



Moving overseas

Scenario

A UK tax resident individual running their own business is looking to spend time living overseas with their family. For this they require funds to support their living requirements and potential obtain visas in the jurisdiction they will move to.

Where we can help

During a move, this additional administrative burden as well as the potential unnecessary tax implications of moving overseas can leave clients wondering whether they will fall into the tax net of both the UK and where they move.

Review of Tax Residency

When moving overseas one must consider the residency rules of both the UK and the jurisdiction they are moving to. We can assist with the review of the UK tax residency implications by reviewing, advising and applying the tax legislation contained within the 'Statutory Residence Test'.

These provisions govern when a taxpayer is considered to be UK tax resident or not.

For the other jurisdiction we can utilise the Kreston Network to receive local advice setting out the tax residency laws in the new 'home' country.

In some instances, it is possible that an individual will meet the tax residency rules of both jurisdictions. Where this is relevant, we will consider the double tax treaty to ascertain which jurisdiction has the primary taxing rights over certain types of income.

Remuneration structuring

When operating a business through a corporate structure, a business owner has the flexibility to remunerate themselves in different methods. This could include:

- Salary
- Dividend distributions
- Pension contributions
- Benefits in kind
- Loans

We can assist in structuring the most efficient remuneration structure for the business owner based on their UK and new 'home' country residency rules and local tax laws on taxing the various methods of remuneration.

Planning for return to the UK

When an individual leaves the UK certain types of income or events are either not subject to tax here or in certain instances, like dividend income, can be reported but 'excluded' from tax. As such there are 'anti-avoidance' provisions ensuring that should a taxpayer leave the UK on a temporary basis such events can be brought back into the charge to UK tax on their return to the UK.

We can advise taxpayers how to mitigate the risk of this occurring so that they can plan their movements correctly and remain a tax compliant and efficient as possible.

Taxation of company profits

When performing duties overseas as a director of the business the individual must consider what duties they will perform overseas and in the UK. The type of work being performed will determine where and what level of profits are taxed in the UK and the new 'home' country.

Our corporate team will be able to assist business owners in structuring a plan for both the business and their personal position to ensure they are as efficient as possible and meet all necessary filing requirements.

For all your business, tax and wealth needs.

Call: +44 (0)330 124 1399

Email: enquiries@krestonreeves.com

Visit: www.krestonreeves.com

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