

# Spring Budget 2024

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*The ‘non dom’ rules are one of the most significant relics of the Empire to have survived into the twenty-first century and their abolition is bound to give rise to an avalanche of tricky issues. Two policy papers were published. The shorter paper, a ‘summary’ paper, refers to ‘relief’ being granted to foreign income and gains (whether brought to the UK or kept abroad) that arise during the first four years of an individual’s UK tax residence. The longer paper, a ‘technical paper’, indicates that qualifying individuals will not ‘pay tax’ on relevant foreign income and gains. Quite what any of this means will not become clear until draft legislation is published. However, a harbinger of the ripples that may fan out, depending upon precisely how the new rules are framed, is perhaps illustrated by the Regazzacci case (27 July 2012). In Regazzacci, the Conseil d’Etat held that for the purposes of the (1968) UK/France double tax treaty a ‘non-dom’ subject to the ‘remittance basis’ regime could be considered to be a ‘resident’ who was ‘liable to’ tax in the UK on his or her worldwide income, because any foreign income would become subject to UK tax when remitted to the UK. With the abolition of the remittance basis, the basis of the Regazzacci decision would seem likely to fall away – and it will be interesting to explore how the new regime is analysed by the UK’s treaty partners – in France and elsewhere. )*

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