. Were you resident in the UK in each of the four years up to the year ended 5 April 1996?  Yes  No

If 'YES', you are ordinarily resident in the UK. Tick box 9.3.

If 'NO', go to question 9.

9.

- (a) When you came to the UK did you intend to remain here for three years or more?  Yes  No
- (b) If you came to the UK before 6 April 1996, did you at any time between the date you came and 6 April 1996 anticipate remaining in the UK for three years or more from the date you came?  Yes  No
- (c) During the year ended 5 April 1997 did you anticipate remaining in the UK for three years or more from the date you came?  Yes  No
- (d) If you are remaining in the UK, have you owned or had a lease of three years or more on accommodation in the UK at any time between your arrival and 6 April 1997?  Yes  No

Notes on **NON-RESIDENCE ETC.**

- (e) On 6 April 1996 had you been in the UK for at least three years?  Yes  No
- (f) If you came to the UK before 6 April 1992, have your visits to the UK exceeded 363 days (excluding days spent in the UK owing to external circumstances beyond your control) in the four years ended 6 April 1996?  Yes  No
- (g) At any time during the year ended 5 April 1997 did you anticipate making visits to the UK that would average 91 days or more in a tax year over a four year period including 1996-97?  Yes  No

If 'YES' to any of questions 9(a) to 9(g), you are ordinarily resident in the UK. Tick box 9.3.

If 'NO' to all of questions 9(a) to 9(g), you are not ordinarily resident in the UK. Tick box 9.4. Please also complete boxes 9.17 to 9.24 as appropriate.

### ■ Students

**10.** If you are a student in the UK for a period of study or education:

- (a) was it your intention during the year ended 5 April 1997 to be here for four years or more from the date of your arrival in the UK?  Yes  No
- (b) if you came to the UK before 6 April 1996, did you at any time between the date you came and 6 April 1996 anticipate remaining in the UK for four years or more from the date you came?  Yes  No
- (c) during 1996-97 were you still in the UK on or after the fourth anniversary of your arrival here?  Yes  No
- (d) have you at any time between your arrival here and 6 April 1997 owned accommodation or had a lease of three years or more in the UK?  Yes  No
- (e) on leaving the UK will you be returning regularly for visits that average 91 days or more a tax year?  Yes  No

If 'YES' to any of these questions, you are ordinarily resident in the UK. Tick box 9.3.

If 'NO' to all these questions, you are not ordinarily resident in the UK. Tick box 9.4. Please also complete boxes 9.17 to 9.24 as appropriate.

### Split-year treatment

You are either resident or not resident in the UK for the whole of a tax year. However, by concession, the tax year is split in certain circumstances when you come to, or leave, the UK part way through a tax year. By answering the following questions you will be able to find out whether or not you qualify for split-year treatment.

### ■ If you are resident in the UK for 1996-97 but only came to the UK during the year ended 5 April 1997

**11.**

- (a) Did you come to the UK during the year ended 5 April 1997 intending to remain here for at least three years, having been not ordinarily resident in the UK throughout the year ending 5 April 1996?  Yes  No
- (b) Between the date of your arrival in the UK and 5 April 1997, have you owned or had a lease of three years or more on accommodation in the UK?  Yes  No

If 'YES' to either (a) or (b), you are treated as resident from the date of your arrival and entitled to split-year treatment. Tick box 9.6 (make sure you have ticked box 9.1). Please complete box 9.25. Go to question 17.

If 'NO', answer question 12.

**12.** Did you return to the UK during the year ended 5 April 1997 on completion of a period that included at least a whole tax year in full-time employment outside the UK by you or your spouse, and

- during this period your visits to the UK totalled less than 183 days in any tax year, and
- those visits averaged fewer than 91 days a tax year?  Yes  No

If 'YES', you are treated as resident from the date of your arrival and entitled to split-year treatment. Tick box 9.6 (and make sure you have ticked box 9.1). Please complete box 9.25.

If 'NO', go to question 13.

**13.** Did you at any time before 6 April 1997 intend to remain here for at least two years, having been not ordinarily resident in the UK throughout the year ended 5 April 1996?  Yes  No

If 'YES', you are treated as resident from the date of your arrival and entitled to split-year treatment. Tick box 9.6 (make sure you have ticked box 9.1). Please complete box 9.25.

If 'NO', go to question 14.

### ■ If you are resident in the UK for 1996-97 but left the UK during the year ended 5 April 1997

- 14.** Were you not ordinarily resident throughout the year ended 5 April 1997?  Yes  No

If 'YES', go to question 15.

If 'NO', go to question 16.

Notes on **NON-RESIDENCE ETC.**

15.

- (a) Did you at any time from the date you came to the UK, to the date you left the UK, anticipate remaining here for two years or more from the date you came?  Yes  No

- (b) On the date you left the UK had you been here for two years or more?  Yes  No

If 'YES', to (a) or (b), go to question 15(c) below.

If 'NO', you do not qualify for split-year treatment.

- (c) Did you leave the UK during the year ended 5 April 1997 to live abroad permanently, and your visits between the date of your departure and 6 April 1997 averaged fewer than 91 days a tax year?  Yes  No

If 'YES', you are treated as resident up to and including the date of your departure and entitled to split-year treatment. Tick box 9.6 (and make sure you have ticked box 9.1). Please complete box 9.26.

If 'NO', you do not qualify for split-year treatment.

16. Did you leave the UK during the year ended 5 April 1997 to live abroad permanently, **and**
- your absence will continue to at least 6 April 1998, **and**
  - your visits to the UK between the date of your departure and 6 April 1998 will average fewer than 91 days a tax year?  Yes  No

If 'YES', you are treated as resident up to and including the date of your departure and entitled to split-year treatment. Tick box 9.6 (and make sure you have ticked box 9.1). Please complete box 9.26.

If 'NO', go to question 17.

17. Did you leave the UK during the year ended 5 April 1997 to take up full-time employment abroad, **and**
- your absence and employment will continue until at least 6 April 1998, **and**
  - your visits to the UK between the date of your departure and 6 April 1998 will average fewer than 91 days a tax year?  Yes  No

18. Did you leave the UK during the year ended 5 April 1997, having been ordinarily resident, to accompany or join your spouse who had taken up full time employment abroad, **and**
- your spouse's absence and employment and your absence abroad will continue until at least 6 April 1998, **and**
  - your visits to the UK between the date of your departure and 6 April 1998 will average fewer than 91 days a tax year, **and**
  - if your spouse left the UK during the year ended 5 April 1997, your spouse's visits to the UK between the date of departure and 6 April 1998 will average fewer than 91 days a tax year, **or**

- if your spouse left the UK before 6 April 1996, your spouse's visits to the UK totalled fewer than 183 days in the year ended 5 April 1997 and averaged fewer than 91 days a tax year between the date of departure and 6 April 1997 or between 6 April 1993 and 6 April 1997, whichever is the shorter?  Yes  No

If 'YES' to either question 17 or 18, you are treated as resident up to and including the date of your departure and entitled to split-year treatment. Tick box 9.6 (and make sure you have ticked box 9.1). Please complete box 9.26.

If 'NO' to both questions 17 and 18, you do not qualify for split-year treatment.

### Domicile

Domicile is a general law concept. There are many factors that affect your domicile. Some of the main points you should consider if you are claiming not to be domiciled in the UK are:

- you are normally domiciled in the country where you have your permanent home
- you cannot be without a domicile
- you can only have one domicile at any given time
- your existing domicile is presumed to continue until it is proven that a new domicile has been acquired
- domicile is distinct from nationality or residence.

There are three types of domicile for Income Tax and Capital Gains Tax purposes:

- domicile of **origin**
- domicile of **choice**
- domicile of **dependency**.

#### ■ Domicile of origin

You normally acquire a domicile of origin from your father when you are born. It need not be the country in which you were born. A domicile of origin may change as a result of adoption but not otherwise. A domicile of origin is not easy to displace. For example, if you leave the country of your domicile of origin, you will continue to be domiciled there until you acquire a domicile of choice elsewhere.

#### ■ Domicile of choice

You have a legal capacity to acquire a new domicile at the age of 16. Broadly, to acquire a domicile of choice you must leave your current country of domicile and settle in another country. You need to provide strong evidence that you intend to live there permanently or indefinitely. The following factors will be relevant, though the list is not exhaustive:

- your intentions
- your permanent residence
- your business interests
- your social and family interests
- your ownership of property
- the form of any Will you have made.

If you need help, ask your Tax Office or tax adviser.

### ■ *Domicile of dependency*

Until you have the legal capacity to change it, your domicile will follow that of the person on whom you are legally dependent. If the domicile of that person changes, you automatically acquire the same domicile, in place of your domicile of origin.

Before 1974, married women automatically acquired their husband's domicile. As a married woman, who married before 1974, you retain your husband's domicile until you legally acquire a new domicile.

An exception to this rule is the double taxation agreement between the UK and the USA, which provides that a marriage before 1974 between a woman who is a US national and a man domiciled within the UK, is deemed to have taken place on 1 January 1974.

### ■ *Relevance of your domicile to your tax liability*

Having read the above guidelines, if you think you are not domiciled in the UK you must now decide whether domicile has any immediate relevance to your UK tax liability. Work through the following questions.

19. Did you have any income arising abroad or gains on assets situated outside the UK for the year ending 5 April 1997 that will not be wholly remitted to the UK?  Yes  No
20. Have you made (or will you be making) a claim for the year ending 5 April 1997 for UK tax relief on contributions to a non-UK pension scheme or retirement benefit plan, which were incurred out of remuneration you received from an employer who is not resident in the UK?  Yes  No
21. Have your costs for the year ending 5 April 1997, or those of your family, in travelling between the country in which you normally live and the UK, been borne or reimbursed by your employer?  Yes  No
22. In the year ending 5 April 1997 did you have income from an employment:
- where the employer was not resident in the UK, **and**
  - all the duties of the employment were carried out abroad, **and**
  - you have not remitted the whole of the income to the UK?  Yes  No

If 'YES' to any of questions 19 to 22, domicile is relevant for the year ended 5 April 1997. Tick box 9.5. Please also complete boxes 9.27 to 9.31 as appropriate.

If 'NO', domicile is not relevant for the year ended 5 April 1997. Do not fill in boxes 9.5 and 9.27 to 9.31.

### **Tax implications**

Broadly the UK charges tax on:

- income arising in the UK, whether the individual to whom it belongs is resident in the UK or not
- income arising outside the UK that belongs to individuals resident in the UK
- gains accruing on the disposal of assets anywhere in the world, that belong to individuals resident or ordinarily resident in the UK.

Special rules apply in some circumstances, but generally the amount of Income Tax and Capital Gains Tax you have to pay depends on whether you are resident and ordinarily resident in the UK, and in some cases on your domicile.

### ■ *Application to specific sources of income/gains*

The Tables on pages NRN8 to NRN12 summarise the tax consequences of the tax status you claim. If a Table shows that you **are liable to tax**, fill in relevant boxes in your Tax Return. If a Table shows that you **are not liable**, you do not need to put the income or gains concerned in your Tax Return.

If a Table shows that you are liable on a **remittance basis**, you are liable to UK tax on the amount of your overseas income or gains paid here, or transmitted, or brought to the UK in any way. If this applies, show the amount of the remittance in the relevant boxes in your Tax Return.

### ■ *The 'arising' basis*

Unless a Table shows that you are liable to Income Tax or Capital Gains Tax on the remittance basis, enter the **full amount of income or gain arising** from the particular source in the tax year, even if the income or gain is not brought to the UK. In the case of business profits or rental income, the 'full amount of income arising' means the gross income *minus* allowable expenses. For other sources the 'full amount' is the gross income arising.

### ■ *The 'remittance' basis*

Where a Table shows that you are liable to Income Tax or Capital Gains Tax on the remittance basis, enter in the relevant part of your Tax Return the full amount of the actual sums received in the UK in the tax year, irrespective of the tax year in which the income arose. The amount received in the UK might be less or more than the amount of income or gains arising in the tax year.

#### Example 1

Ian opened an overseas interest-bearing bank account in 1994-95 and interest arose as follows:

1994-95	£200	1995-96	£400	1996-97	£500
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If none of the interest was received in the UK in 1994-95 or 1995-96, but £800 was brought to the UK in 1996-97, he will be liable to UK Income Tax for 1996-97 on £800, even though only £500 arose in that year. He will put £800 in the Foreign Pages.

If, however, the above account had been closed on 31.12.95, the whole of the £600 interest that arose in 1994-95 and 1995-96 could be brought to the UK at any time in the 1996-97 tax year without incurring a UK tax charge.

#### Example 2

John is resident but not domiciled in the UK. He has an overseas bank account containing £50,000, from the proceeds of selling property overseas of £45,000 (the original cost of which was £30,000) and interest credited for the year of £5,000. If he transfers £35,000 to the UK during the year, he will be liable to tax as follows:

(a) £5,000 will be liable to Income Tax. He will put it in the Foreign Pages. Note that remittances from 'mixed' funds of income and capital are treated primarily as coming from income

(b) £10,000 will be liable to Capital Gains Tax - this is one-third of the amount transferred to the UK (£35,000 less £5,000). He will put this in the Capital Gains Pages. The fraction is used because immediately before the transfer to the UK the fund contained £50,000, of which £45,000 was proceeds from the disposal of property overseas and **one third** of that (£15,000) was a gain (£45,000 *minus* the original £30,000 cost).

### ■ **Meaning of 'received in the UK'**

Income or gains are 'received in the UK' if funds provided in the UK are derived from income or gains arising overseas. The precise way this result is achieved makes no difference. Any commercially recognised form of money, such as cash, notes, cheques, promissory notes, bills of exchange or financial credit, can constitute a remittance.

The money does not have to be physically imported from overseas. It may, for example, be received in the UK from another UK resident, in return for money, or assets representing income or gains, being transferred to them abroad. Nor does the money have to be received by you personally - if it is received by someone else on your authority, for example, in settlement of a debt between you and that person, then a remittance will have occurred.

If you use overseas income or gains to acquire assets that you subsequently bring to the UK, the import of the asset may in some circumstances constitute a 'sum received'. Even where it does not, if at a later date, you sell the asset in the UK, the proceeds will be treated as a taxable remittance of income or gains, to the extent that the funds originally used to acquire the asset were derived from overseas income or gains.

Similarly, if you use overseas income or gains to acquire an asset or investment abroad, and at a later date the asset or investment is sold or encashed and the proceeds transferred to the UK, the proceeds will constitute a sum 'received' and be taxable up to the amount of the overseas income or gains used to acquire the asset in the first place.

If you are in doubt about whether income or gains from abroad have been received in the UK, or the precise amount of that income or gains, ask your Tax Office or tax adviser for assistance.

### **Double taxation agreements**

A double taxation agreement is an arrangement between the governments of two countries to resolve taxation issues affecting them both. Agreements contain detailed provisions designed to eliminate or relieve the double taxation that can occur when income arises in one country to a resident of another. They do this by either exempting the income from tax in one country, or by reducing the rate at which tax is charged in one country and allowing credit for that reduced rate of tax in the other.

The UK has double taxation agreements with the following countries:

<b>Antigua and Barbuda</b>	<b>Gambia</b>
Australia	Germany
Austria	Ghana
Azerbaijan	Greece
<b>Bangladesh</b>	Grenada
Barbados	Guernsey
Belarus (formerly Byelorussia) <sup>1</sup>	Guyana
Belgium	<b>Hungary</b>
Belize	<b>Iceland</b>
Bolivia	India
Botswana	Indonesia
Brunei	Ireland (Republic of)
Bulgaria	Isle of Man
<b>Canada</b>	Israel
China	Italy
Côte d'Ivoire (Ivory Coast)	<b>Jamaica</b>
Croatia <sup>2</sup>	Japan
Cyprus	Jersey
Czech Republic	<b>Kenya</b>
<b>Denmark</b>	Kiribati (formerly part of the Gilbert & Ellice Islands)
<b>Egypt</b>	Korea (Republic of South Korea)
Estonia	<b>Lesotho</b>
<b>Falkland Islands</b>	Luxembourg
Faroe Islands	
Fiji	
Finland	
France	

<b>Macedonia</b> <sup>2</sup>	Slovak Republic
Malawi	Slovenia <sup>2</sup>
Malaysia	Solomon Islands
Malta	South Africa
Mauritius	Spain
Mexico	Sri Lanka
Montserrat	Sudan
Morocco	Swaziland
Myanmar (formerly Burma)	Sweden
<b>Namibia</b>	Switzerland
Netherlands	<b>Thailand</b>
New Zealand	Trinidad and Tobago
Nigeria	Tunisia
Norway	Turkey
<b>Pakistan</b>	Tuvalu (formerly part of the Gilbert & Ellice Islands)
Papua New Guinea	<b>Uganda</b>
Philippines	Ukraine
Poland	USA
Portugal	Uzbekistan <sup>1</sup>
<b>Romania</b>	<b>Vietnam</b>
Russia (Russian Federation) <sup>1</sup>	<b>Yugoslavia</b> <sup>2</sup>
<b>St Kitts and Nevis</b> (formerly St Christopher)	<b>Zambia</b>
Sierra Leone	Zimbabwe
Singapore	

### **Notes**

1. The UK's agreement with the Soviet Union is to be regarded as in force between the UK and those former Soviet Republics marked. The position with regard to former Soviet Republics not listed is less clear, but the UK will in all cases apply the provisions of the agreement on the basis that it is still in force (until such time as new agreements take effect with particular countries).

2. The UK's agreement with Yugoslavia is to be regarded as in force between the UK and Croatia, Macedonia and Slovenia. The position with regard to other parts of what was Yugoslavia remains unclear.

### **Non-residents and UK property income**

Even though you may be not resident in the UK you could be liable to UK tax on income arising in the UK, including income from property. This is so whether or not tax is deducted by your letting agent, or tenants if there is no letting agent. You should complete the Land and Property Pages, available from the Orderline.

You are not liable to UK tax if your total UK taxable income (including net property income) is less than any UK tax allowance to which you may be entitled.

A non-resident individual who is entitled to UK property income may, in certain circumstances, apply to receive that income with no tax deducted. Contact your Tax Office for help. You should complete the Land and Property Pages.

### **Non-UK residents**

If you are not resident in the UK but resident in a country with which the UK has a double taxation agreement, you may be able to get relief from UK tax under the terms of that agreement in respect of income arising in the UK from:

- pensions (other than UK government pensions) and some annuities
- royalties
- dividends
- interest.

Some agreements require you to be subject to tax in the other country on the income in question, before you get relief from UK tax. The precise conditions for exemption or relief can be found in the relevant agreement. It is not possible to give full details here, as they vary from agreement to agreement. To claim double taxation relief, ask the Orderline for *Help Sheet IR304: Non-residents claiming relief from UK tax under a double taxation agreement* and the Foreign Pages and Notes if you are claiming partial relief. If you require further assistance, ask your Tax Office or tax adviser.

**Dual residents**

It may be that you are resident in the UK under UK domestic tax law **and also** resident for the same period in another country under that country's rules (that is, you are 'dual resident'). If the other country is one with which the UK has a double taxation agreement, the agreement will usually provide special rules for determining (*but only for the purpose of applying its detailed provisions*) in which of the two countries you are regarded as a resident.

If you are 'dual resident', you may be entitled to claim the exemptions and reliefs from UK tax granted to residents of that other country.

The rules for determining residence for the purposes of a double taxation agreement can be complex. Broadly, the standard provisions look at criteria such as the availability of a 'permanent home', your personal and economic relations with both countries, where you have an 'habitual abode', and your nationality.

Some of these terms have special meanings and interpretation of them is not always straightforward. Not all agreements have identical rules, or similar effect on tax liability.

The precise conditions for exemption or relief can be found in the relevant agreement. If you require further assistance, ask your Tax Office or tax adviser.

If you intend to make a claim, tick box 9.8. Please also complete boxes 9.32 to 9.34 and claim any partial relief on the Foreign Pages available from the Orderline. Ask the Orderline for *Help Sheet IR302: Dual residents* which gives more information and includes a claim form for completion. You will also need to obtain a certificate from the overseas tax authority showing that they regard you as a resident under the domestic tax law of that country for the period of claim.

**Claims for allowances**

If you are not resident in the UK and you satisfy one of the conditions listed below, you are entitled to the allowances that would be available to you if you were resident in the UK. The conditions are that you:

- are a Commonwealth citizen
- are a citizen of a state within the European Economic Area (EEA) that is Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Italy, Liechtenstein, Luxembourg, Netherlands, Norway, Portugal, Republic of Ireland, Spain, Sweden and the United Kingdom
- are or have been employed in the service of the British Crown
- are employed in the service of any UK missionary society
- are employed in the service of any State under the protection of Her Majesty
- are resident in the Isle of Man or the Channel Islands
- have previously resided within the UK, and are resident abroad for the sake of your health or the health of a member of your family living with you
- are a widow whose late husband, or a widower whose late wife, was employed in the service of the British Crown.

If you satisfy one of the following conditions, you will need to get a certificate from the overseas tax authority stating that you are resident there for tax purposes for the period of the claim, and have documents (for example, a passport) to show that you are a national of that country. Keep the certificate and documents in case they are needed later to support your claim.

The conditions are:

- you are a national of Bulgaria, Faroe Islands, Israel, **or**
- you are a national and also a resident of Belarus, Bolivia, China, Côte D'Ivoire, Croatia, Czech Republic, Estonia, Egypt, Hungary, Indonesia, Japan, Korea, Macedonia, Morocco, Philippines, Poland, Romania, Russia, Slovak Republic, Slovenia, Sudan, Switzerland, Thailand, Tunisia, Turkey, Ukraine, Uzbekistan, Vietnam, **or**
- you are a resident of Austria, Barbados, Belgium, Falkland Island, Faroe Islands, Fiji, Finland, France, Germany, Greece, Irish Republic, Kenya, Luxembourg, Mauritius, Myanmar (Burma), Namibia, Netherlands, Norway, Portugal, Singapore, South Africa, Swaziland, Sweden, Switzerland and Zambia.

Tick box 9.7 if you are claiming personal allowances.

The double taxation conventions between the United Kingdom and the former Soviet Union, and what was Yugoslavia, allowed claims to be made by nationals who were also residents of these countries. However, the present position in relation to former Soviet and Yugoslav states not listed above is unclear.

**Further advice or information**

More detailed information can be found in booklet *IR20: Residents and Non-Residents*, and leaflet *IR58: Going to Work Abroad?* You can get these from the Orderline.

Special rules apply to some people working abroad. Further guidance may be obtained as follows:

Crown employees (for example, civil servants, diplomats, members of the armed forces)

HMIT Cardiff 4  
(Technical Unit) Foreign Section  
Ty-Glas  
Llanishen  
Cardiff  
Wales CF4 5GN  
(Tel: 01222 753271)

European Community (EC) employees

Financial Intermediaries and  
Claims Office (International)  
St John's House  
Merton Road  
Bootle  
Merseyside  
England L69 9BB  
(Tel: 0151 472 6000)

Employees working in oil and gas exploration and extraction industries (where the employer is not resident in the UK)

Foreign Group, HMIT Centre 1  
Queensway House  
East Kilbride  
Glasgow  
Scotland G79 1AA  
(Tel: 013552 75000)

Merchant Navy seafarers

Marine Section, HMIT  
Cardiff 1  
Ty-Glas  
Llanishen  
Cardiff  
Wales CF4 5FN  
(Tel: 01222 753271)

Non-resident entertainers and sportsmen/women

Foreign Entertainers Unit  
2nd floor  
Unit 1  
Prince's Gate  
Homer Road  
Solihull  
West Midlands  
England B91 3WG  
(Tel: 0121 606 2861/2/3)

Table 1 - Scope of liability to Income Tax on employment income\*

	Residence status <sup>3</sup> and whether domiciled in UK	Employment performed wholly or partly in the UK:		Employment performed wholly outside the UK
		– in the UK	– outside the UK	
<b>Foreign emoluments</b> <sup>1and 4</sup>	• Resident and ordinarily resident, not domiciled	Liable - less possible deduction <sup>2</sup>	Liable - less possible deduction <sup>2</sup>	Liable on the remittance basis - see notes on page NRN5
	• Resident but not ordinarily resident, not domiciled	Liable	Liable on the remittance basis - see notes on page NRN5	Liable on the remittance basis - see notes on page NRN5
	• Not resident, not domiciled	Liable	Not liable	Not liable
<b>Other earnings</b> <sup>4</sup>	• Resident and ordinarily resident, domiciled	Liable - less possible deduction <sup>2</sup>	Liable - less possible deduction <sup>2</sup>	Liable - less possible deduction <sup>2</sup>
	• Resident and ordinarily resident, not domiciled	Liable - less possible deduction <sup>2</sup>	Liable - less possible deduction <sup>2</sup>	Liable - less possible deduction <sup>2</sup>
	• Resident but not ordinarily resident, domiciled	Liable	Liable on the remittance basis - see notes on page NRN5	Liable on the remittance basis - see notes on page NRN5
	• Resident but not ordinarily resident, not domiciled	Liable	Liable on the remittance basis - see notes on page NRN5	Liable on the remittance basis - see notes on page NRN5
	• Not resident	Liable	Not liable	Not liable
	• Not resident	Liable	Not liable	Not liable

## Notes

\* Subject to any different treatment provided for under the terms of the relevant article in a double taxation agreement.

- 1 'Foreign emoluments' is the term used in the Taxes Acts to mean the earnings of someone who is not domiciled in the UK and whose employer is not resident in the UK (nor in the Republic of Ireland).
- 2 If you think that you may qualify for a Foreign Earnings Deduction, ask the Orderline for leaflet *IR58: Going to work abroad?* and *Help Sheet IR205: Foreign Earnings Deduction*.
- 3 If your residence and domicile status is anything other than resident and ordinarily resident and domiciled in the UK and you worked overseas during the year, you should refer to *Help Sheet IR211: Employment - residence and domicile issues* before completing the Employment Pages.
- 4 If you are tax equalised by your employer, you should refer to *Help Sheet IR212: Tax equalisation* before completing the Employment Pages.

**Table 2 - Scope of liability to Income Tax on pension income\***

If Table 2 shows that you **are liable** to Income Tax on pension income complete:

- boxes 11.1 to 11.13 as appropriate on page 4 of your Tax Return
- the Foreign Pages for any overseas pension.

If Table 2 shows that you **are not liable** to Income Tax on overseas pension income, you need not complete the Pages for that income.

Residence status and whether domiciled in UK	Paid by, or on behalf of a person:	
	– in the UK	– outside the UK (overseas pension)
• Resident and ordinarily resident, domiciled	Liable	Liable <sup>1</sup>
• Resident and ordinarily resident, not domiciled	Liable	Liable on the remittance basis <sup>2</sup> - see notes on page NRN5
• Resident but not ordinarily resident, domiciled	Liable	Liable <sup>1 and 3</sup>
• Resident but not ordinarily resident, not domiciled	Liable	Liable on the remittance basis <sup>2</sup> - see notes on page NRN5
• Not resident	Liable <sup>4 and 5</sup>	Not liable

### Notes

\* Subject to any different treatment provided for under the terms of the relevant article in a double taxation agreement.

- 1 Less 1/10th deduction.
- 2 Pensions arising in the Republic of Ireland are liable on the arising basis *minus* 1/10th deduction. In the case of Irish Government pensions this applies only if the pensioner is solely a UK national.
- 3 Commonwealth or Irish citizens are liable on the remittance basis and the 1/10th deduction is not due other than on pensions arising in the Irish Republic when Note 2 applies.
- 4 Where the pension is paid by an employer or their successor in the UK for an employment carried out abroad, that pension will not be liable to UK Income Tax. An employment is regarded as having been carried on abroad if:
  - the last ten years' service for which the pension is paid was abroad, **or**
  - the service abroad amounted to
    - half the total service for which the pension is paid was abroad, **and**
    - at least ten of the last 20 years.
- 5 The tax charge on National Insurance retirement pensions is limited to the amount, if any, deducted at source. If you have any such income and you intend to calculate your tax, ask the Orderline for *Help Sheet IR300: Non-residents and investment income*.

**Table 3 - Scope of liability to Income Tax on investment income\***

If Table 3 shows that you **are liable** to Income Tax, complete the following parts of your Tax Return, relevant to each source of income:

- for income from UK savings and investments - see boxes 10.1 to 10.32 on page 3 of your Tax Return
- for rent or income from UK land or property - see the Land and Property Pages
- for other income from UK investments - see page 4 of your Tax Return and the Trusts etc. Pages
- for income from investments outside the UK - see the Foreign Pages.

If Table 3 shows that you **are not liable** to Income Tax, you need not complete the Tax Return for that particular source of income.

Residence status and whether domiciled in UK	Investment income:		Certain UK government securities
	– arising in the UK	– arising outside the UK	
• Resident and ordinarily resident, domiciled	Liable	Liable	Liable
• Resident and ordinarily resident, not domiciled	Liable	Liable on the remittance basis <sup>1</sup> - see notes on page NRN5	Liable
• Resident but not ordinarily resident, domiciled	Liable	Liable <sup>2</sup>	Not liable
• Resident but not ordinarily resident, not domiciled	Liable	Liable on the remittance basis <sup>1</sup> - see notes on page NRN5	Not liable
• Not resident but ordinarily resident, domiciled	Liable <sup>3</sup>	Not liable <sup>4</sup>	Liable
• Not resident but ordinarily resident, not domiciled	Liable <sup>3</sup>	Not liable <sup>4</sup>	Liable
• Not resident and not ordinarily resident, domiciled	Liable <sup>3</sup>	Not liable <sup>4</sup>	Not liable
• Not resident and not ordinarily resident, not domiciled	Liable <sup>3</sup>	Not liable <sup>4</sup>	Not liable

## Notes

\* Subject to any different treatment provided for under the terms of the relevant article in a double taxation agreement.

1 Income arising in the Republic of Ireland is liable on the arising basis.

2 Commonwealth or Irish citizens are liable on the remittance basis, except for income arising in the Republic of Ireland.

3 Income from property in the UK, and investment income connected to a trade carried on in the UK through a branch or agency are liable to Income Tax in the normal way. The tax charge on other income covered by Table 3 is limited to the amount of tax, if any, deducted at source. If you have any income within this latter category and you intend to calculate your tax, ask the Orderline for *Help Sheet IR300: Non-residents and investment income*.

4 In the case of any gain under a life insurance policy, contract for life annuity, or capital redemption policy, only applies if the policy or contract was made outside the UK with an insurance company not resident in the UK or with an overseas branch of an insurance company resident in the UK, and the policy proceeds are not payable in the UK. If you need help ask your Tax Office or tax adviser.

**Table 4 - Scope of liability to Income Tax on self-employment income\***

If Table 4 shows that you **are liable** to Income Tax on self-employment income complete a set of Self-employment Pages for each self-employment and for each set of accounts relevant to the basis period for each self-employment.

If Table 4 shows that you **are not liable** to Income Tax on self-employment income do not complete those Pages for that income.

Residence status and whether domiciled in the UK	Trade, profession or vocation carried on wholly or partly in the UK	Trade, profession or vocation carried on wholly outside the UK
• Resident and ordinarily resident, domiciled	Liable	Liable
• Resident and ordinarily resident, not domiciled	Liable	Liable on the remittance basis <sup>1</sup> - see notes on page NRN5
• Resident but not ordinarily resident, domiciled	Liable	Liable <sup>2</sup>
• Resident but not ordinarily resident, not domiciled	Liable	Liable on the remittance basis <sup>1</sup> - see notes on page NRN5
• Not resident	Liable <sup>3</sup>	Not liable

#### Notes

\* Subject to any different treatment provided for under the terms of the relevant article in a double taxation agreement.

- 1 Income from a trade, profession or vocation carried out wholly in the Republic of Ireland is liable on the arising basis.
- 2 Commonwealth (this includes British) or Irish citizens are liable on the remittance basis unless the trade or profession is carried out wholly in the Irish Republic when Note 1 applies.
- 3 Complete the Self-employment Pages to show profits attributable to the UK. Special rules apply to financial trades carried on through certain UK brokers and investment managers which generally limit the liability to tax deducted at source. Ask your Tax Office or tax adviser.

**Table 5 - Scope of liability to Capital Gains Tax on disposals of assets\***

If Table 5 shows that you are **liable** to Capital Gains Tax, complete the Capital Gains Pages.

If Table 5 shows that you are **not liable** to Capital Gains Tax, do not complete those Pages for these assets.

Residence status and whether domiciled in UK	Gains on disposal of:	
	– UK assets	– overseas assets
• Resident and ordinarily resident, domiciled	Liable	Liable
• Resident and ordinarily resident, not domiciled	Liable	Liable on the remittance basis - see notes on page NRN5
• Resident but not ordinarily resident, domiciled	Liable <sup>1</sup>	Liable
• Resident but not ordinarily resident, not domiciled	Liable <sup>1</sup>	Liable on the remittance basis - see notes on page NRN5
• Not resident but ordinarily resident, domiciled	Liable	Liable
• Not resident but ordinarily resident, not domiciled	Liable	Liable on the remittance basis - see notes on page NRN5
• Not resident and not ordinarily resident, domiciled	Not liable <sup>2</sup>	Not liable
• Not resident and not ordinarily resident, not domiciled	Not liable <sup>2</sup>	Not liable

### Notes

\* Subject to any different treatment provided for under the terms of the relevant article in a double taxation agreement.

1 There is no liability if the disposal is of certain UK government securities.

2 Liability will arise if the assets were used or held for the purposes of a trade, profession or vocation carried on in the UK through a branch or agency or by the branch or agency.

*These notes are for guidance only, and reflect the position at the time of writing. They do not affect any rights of appeal.*