

Tax Insights

Non-Resident Capital Gains Tax (NRCGT)

Non-UK residents, in most cases, are not liable to UK Capital Gains Tax (CGT) on the disposal of assets irrespective of where they are situated. However, since April 2015, non-UK residents (individuals and companies) who dispose of UK residential property fall within the charge to UK CGT.

Calculating the gain

As this regime did not come into effect until 5 April 2015, only the proportion of gain relating to period after April 2015 is subject to CGT. The default method is to rebase the property to its value as at 5 April 2015 or alternatively, you can elect for the entire gain since original acquisition to be time apportioned.

You can also elect for the gain for the whole period of ownership to be taxable, which would be beneficial if a loss has arisen. This loss is available to carry forward to use against UK residential property disposals in a later tax year.

If the property was your main residence at some point and certain conditions are met, Main Residence relief may be available to reduce the gain.

Requirements

The relevant disposals will need to be reported on a Non-Resident CGT Return and submitted to HMRC **within 30 days of completion**, whether there is a CGT liability or not. Any CGT due must be paid within **30 days of completion**, but Self-Assessment taxpayers can choose to defer the payment until their normal liability for the year becomes due.

Any gains within the basic rate band are taxable at the rate of 18% and 28% above that. The annual exemption can be offset against these gains (if still available).

2019 changes

From April 2019 non-UK residents who dispose of commercial properties will also be chargeable to CGT. This means, from April 2019, any disposals of immovable property will be within the charge of UK CGT. If you would like to discuss this further, please contact us.

For further information and to find out how we can help you, please contact us



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