



Congratulations on completing on your UK property.

We'd like to take this opportunity to wish you the best of luck with your investment and set out all you need to know about complying with the UK tax and legal requirements.

What are the next steps?

If you plan to rent your property upon completion then you must act in accordance with the UK tax laws.

What are the UK tax legal requirements?

Each owner must register with HM Revenue & Customs (HMRC), the UK tax authorities. You must register for both Self-Assessment and as an Overseas Landlord. This applies to companies as well as individuals and involves two separate registration processes to be completed.

The UK tax year runs from 6 April to 5 April each year and you must complete UK tax returns by the following 31 January, even if no UK tax is payable.

When submitting a UK tax return, HMRC expect you to have sufficient evidence to justify the figures on the Return. HMRC have stated that in order to justify rental income they expect full Rental Accounts to be prepared for each rental property.

What happens if I do not register with HMRC?

If you derive an income from your UK property by renting it out but do not register with HMRC you are, first and foremost, breaking the law. Registering with HMRC and submitting UK tax returns is a legal requirement.

If you fail to meet this legal requirement, penalties will be issued against you. Penalties start at £100 and can rise to over £1,000 per tax year per owner.

Furthermore, if you do not register as an Overseas Landlord, by law your Letting Agents must deduct 20% of your gross rent every month and pay this to HMRC as an 'on account' payment of your UK tax.

The amount of tax deducted will almost certainly be in excess of what is due and the difference can be reclaimed, but this can take several months.

What happens if I sell my UK Property?

You must report the sale in accordance with the new Capital Gains Tax laws that are now in place for non-UK residents and non-UK companies.

This includes the preparation of a full Capital Gains Tax computation for each property and each individual owner.

All submissions and reports are required by HMRC within 30 days of the property sale.

Do I need a UK Accountant?

No. HMRC allow you to submit your own UK self-assessment tax return. It is important to note however that UK tax laws are strict and HMRC offer very little sympathy for those who fall foul of them.

To minimise the risk of non-compliance, **HMRC strongly advise that non-UK residents use qualified and regulated UK accountants** to look after their UK tax affairs, so anyone who does not is simply "opening themselves up to the line of fire".

HMRC hold the right at any time to open an enquiry into your UK tax affairs. If you are found to have incorrectly claimed expenses or have insufficient evidence to justify your declared figures, HMRC reserve the right to increase your tax payments and issue you a penalty.

Your likelihood of being selected for a HMRC tax enquiry could be significantly reduced if you appoint Adams & Moore as your UK accountants. This is because HMRC know that your tax return has been drafted by qualified and regulated UK accountants who fully understand the UK tax laws and requirements.

How can Adams & Moore help me?

Adams & Moore are one of the UK's largest independent accountants and are regulated by the Association of Chartered Certified Accountants (ACCA).

With over 2,000 clients in the region, we specialise in looking after the UK tax affairs of non-UK residents. Our expert professional tax advisors visit Thailand, Malaysia, Singapore, Hong Kong, Beijing and Shanghai and are available for one-to-one meetings up to 10 times throughout the year.

Adams & Moore can take care of every aspect of your UK tax affairs from start to finish.

We can provide you with the reassurance that:

- We are qualified and regulated UK accountants.
- We have a full understanding of the UK tax requirements for non-UK residents, including the new CGT and Stamp Duty rules.
- You will be both legally compliant and tax efficient at all times.
- We can offer full tax advice and planning options when required.
- We offer full support with HMRC handling all correspondence.
- We can act on behalf of you in the event of a HMRC enquiry.
- We can be available for one-to-one consultations with you when we are in your country.
- We have Mandarin & Cantonese speaking staff in our offices.

Contact Details

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PROPERTY TAX SUMMARY 2019/20

INCOME TAX (FOR INDIVIDUALS)¹

Band	With tax free allowance	Without tax free allowance	Tax Rate
	Taxable Income	Taxable Income	
Personal Allowance	£0 - £12,500	N/A	0%
Basic Rate Band	£12,500 - £50,000	£0 - £37,500	20%
Higher Rate Band	£50,001 - £150,000	£37,501 - £150,000	40%
Additional Rate Band	£150,000+	£150,000+	45%

STAMP DUTY LAND TAX (FOR INDIVIDUALS)^{2/3}

Residential Properties

Band	Standard Rate	With 3% surcharge ³
£0 - £125,000	0%	3%
£125,001 - £250,000	2%	5%
£250,001 - £925,000	5%	8%
£925,001 - £1.5m	10%	13%
£1.5m+	12%	15%

Commercial Properties

Band	Standard Rate
£0 - £150,000	0%
£150,001 - £250,000	2%
£250,000+	5%

CAPITAL GAINS TAX (FOR INDIVIDUALS AND NON-UK COMPANIES & TRUSTS)^{4/5}

Band	Gain Up to	Tax Rate
Personal Allowance	£0 - £12,000	0%
Basic Rate Band	£12,001 - £49,500	18%
Higher Rate Band	£49,500+	28%

INHERITANCE TAX (FOR INDIVIDUALS AND NON-UK COMPANIES & TRUSTS)^{6/7}

Band	Taxable Estate Value ⁶	Tax Rate
Nil Rate Band	£0 - £325,000	0%
Taxable Balance	£325,000+	40%

ANNUAL TAX ON ENVELOPED DWELLINGS (ATED)^{8/9}

Property Value	Annual Tax Charge
£500,000 - £1m	£3,650
£1m - £2m	£7,400
£2m - £5m	£24,800
£5m - £10m	£57,900
£10m - £20m	£116,100
£20m+	£232,350

Notes

¹ Not all non-UK residents are entitled to the personal allowance. Different tax rates apply for non-UK Companies & Trusts. Please ask for further details.

² SDLT rates applicable for single purchases of property by individuals only. Please ask for further details on multiple purchases and company purchases.

³ A 3% SDLT surcharge can apply for purchases of second homes when not replacing your main residence. Please ask for further details.

⁴ Basic rate band is reduced by other taxable income subject to income tax. Please ask for further details.

⁵ Tax rates based on non-UK individual selling residential property. Please ask for further details on company rates and commercial rates.

⁶ From 1 April 2017 IHT applies to non-UK residents to hold UK property via non-UK companies or trusts. Please ask for further details.

⁷ Additional rules apply to married couples and those who pass on a main residence. Please ask for further details.

⁸ ATED only applies to companies which hold UK property and exemptions are available if you rent. Please ask for further details.

⁹ Properties are required to be valued at least once every 5 years. Please ask for further details.

