



**NEDBANK**  
**PRIVATE WEALTH**

**A guide for moving  
to the UK**

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# Getting started

Whatever your reason for moving to the UK, it's important to understand what you need to do before you make your move. The UK offers a favourable tax regime for temporary residents which aims to encourage investment in the UK. The purpose of this guide is to help you and your family to navigate one of the most complex tax jurisdictions through its resident non-domiciled (RND) scheme.

## Understanding certain UK terminology

### Citizenship

This relates to the country in which you hold a passport. More specifically, if you hold more than one passport, it refers to the passport being used to enter the UK.

### Clean capital

The term clean capital refers to money which can be remitted to the UK without tax consequences, even after you become a UK resident. It usually relates to foreign income and gains accrued before you become a resident in the UK but can also include outright gifts or money received by way of an inheritance. As a UK resident but non-UK domiciled individual you can live off your clean capital while in the UK without incurring a tax liability. However, clean capital must be appropriately segregated, or ringfenced, from foreign income and gains arising after you become tax resident in the UK.

### Domicile

The concept of domicile in the UK is distinct from nationality, citizenship or residence. In essence, you are domiciled in the country you consider to be your permanent home, either through birth (known as domicile of origin), choice, or dependency (if you are under the age of 16 or have been ruled incapable of managing your affairs). You could become deemed domiciled if you have lived in the UK for at least 15 out of the last 20 years. If you are UK domiciled, you will be taxed in the UK on your worldwide assets for income tax, capital gains tax and inheritance tax purposes.

### HMRC

His Majesty's Revenue & Customs (HMRC) is the department of the UK government responsible for the collection, payment, administration and enforcement of taxes.

### Nationality

This term is often used interchangeably with citizenship. As with citizenship this is usually based on your passport.

### Non-domiciled

This term is a description of tax status. Often shortened to non-dom, it is used for a UK resident whose permanent home, or domicile, is outside the UK.

### Residence

Your UK residence status affects whether you need to pay tax on your foreign income. Residents normally pay UK tax on all their worldwide income. Non-residents only pay tax on their UK income; they are not required to pay UK tax on foreign income.

### UK migrant

This refers to someone who has moved from their country of usual residence to live or settle in the UK.

### UK resident/Non-dom

This term applies if you are living in the UK but your permanent home, or domicile, is not in the UK. If you are a non-domiciled UK resident, you may not have to pay UK tax on your foreign income.

## Before you move – we have some key questions

Our aim is to give you an overview of the areas to consider before your move and help to ensure your relocation is as seamless and tax efficient as possible. To start, there are a few key questions to ask:

### 1) Have you received professional tax advice both from your country of origin and UK tax perspective?

**Yes.** This tax advice should set out whether you should cease to be tax resident in your country of origin and the associated 'exit costs', and when you should become tax resident in the UK.

**No.** It is important to fully understand the pros and cons of ceasing to be tax resident in your current home country as well as becoming tax resident in the UK.

### 2) Do you know exactly when you will become UK tax resident?

**Yes.** Although you may know the date you will be arriving in the UK, there are specific tests that decide whether an individual is resident in the UK. These tests look at the connections you have with the UK and the number of days spent in the UK in each tax year (which runs from 6 April to 5 April). And, although it is possible for a split year treatment to be applied, the rules relating to the application are very specific. As a result, you may find your residency starts at the beginning of the UK tax year, not on the actual date you arrive.

**No.** The date you become UK tax resident can have significant implications for your taxes. If you rely on unofficial information, you could become UK resident sooner than you envisaged, with the potential for unintended consequences. HMRC can reach out to airlines and banks (among other providers) to establish its own date for tax purposes, rather than rely on information you supply.

### 3) **Have you considered moving to the UK under the non-domicile regime?**

**Yes.** If you intend to live in the UK for a relatively short time, e.g. five to ten years, you could consider life in the UK as a non-domicile. Depending on your circumstances, this approach could be advantageous from a tax perspective.

**No.** A decision here is only relevant if you can clearly demonstrate an intention to remain in the UK for the short to medium term. Otherwise, your worldwide assets will fall within the scope of the UK tax regime, which means all income, gains and death duties will be taxable in the UK. Becoming a UK domicile may terminate your current tax residency.

### 4) **Have you taken professional wealth planning advice?**

**Yes.** Although most are aware of the logistical hurdles associated with a move to the UK, as well as the immigration questions, we find many people do not take the opportunity to have a comprehensive review of their finances. Having a wealth planner examine your existing financial arrangements, whether you will become resident non-domiciled or not, may mean you are able to revise decisions ahead of your relocation, helping to avoid potential issues later.

**No.** This is important whether you are looking to make your move to the UK permanent or not. By reviewing your finances before a move, you may be able to take advantage of new investment structures available to you. You should also update your broader wealth plans given the considerable changes in your life, as these may have unexpected consequences.



### **Taxing matters**

An individual who is tax resident in the UK but domiciled outside the UK is entitled to use a special basis of taxation known as the remittance basis (see page 7). Here, UK income and gains become immediately taxable by HMRC, but non-UK income and gains are not taxable, unless and until any relevant proceeds are 'brought' to the UK.

This is a complex area – not only in setting up the necessary arrangements, but also in maintaining them. As a result, it is important you receive specialist UK tax advice before relocating. Nedbank Private Wealth does not provide this, but we can work with your existing advisers or introduce a firm to provide the necessary advice based on your circumstances.

There are many aspects to relocation, financial and otherwise, and the team at Nedbank Private Wealth can help, particularly if you are planning to move within a shorter timeframe than the 12 to 18 months typically recommended.

**[The UK has an unusual tax year that starts on 6 April. Read the history behind that date.](#)**

# Practical considerations

## UK visas

Whatever your reasons for moving to the UK, you may need a visa. There are different Visas depending on where you come from, why you are moving and how long you plan to stay. Your skills and personal circumstances will also be taken into consideration. The length of your visa stay can have implications. It may dictate the borrowing you can access, particularly if financing is needed to buy a property. An alternative to consider could be finance secured against investments.

## National insurance

If you plan to work in the UK, you may need to apply for a national insurance number. This is a unique reference number for the UK social security system. It ensures your tax and national insurance contributions are recorded against your name and establishes entitlement to certain benefits, such as the state pension and health care.

## Immigration health surcharge

Currently, those moving to the UK for longer than six months pay an annual £624 surcharge on national insurance contributions, with a discounted amount of £470 for those under the age of 18. This charge, designed to combat medical tourism, is applied to every member of the family living in the UK. Once paid, individuals can access the UK's National Health Service (NHS) just as UK nationals do. More details are available on the government's website. [www.gov.uk/healthcare-immigration-application](https://www.gov.uk/healthcare-immigration-application)

## The remittance basis of taxation

A sizeable number of UK migrants who claim non-domiciled status choose to pay UK tax on a remittance basis. Available for up to a maximum of 15 out of 20 years, it means you pay UK tax only on UK sourced income and investment gains plus any foreign income or gains which are remitted to the UK. You do not have to pay UK tax on your worldwide income and gains provided they are not used to finance your life in the UK.

Depending on your tax situation in your current country of residence, taking advantage of the UK's remittance basis may mean that you should maintain substantial ties to your home

country. Should you consider remaining a tax resident, it would be necessary to determine if your worldwide income and gains will still be taxable there. This is another reason why it is so important you seek professional tax advice in both countries.

As a resident non-domiciled individual claiming the remittance basis, you will need to set up separate UK and offshore bank accounts, in addition to any new home country accounts, for example, non-resident ones.

## Clean capital

If you are looking to claim the remittance basis, you may also consider creating clean capital by realising assets and establishing a pot of liquid investments before becoming UK resident, to support your expenditure needs in the UK.

Maintaining this clean capital once you become UK resident is not straightforward. However, working with a wealth manager with experience of managing such financial arrangements, like Nedbank Private Wealth, will help. We can set up your bank accounts before you are physically resident in the UK, which many banks cannot do. This can allow you to build up sterling cash reserves over time, taking advantage of the best exchange rates between your home currency and sterling.

## Maintaining your resident non-domicile status

Maintaining your resident non-domicile status requires attention and it can be simpler if you still have family living in your home country. The focus is on financial links including property.

Last but not least, we also recommend a review of any existing investment and wealth structures to check they remain the best approach given the changes in your life. We often find pensions, trusts and investments held in life wrappers present particular hurdles for individuals as these may be structured specifically for your current tax residency.

# How UK wealth planning can help you

Many believe a wealth plan is only necessary after you've achieved a certain level of wealth or reached a certain age. But how can you be expected to make long-term decisions when the foundations aren't in place? The support of a professional UK wealth planner may help reduce this burden, as well as improve the financial outcomes for you and your family.

Reviewing your current circumstances and creating a wealth plan prior to your move, can make things much more straightforward, as we detail below:



## 1. Take stock

Assessing your current financial situation and reviewing your investments and wealth structures may help you decide whether they will still be appropriate once you become UK resident. A wealth plan will also help you understand what documentation and financial arrangements you will need to maintain your chosen residence status.



## 2. (Re)set your goals

Ahead of your move to the UK, it is a good time to reconsider any family financial goals. Aside from the more obvious short-term needs, such as ensuring you can fund a deposit for a UK home, you should also review your medium and long-term wealth objectives.



## 3. Create a cashflow plan

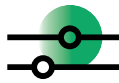
It is easy to underestimate the influence of a cashflow plan, especially over a long period, but it will provide a clear overview of assets and debts remaining in your home country, the UK and elsewhere, e.g. those held in offshore financial centres such as the Isle of Man or Channel Islands. Cashflow planning maps your current finances and offers a route to achieve your wealth goals, along with timeframes, extrapolating income streams, investment returns and anticipated spending.



## 4. Talk through any trade-offs

Once your cashflow plan has given you an overview of your future finances and determined the likelihood of you achieving your long-term wealth goals, you may want to consider adopting a different approach, balancing conflicting financial goals and plans. You may wish to revisit expectations, increase your timeline, or decide on a compromise, to avoid suffering any consequences later in life. For example, if you buy a property with a mortgage rather than cash, this may be beneficial for UK inheritance tax purposes – a decision that cannot be backdated.





### 5. Analyse your investment approach

Most long-term goals use investments as a core component. Given your timeline and risk appetite are critical to that strategy, adopting a goals-based investment approach allows you to benchmark your portfolio performance against your wealth goals and ensure you are not taking on unnecessary risk.



### 6. Adopt a tax-efficient strategy

Once your investment approach is aligned to your wealth goals, your change of jurisdiction may involve new wealth structures and investment wrappers to improve tax efficiency. You can also take advantage of the UK allowances available to you, understanding your options around individual savings accounts (ISAs) and pensions, such as self-invested personal pensions (SIPPs) among others.



### 7. Make sure all your important documents are up to date

Have you drawn up a UK will and put lasting powers of attorney in place? Have you updated your will in your home country? The answer should be “yes” to both questions given your changing circumstances. It is also worth considering life insurance, which can play a complementary and useful role at a time when a lot of your life is in flux.



### 8. Set a date to reassess

Once your plan is in place, it pays to set a date to review your decisions in 12 months to ensure your financial ‘blueprint’ remains effective and can continue to meet the changing needs of you and your family.

**The team at Nedbank Private Wealth are well placed to assist with wealth planning, as well as addressing any investment, lending or multicurrency banking needs ahead of your big move.**

# Living in the UK

## Finding a home

The UK has a complex property market and the laws governing the ability to buy and sell a house, and the taxes due, are different depending on where you are buying; the home nations of England and Northern Ireland have different systems to Scotland and Wales.

## Where will you settle?

We find many new arrivals consider London first, but other cities should be considered as properties there are often bigger with more outdoor space, and prices tend to be more reasonable. With many regional airports in the UK, it is easy to transfer internally or fly direct to international airports.

## To rent or buy?

Given the importance of location in your decision making, it may even be better for you to rent before you buy. Not only will this give you time to experience your new neighbourhood, but in becoming UK resident you will not be charged the additional 2% overseas surcharge when you buy. It's worth noting, however, the 3% second homes surcharge applies regardless of the location of a second home or whether you are UK resident or not.

## Ground rents and leaseholds

When you buy a house in the UK, you are not necessarily buying the land on which it stands. Some house purchases are complicated by the need to pay annual ground rent to the owner of the land, as set out in a leasehold agreement. This can cause issues for property financing as leases with a limited time left may prompt your finance provider to ask you to negotiate with the landowner to extend the lease before approving your mortgage.

## Do you have a UK credit score?

When you move to the UK, you will be given a low UK credit score, which may leave you struggling to get a mortgage if you go to a high street bank. This also applies to credit cards, store cards and mobile phone contracts.

Building up your credit score takes time, although it can be improved by factors such as having a UK telephone landline installed and registering to vote (if eligible). You can check your score online by registering for a free account at [www.experian.co.uk/consumer/experian-account.html](http://www.experian.co.uk/consumer/experian-account.html).

## Finding a school

The UK's school system is very similar to many other developed countries. There are government-run state schools and private schools. However, the UK is unique in its terminology as public schools are private not state schools. There are also state-run selective schools in some areas, known as grammar schools, which cater for more academic students.

Regardless of whether the school is free or fee paying, all schools in the UK are rated to help parents choose one for their children. These listings are [organised by the government](#) via the Office for Standards in Education (which is always known by its abbreviation of Ofsted), and also by private companies, e.g. [The School Guide League Tables](#).

## Catchment areas

When choosing a state school, you will need to live in its catchment area for your children to be eligible to attend. As a result, house prices near good schools are often driven up by families moving to ensure their children can get the best education. To enrol at a school in the UK, you will need to have proof of your address.

## Your pension

While you are likely to have an existing pension, it's worth checking what the potential restrictions are when accessing the funds from the UK, as well as ensuring you meet any reporting requirements.

In the UK, the options available to you will depend on your employment status and whether you will pay into a UK state pension through national insurance contributions. With the UK state pension, you will need to pay in for a minimum of 10 years before (eventually) receiving any benefits.

Options to explore which offer potential tax benefits include self invested personal pensions (SIPPs) and individual savings accounts (ISAs).





## Income Tax

As mentioned earlier, UK residency is based on the time spent in the UK within each tax year.

We recommend you obtain professional tax advice as your affairs can often be more complex than they first appear, and it helps to know what documentation you should keep. If you pay tax on a remittance basis or earn over £125,140 per annum, you will probably find you are not entitled to the annual personal income tax allowance.

Another reason to obtain professional tax advice is to take advantage of double taxation treaties if you have tax commitments in other jurisdictions. This may provide you with the opportunity to offset some of your tax obligations.

## The capital taxes

The UK's tax system has placed an increased importance on capital taxes in recent years. These include stamp duty (land tax), capital gains tax and inheritance tax. It is worth noting that some taxes apply to the whole of the UK (e.g. capital gains tax), while others (e.g. stamp duty land tax) differ between the home nations. And the details are important, e.g. capital gains tax may be levied on your principal residential property if you have not spent enough time in the UK to be deemed resident.

## What you could be taxed on

Different rules apply if you are resident non-domiciled and paying tax on a remittance basis, rather than the usual arising basis. As such, you will have waived your right to the annual capital gains tax allowance of £6,000, in addition to your personal income tax allowance. This means the proceeds from the sale of any assets or investments used to finance your UK life are taxed based on your income tax bracket, although offshore gains will be sheltered if they remain offshore. If you are a basic rate income taxpayer, any gains would incur a tax rate of 18% for property assets and 10% for non-property gains. For higher rate income taxpayers, those rates rise to 28% and 20% respectively.

Although the same inheritance tax laws apply in England, Scotland and Wales, the intestacy rules (i.e. those that apply when someone has died without a valid will) differ in Scotland. Always make sure any wills and lasting powers of attorney are drawn up, or updated, to reflect all your life changes.

## Overview of current UK tax allowances

### Income tax rates and bands

The table below shows the tax rates you pay in each band if you have a standard Personal Allowance of £12,570. \*

Band	Taxable income	Tax rate
<b>Personal Allowance</b>	Up to £12,570	0%
<b>Basic rate</b>	£12,571 to £50,270	20%
<b>Higher rate</b>	£50,271 to £125,140	40%
<b>Additional rate</b>	over £125,140	45%

\* Income tax bands are different if you live in Scotland

# Checklist

	Yes	No
Have you obtained professional tax advice in your country of origin?		
Will you be ceasing to be tax resident in your country of origin? If so, are you taking, or have you taken, the necessary steps to prove you are not a resident of that country?		
Have you structured your finances to move abroad?		
If you plan to pay tax on a remittance basis, have you created your clean capital?		
Have you started to move funds from your country of origin to reduce currency risk?		
Have you updated your will(s) to deal with the assets held in the various jurisdictions?		
Have you obtained professional tax advice in the UK?		
Do you have a UK bank account?		
Do you have a UK mobile phone number?		
Have you registered for UK self-assessment tax returns?		
Do you need a national insurance number?		
Have you found a place to live?		
Do you have children of school age?		
Have you spoken with a mortgage provider willing to finance you?		
Have you determined the date on which you will become UK tax resident?		
Do you have any overseas pensions that you need to review?		
Do you have a UK will and lasting powers of attorney?		
Have you updated your will in your original country of residency?		









**You can be confident you are choosing  
a team with the UK knowledge and  
international expertise to ensure your  
move is as smooth as possible.**

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Total Wealth Planning  
High Net Worth (£1m+)



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