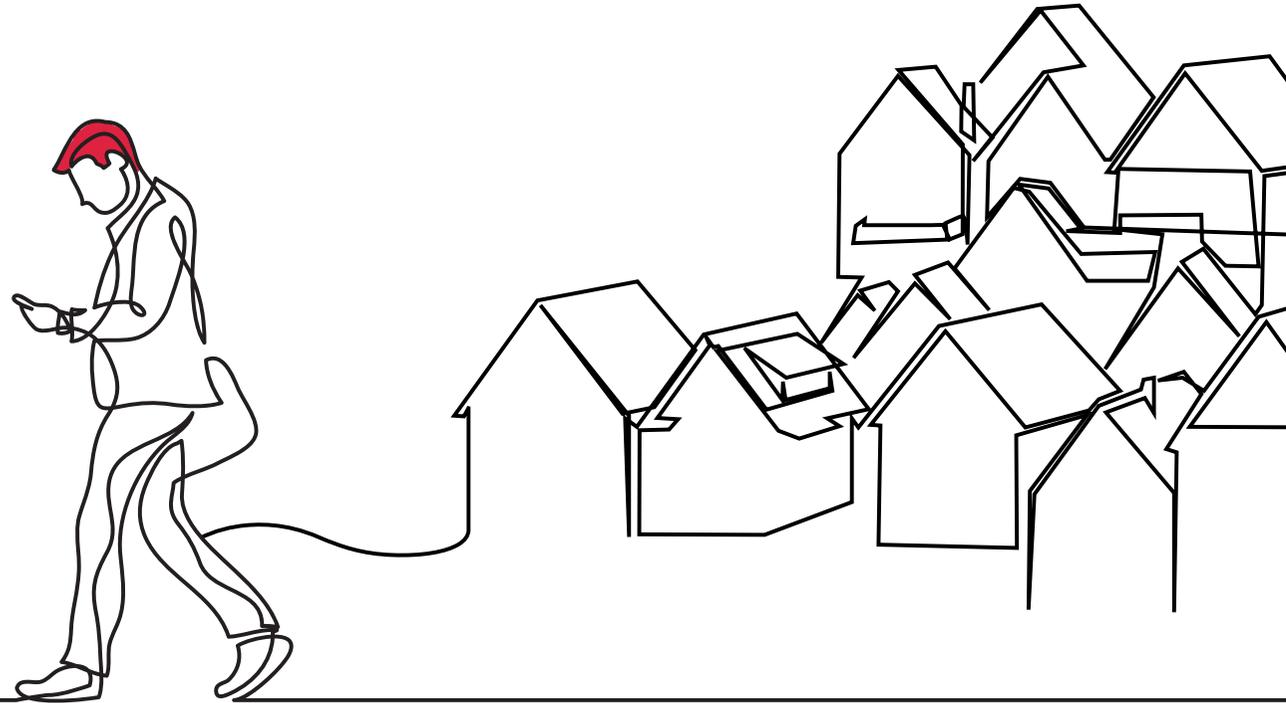


# UK Tax Residence



## Straight → Talking Advice

UK tax residence depends on the number of days you spend in the UK. The more days you spend in the UK, the fewer “ties” you need to be treated as a UK resident.

If you are tax resident in the UK you will generally have to pay tax on the “arising” basis. This means that you pay UK tax on your worldwide income and gains. If you are UK tax resident but not domiciled in the UK you can however choose to pay tax on the “remittance” basis whereby any non UK income and gains are only taxable in the UK if you actually bring (remit) them into the UK. There are conditions attached to using the remittance basis- see below.

UK tax residency status is determined by applying the UK Statutory Residence Test. This test determines your UK tax residence position based upon the number of days you were present in the UK, past UK residencies and the number of ties you have to the UK.

It is usually determined for the whole tax year although, in certain particular circumstances, the tax year can be “split”.

Please consult the flow chart [here](#) to help determine your UK tax residency status.

**Tax residence is a complicated area and you should always seek advice appropriate to your personal circumstances.**

### Domicile

Domicile has a greater degree of permanence than residence. When you are born you take the domicile of your father or, if your parents were not married, then you take the domicile of your mother (domicile of origin). If your parents domicile changes while you are under 16, then your domicile changes with theirs. You continue to have this domicile status unless you make a decision to change it. You can do this after the age of 16 by breaking your UK ties and permanently settling in the new country with the intention to stay there for the rest of your life.

You will be deemed domiciled in the UK for tax purposes, regardless of actual domicile if either:

- You were born in the UK, have a UK domicile of origin and are resident in the UK for tax purposes, or
- You’ve been UK tax resident for 15 of the 20 tax years immediately before the relevant tax year.

# Let us Introduce Ourselves



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**Disclaimer:** This note does not contain a full statement of the law and it does not constitute legal advice. Please contact us if you have any questions about the information set out above.

## Remittance basis

If you are resident in the UK but not domiciled here, then you can choose to pay tax in the UK only on income and gains arising here or brought into the UK (Remittance basis). You will not have to pay UK tax on overseas income or gains which you leave offshore.

If you want to use this basis of taxation and your unremitted income or gains is over £2,000 per year you will lose the right to a tax free income tax allowance (UK personal tax allowance) and a tax free capital gains allowance (annual exempt amount).