



# **UK Taxation Update**

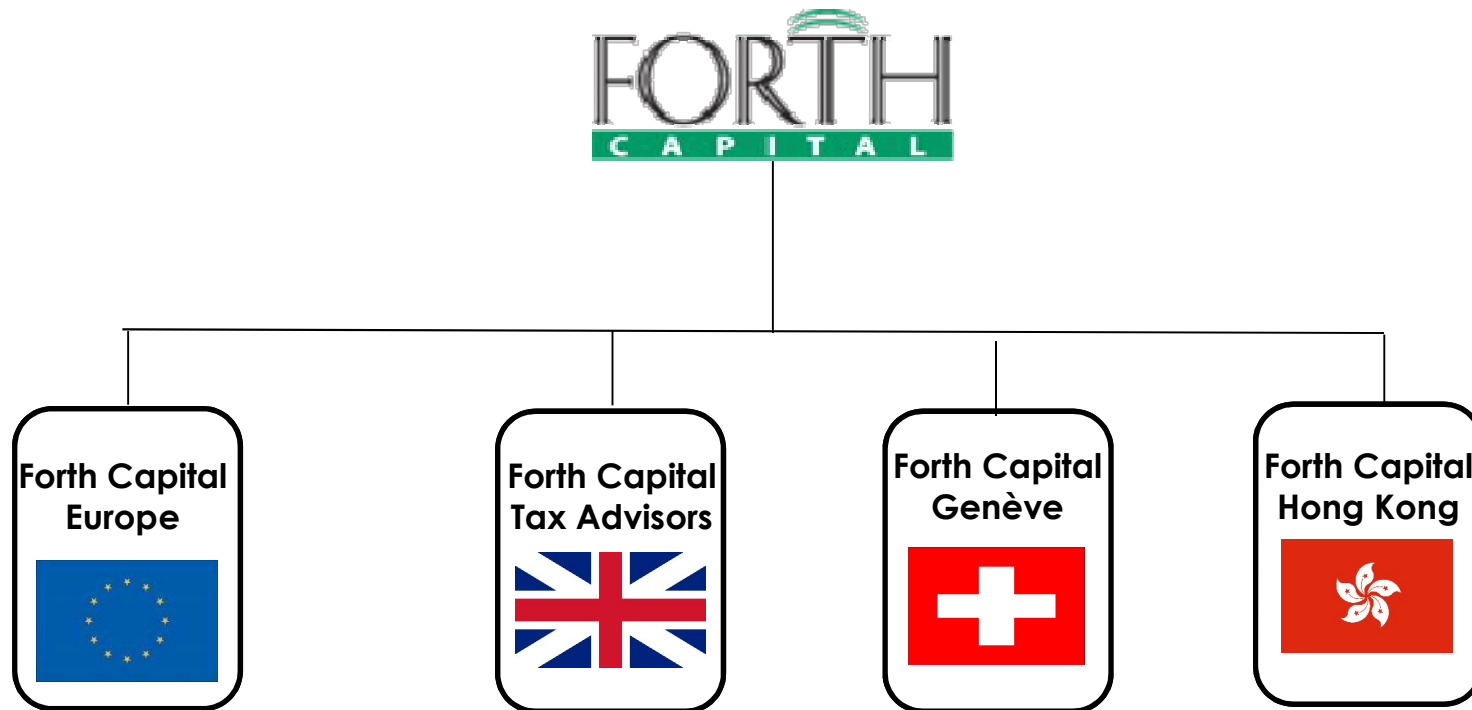
## **UK Tax Update for Expats**

**17<sup>th</sup> May 2017**

# Contents of Presentation

- Background of Forth Capital
- The Statutory Residence test
- Domicile and why it matters
- The UK 2017 Budget and its affect on pensions
- The Common Reporting Standard and exchange of information
- Tax effective investment under the Common Reporting Standard

# Forth Capital Group



# Forth Capital Mission

**To bring top tier, professional, transparent financial services to International Investors**

## **Objective**

- Financial Independence for our clients.

## **How**

- By providing financial advice of the highest standard, offering investments only of the highest calibre.
- Our consultants are industry best . They are expatriates, qualified to UK standards, with technical knowledge and experience in providing clear financial advice with integrity and transparency.
- As a company we are committed to being, easy to find, easy to work with and always looking to improve through new technology, great people and better systems.

# Mark Routen



**Mark Routen**  
Head of Tax

markrouten@forthcapital.com  
+41 22 311 1441

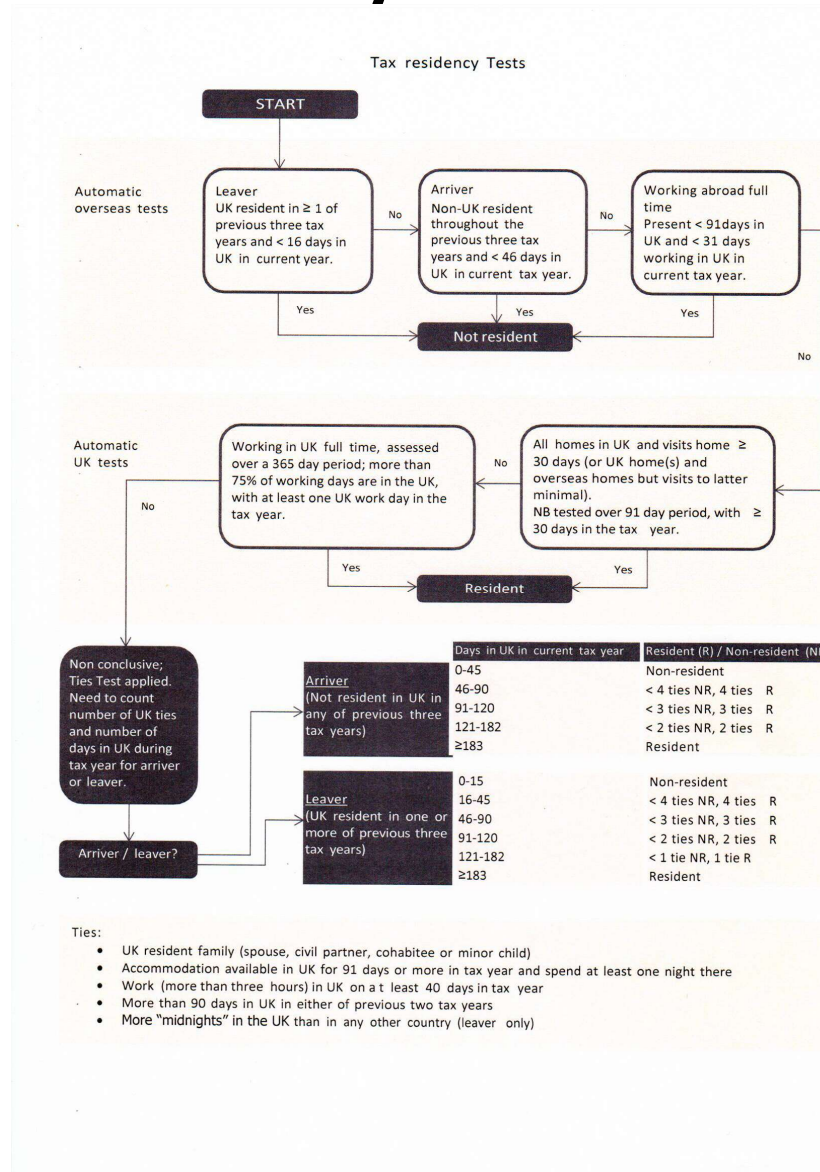
With nearly 30 years experience in the taxation industry Mark joined Forth Capital in 2015 to assist with the development of the company's tax offering.

Mark has worked in the big four accountancy firms and has also run his own UK taxation consultancy. In addition Mark has worked in both Hong Kong and India.

Working overseas has given Mark a complete understanding of the tax and other financial issues facing expats and those either crossing tax borders or undertaking cross border transaction.

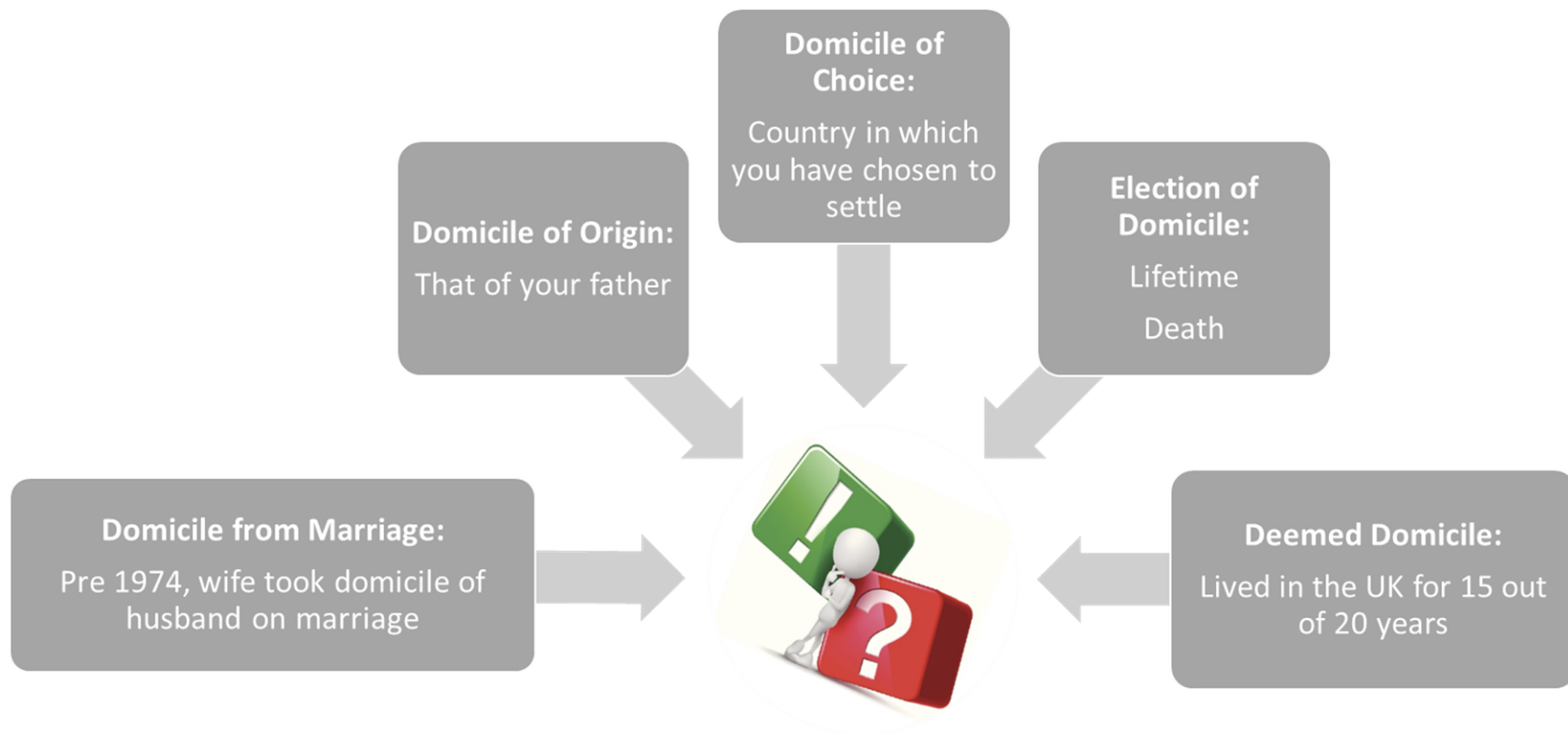
Mark is an Associate of the Chartered Institute of Taxation.

# The Statutory Residence Test



# Domicile:

## Where are you Domiciled?



# Recent changes that Affect Expats

- Returning to UK after acquiring a domicile of choice elsewhere
- Shedding a UK domicile when leaving the UK
- Ongoing consultation



# UK Pension Transfers pre April 2017

Expats could transfer their UK pensions to Recognised Overseas Pension Schemes (ROPS) to benefit from the following:

- 1) Access Your Pension at 55 – You don't have to wait until 65. You can start taking an income from your pension from 55 years of age.
- 2) UK Tax free lump sum – Access to up to 30% of the value of your pension fund as a tax-free cash payment if you have been outside the UK for 10 full and complete tax years
- 3) Eliminate All UK Taxes – Ensure that the entire remaining pension fund is passed to your beneficiaries, tax free and that you can draw your pension without paying UK income tax, if you are not living in the UK.
- 4) Avoid the Lifetime Allowance Cap at £1Million
- 5) Investment Freedom – ROPS can take advantage of a wide range of investment opportunities including ETFs and Capital Protected Investments.
- 6) Currency Choice
- 7) Tax Efficient – Fund growth within a ROPS is Tax Free.
- 8) Consolidation of multiple schemes and benefit from high DB Transfer Values

# UK Pension Transfers post April 2017

Expats can still transfer their UK pensions to Recognised Overseas Pension Schemes (ROPS) under the following criteria:

1. The ROPS is in the EEA and the Member is also resident in a EEA country.
2. The ROPS and Member are in the same country or territory.
3. The QROPS is an employer sponsored occupational scheme, overseas public service pension scheme or a pension scheme established by an international organisation.

Therefore those of you living in Romania can take advantage under the first point as we use ROPS based in Malta.

**N.B. 5 year rule and Brexit Implications**

**SIPP Option**

# Common Reporting Standard: What is it?

- It is The Standard for automatic exchange of financial account information
- Developed in the context of the OECD
- Worldwide disclosure facility
- What is exchanged
  - The name address, taxpayer identification number, date and place of birth
  - The account number
  - Account balance

# CRS: Why does it matter?

- UK has arrangements with most major countries
- Romania is in initial exchange agreement EU Directive 2014/107/UE
- Connect is now operational in the UK

# Portfolio Bonds:

## Tax effective Solutions under CRS

- One Level of Reporting – Asset Consolidation
- Gross roll up
- Capital Gains Tax Free trading
- Trust Facilities and Assignment
- IOM Investor Protection
- Tax Efficiency in Various Jurisdictions:
  - Australia 10 year
  - Sweden K policy Rule
  - UK 5% rule
  - Flexible Decumulation

# Summary

Summary – How Can We Help  
Questionnaire  
Review

Graham Brown Director

[grahambrown@forthcapital.com](mailto:grahambrown@forthcapital.com)

+44 7974 752867