

## NON RESIDENTS PAYING CGT

### NEW RULES FROM 6 APRIL 2019 ONWARDS



#### Filing requirements for Non-resident CGT

Most non-resident property owners need to complete a non-resident CGT (NRCGT) return when they sell or dispose of UK property or land. HMRC must be notified within 30 days of the conveyance date using HMRC's online form.

The following customers must complete a Non-resident CGT return:

- a non-resident individual
- personal representative of a non-resident who has died
- a non-resident who is in a partnership
- a non-resident landlord or trustee (this does not apply to non-resident corporate landlords as normal Corporation Tax (CT) time limits for notifying chargeability and payment will apply)
- a UK resident meeting split year conditions and the disposal is made in the overseas part of the tax year.

Thirty days is not very long for a taxpayer to realise they need to make a report to HMRC and to pay the tax due, but this is the deadline imposed on non-residents who dispose of any UK land or property on or after 6 April 2019. Individual sellers who completed their purchase on Saturday 6 April 2019 should have made an "on account" payment of CGT by Sunday 5 May 2019.

A 30-day reporting deadline has applied in respect of disposals of UK residential property by non-residents since 6 April 2015, but the tax payment date has been inconsistent. Those within the self-assessment system could pay the non-resident CGT due with their Self Assessment tax by the normal payment date of 31 January following the tax year end, but others had to pay the tax within 30 days of the conveyance.

This lack of clarity over NRCGT procedures led to HMRC giving incorrect advice to some taxpayers.

## Summary of key changes for non UK residents from 6 April 2019:

- Disposal of interests in all UK property or land will be chargeable to UK taxes. Residential property has been liable to CGT since April 2015 and disposals of non-residential property or land will also become liable from 6 April 2019
- A payment on account needs to be paid with 30 days of completion in all cases.
- There will be a new charge for non-residents' gains on indirect disposals of interests in UK property (such as selling the shares in a company that derives 75% or more of its gross asset value from UK land)
- All non-resident companies and life assurance companies that sell or dispose of UK property or land after 5 April 2019 will be chargeable to CT on the gain, but must still notify HMRC even if there is no tax to pay
- If the non-resident company has not previously submitted a UK CT return, or there has been a period of 'dormancy' since they last did so, they will need to tell HMRC about the disposals. A notification service is available on [www.hmrc.gov.uk](http://www.hmrc.gov.uk). If they are currently registered for CT, the disposal should be included in the appropriate return along with other profits

## Future changes

**From 6 April 2020, anyone (including UK residents) disposing of UK residential property will have to report and pay the associated tax within 30 days following the completion of the disposal.**

If you need any further information on this, please give Glen Reed, Taxation Manager, a call on **01753 888211** or email [greed@nhllp.com](mailto:greed@nhllp.com) to discuss further.