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Chartered Accountants and Tax Advisers
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Selling UK property as a non-resident

From the 6th of April 2019, [HMRC has extended](#) the scope of the Non-Resident Capital Gains Tax (NRCGT) regime. The new rules now state that gains on all UK land and property, both residential and non-residential, and direct as well as indirect disposals, will be liable for CGT from non-residents.

So if you are a:

- non-resident individual,
- representative of a non-resident individual,
- non-resident landlord,
- or a non-resident trustee,

and are planning to dispose of all or part of your UK property, these are the 3 main changes to take into consideration.

There is a strict 30-day filing deadline

This deadline includes any tax payments that might be due as a result of gains made on the disposal of UK property. Many people are not aware of this tight deadline, especially because the resident CGT filing deadline is a lot more gracious (i.e. 31 January after the tax year in which the gains were realised) but it is an important deadline nonetheless. Failure [to let HMRC](#) know of your property disposal within this time-frame will result in significant penalties.

The new regime includes gains on disposals of ALL properties

The old regime, introduced on 6 April 2015, included gains on residential property only, meaning any non-residential property fell outside of the scope of the NRCGT regime.

Under the [new rules](#), commercial real estate transactions from 6 April 2019 will also attract CGT from non-resident sellers if a gain is realised.

The new regime includes direct as well as indirect disposals

Direct disposals include sales where the seller has a direct interest in the property. Typically, this is what we think of when we talk about a traditional property sale between two parties.

The inclusion of indirect disposals cast a wider net and applies to non-residents who hold at least a 25% investment in a property rich company – that is, (i.e. a company where 75% of the value of its gross assets is derived from UK land and buildings) – and disposes of some or all of their shares in the property-rich company.

Because the calculation for NRCGT can get decidedly more complicated, it is highly recommended to get in touch with an accountant or professional tax advisor that can assist you in submitting an accurate, on-time return.

If you are a non-resident and need assistance with the calculation of your liability and filing of your return to ensure you meet the strict 30 day deadline please contact us and speak to one of our experienced tax advisors.

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For a free initial consultation please contact:

Meeten Nathwani
Principal
+44(0)1923 634474
meeten.nathwani@hhllp.co.uk

Marie Cowen
Senior Tax Manager
+44(0)1923 634272
marie.cowen@hhllp.co.uk

Offices

London
Milton Keynes
Watford

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