



Contents

Considering your residence status	NRN 2
Considering your ordinary residence status	NRN 4
Students	NRN 6
Split-year treatment	NRN 6
If you are resident in the UK for 2007-08 but only came to the UK during the year ended 5 April 2008	NRN 6
If you are resident in the UK for 2007-08 but left the UK during the year ended 5 April 2008	NRN 7
Split-year treatment - capital gains	NRN 9
Temporary non-residents and Capital Gains Tax	NRN 9
Other matters relevant to boxes 6 to 14	NRN 9
Claims for allowances for non-residents	NRN 10
Life assurance premium relief	NRN 12
Overseas residence and double taxation relief	NRN 12
Double Taxation Agreements	NRN 12
Dual residence	NRN 13
Country or territory list	NRN 14
Domicile	NRN 17
Relevance of your domicile to your tax liability	NRN 18
Tax implications	NRN 19
Application to specific sources of income/gains	NRN 19
The 'arising' basis	NRN 20
The 'remittance' basis	NRN 20
Meaning of 'received in the UK'	NRN 21
Table 1 - Scope of liability to Income Tax on employment income	NRN 22
Table 2 - Scope of liability to Income Tax on pension income	NRN 23
Table 3 - Scope of liability to Income Tax on investment income	NRN 24
Table 4 - Scope of liability to Income Tax on self-employment income	NRN 25
Table 5 - Scope of liability to Capital Gains Tax on disposal of assets	NRN 26
Further advice or information	NRN 27

i Contacts

- Please phone:
- the number printed on page TR 1 of your Return
 - the Helpline on **0845 9000 444**
 - the Orderline on **0845 9000 404** for Help Sheets or go to www.hmrc.gov.uk

These *notes* will help you complete your Tax Return if you are:

- not resident in the UK
- not ordinarily resident in the UK
- entitled to split-year treatment
- not domiciled in the UK.

By carefully working through the questions in the *notes* you should be able to decide if you are in any of these categories. The *notes* also explain how residence and domicile affect Income Tax and Capital Gains Tax.

Broadly, you are resident in the UK if you spend at least half of a tax year here, or regularly spend at least one quarter of a tax year here. Days of arrival in, and departure from, the UK are usually ignored but your precise position will depend on your personal circumstances.

If you think that you are in any of the four categories listed on page NRN 1, complete the *Non-residence etc.* pages **before** you fill in the rest of your Tax Return. Your residence and domicile status will be relevant if you have:

- income from working wholly or partly outside the UK
- pensions from abroad
- overseas investment income
- a trade or profession carried on wholly or partly outside the UK
- chargeable capital gains
- claims for allowances
- claims for relief from UK tax as a resident of another country or under the terms of the Double Taxation Agreement between the UK and that country.

The *notes* explain:

- what Double Taxation Agreements are, and how they can reduce the UK tax you pay
- what to do if you are resident in the UK and, for tax purposes, also resident in a country with which the UK has a Double Taxation Agreement
- how, in general terms, the rest of your Tax Return is to be completed, as a result of your tax status
- what other information is available.

If you are not resident in the UK please check pages NRN 10 and NRN 11 to see if you are entitled to the allowances that would be available to you if you were resident in the UK.

Considering your residence status

Please leave box 1 blank if you are resident in the UK. If you have left the box blank you might still need to consider if split-year treatment, dual residence, or domicile are relevant to your liability.

Questions 1 to 6 are relevant to your residence.

1 Were you present in the UK at any time during the year ended 5 April 2008?

Yes No

If 'No', you are not resident in the UK. Put 'X' in box 1 on page NR 1 of the *Non-residence etc.* pages. Please complete boxes 10 to 14 in all cases and boxes 4 to 9 and 15 to 17 where they are relevant to your circumstances. Go to the section headed 'Considering your ordinary residence status' on page NRN 4.

If 'Yes', go to question 2.

2 Were you in the UK for a total of 183 days or more in the year ended 5 April 2008?

Yes No

If 'Yes', you are resident in the UK. Go to the section headed 'Considering your ordinary residence status' on page NRN 4.

If 'No':

- and you came to the UK before 6 April 2008 having previously been not resident in the UK, go to question 6
- otherwise, go to question 3.

3 Have you left the UK?

Yes No

Even if you make frequent trips abroad, whether for employment or other reasons, you will not have 'left' the UK if you usually live in the UK, and your home and settled domestic life remain here.

If 'No', you are resident in the UK. Go to the section headed 'Considering your ordinary residence status' on page NRN 4.

If 'Yes' go to:

- question 4, if you left before 6 April 2007, or
- question 5, if you left during the year ended 5 April 2008.

4 If you left the UK before 6 April 2007:

(a) since your departure have you lived, or do you intend to live, outside the UK for three years or more?

Yes No

(b) have you, or your spouse or civil partner, throughout the year ended 5 April 2008 worked full-time outside the UK or been abroad for a settled purpose?

Yes No

If 'No' to (a) and (b), you are resident in the UK. Go to the section headed 'Considering your ordinary residence status' on page NRN 4.

If 'Yes' to (a) or (b), go to (c) below.

(c) have your visits to the UK in the period to 5 April 2008 averaged fewer than 91 days in a tax year over the period of absence or from 5 April 2004 (whichever is the shorter)? Exclude any days that you spent in the UK because of exceptional circumstances beyond your control, for example, serious illness that occurred while you were here. But count all such days as days spent in the UK when completing box 10. The number of days that you have excluded because of exceptional circumstances in reaching a decision about your residence should be entered in box 11.

Yes No

If 'Yes' to (c), you are not resident in the UK. Put 'X' in box 1. Please complete boxes 10 to 14 in all cases and boxes 4 to 9 and 15 to 17 where they are relevant to your circumstances. Go to the section headed 'Considering your ordinary residence status' on page NRN 4.

If 'No' to (c), you are resident in the UK. Go to the section headed 'Considering your ordinary residence status' on page NRN 4.

5 If you left the UK during the year ended 5 April 2008, were you resident and ordinarily resident in the UK for the year ended 5 April 2007?

Yes No

If 'Yes', you are resident in the UK. Go to the section headed 'Considering your ordinary residence status' on page NRN 4.

If 'No', go to question 6.

6 If you came to the UK before 6 April 2008:

(a) when you came to the UK did you intend to remain here for two years or more?

Yes No

(b) if you came to the UK before 6 April 2007, did you at any time between the date you came and 6 April 2007 anticipate remaining in the UK for two years or more from the date you came?

Yes No

(c) during the year ended 5 April 2008 did you anticipate remaining in the UK for two years or more from the date you came?

Yes No

(d) at any time during the year ended 5 April 2008 had you been in the UK for two years or more from the date of your arrival?

Yes No

(e) if you are remaining in the UK, have you owned, or leased for three years or more, accommodation in the UK at any time between your arrival and 6 April 2008?

Yes No

(f) if you came to the UK before 6 April 2003, have your visits to the UK exceeded 363 days (exclude any days that you spent in the UK because of exceptional circumstances beyond your control, for example, serious illness that occurred while you were here) in the four years ended 5 April 2007?

Yes No

(g) at any time during the year ended 5 April 2008, did you anticipate making visits to the UK that would average 91 days or more a tax year, over a four year period including 2007-08?

Yes No

Remaining in the UK means being here on a continuing basis apart from trips abroad for holidays, business or other reasons.

If 'Yes' to any of questions 6(a) to 6(g), you are resident in the UK.

If 'No' to all of questions 6(a) to 6(g), you are not resident in the UK. Put 'X' in box 1 and please complete boxes 10 to 14 in all cases and boxes 4 to 9 and 15 to 17 where they are relevant to your circumstances. Go to question 7.

Considering your ordinary residence status

Please leave box 2 blank if you are ordinarily resident in the UK, but you might still need to consider if split-year treatment, dual residence, or domicile are relevant to your liability.

If you are resident in the UK year after year, you are 'ordinarily resident' here. Questions 7 to 10 (or question 11, if you are a student) are relevant to your ordinary residence.

7 Were you resident in the UK in the year to 5 April 2008?

Yes No

If 'Yes', go to question 8.

If 'No', you are not ordinarily resident in the UK. Put 'X' in box 2.

Please complete boxes 4 to 17 where these are relevant to your circumstances.
If you consider that you are resident but not ordinarily resident in the UK you do not need to complete boxes 10 to 12 or box 14.

8 Were you ordinarily resident in the UK in the year to 5 April 2007?

Yes No

If 'Yes', you are ordinarily resident in the UK.

If 'No', go to question 9.

9 Were you resident in the UK in each of the four years up to the year ended 5 April 2007?

Yes No

If 'Yes', you are ordinarily resident in the UK.

If 'No', go to question 10.

10

(a) When you came to the UK did you intend to remain here for three years or more?

Yes No

(b) If you came to the UK before 6 April 2007, did you at any time between the date you came and 6 April 2007 anticipate remaining in the UK for three years or more from the date you came?

Yes No

(c) During the year ended 5 April 2008, did you anticipate remaining in the UK for three years or more from the date you came?

Yes No

(d) If you are remaining in the UK, have you owned, or leased for three years or more, accommodation in the UK at any time between your arrival and 6 April 2008?

Yes No

(e) On 6 April 2007 had you been in the UK for at least three years?

Yes No

(f) If you came to the UK before 6 April 2003, have your visits to the UK exceeded 363 days in the four years ended 5 April 2007? Exclude any days that you spent in the UK because of exceptional circumstances beyond your control, for example, serious illness that occurred while you were here. But count all such days as days spent in the UK when completing box 10. The number of days that you have excluded because of exceptional circumstances in reaching a decision about your ordinary residence should be entered in box 11.

Yes No

(g) At any time during the year ended 5 April 2008 did you anticipate making visits to the UK that would average 91 days or more in a tax year over a four year period including 2007-08?

Yes No

If 'Yes' to any of questions 10(a) to 10(g), you are ordinarily resident in the UK.
If 'No' to all of questions 10(a) to 10(g), you are not ordinarily resident in the UK.
Put 'X' in box 2. Please complete boxes 4 to 17 where these are relevant to your circumstances. If you consider that you are resident but not ordinarily resident in the UK you do not need to complete boxes 10 to 12 or box 14.

Students

11 If you are a student in the UK for a period of study or education:

- (a) was it your intention during the year ended 5 April 2008 to be here for four years or more from the date of your arrival in the UK?
Yes No
- (b) if you came to the UK before 6 April 2007, did you at any time between the date you came and 6 April 2007 anticipate remaining in the UK for four years or more from the date you came?
Yes No
- (c) during 2007-08, were you still in the UK on or after the fourth anniversary of your arrival here?
Yes No
- (d) have you at any time between your arrival here and 6 April 2008 owned, or leased for three years or more, accommodation in the UK?
Yes No
- (e) on leaving the UK will you be returning regularly for visits that average 91 days or more a tax year?
Yes No

If 'Yes' to any of these questions, you are ordinarily resident in the UK.

If 'No' to all these questions, you are not ordinarily resident in the UK. Put 'X' in box 2. Please complete boxes 4 to 17 where these are relevant to your circumstances. If you consider that you are resident but not ordinarily resident in the UK you do not need to complete boxes 10 to 12 or box 14.

Split-year treatment

You are either resident or not resident in the UK for the whole of a tax year. However, by concession, the tax year is split in certain circumstances when you come to, or leave, the UK part way through a tax year. By answering the following questions you will be able to find out whether or not you qualify for split-year treatment for Income Tax purposes. For Capital Gains Tax purposes, as well as answering questions 12 to 19, you will need to consider the section headed 'Split-year treatment - capital gains' on page NRN 9.

If you are resident in the UK for 2007-08 but only came to the UK during the year ended 5 April 2008

12

- (a) Did you come to the UK during the year to 5 April 2008 intending to remain here for at least three years, having been not ordinarily resident in the UK throughout the year ending 5 April 2007?
Yes No

- (b) Between the date of your arrival in the UK and 5 April 2008, have you owned, or leased for three years or more, accommodation in the UK?

Yes No

If 'Yes' to either (a) or (b), you are treated as resident from the date of your arrival and entitled to split-year treatment. Put 'X' in box 3 (and make sure that you have not completed box 1). Please complete box 6.

If 'No', go to question 13.

13

Did you return to the UK during the year ended 5 April 2008 on completion of a period that included at least a whole tax year outside the UK and during that time either you had employment for a complete tax year outside the UK or your spouse or civil partner had an absence from the UK and an employment outside the UK that both lasted a complete tax year, and:

- during this period your visits to the UK totalled fewer than 183 days in any tax year, and
- those visits averaged fewer than 91 days a tax year?

Yes No

If 'Yes', you are treated as resident from the date of your arrival and entitled to split-year treatment. Put 'X' in box 3 (and make sure that you have not completed box 1). Please complete box 6.

If 'No', go to question 14.

14

Did you at any time before 6 April 2008 intend to remain here for at least two years, having been not ordinarily resident in the UK throughout the year ended 5 April 2007?

Yes No

If 'Yes', you are treated as resident from the date of your arrival and entitled to split-year treatment. Put 'X' in box 3 (and make sure that you have not completed box 1). Please complete box 6.

If 'No', go to question 15.

If you are resident in the UK for 2007-08 but left the UK during the year ended 5 April 2008

15 Were you not ordinarily resident throughout the year ended 5 April 2008?

Yes No

If 'Yes', go to question 16.

If 'No', go to question 17.

16

- (a) Did you at any time from the date you came to the UK, to the date you left the UK, anticipate remaining here for two years or more from the date you came?

Yes No

- (b) On the date you left the UK had you been here for two years or more?

Yes No

If 'Yes', to (a) or (b), go to question 16(c) below.

If 'No', you do not qualify for split-year treatment.

- (c) Did you leave the UK during the year ended 5 April 2008 to live abroad permanently, and have your visits between the date of your departure and 6 April 2008 averaged fewer than 91 days a tax year?

Yes No

If 'Yes', you are treated as resident up to and including the date of your departure and entitled to split-year treatment. Put 'X' in box 3 (and make sure that you have not completed box 1). Please complete box 7.

If 'No', you do not qualify for split-year treatment.

17 Did you leave the UK during the year to 5 April 2008 to live abroad permanently or indefinitely, and:

- your absence will continue to at least 6 April 2009, and
- your visits to the UK between the date of your departure and 6 April 2009 will average fewer than 91 days a tax year?

Yes No

If 'Yes', you are treated as resident up to and including the date of your departure and entitled to split-year treatment. Put 'X' in box 3 (and make sure that you have not completed box 1). Please complete box 7.

If 'No', go to question 18.

18 Did you leave the UK during the year ended 5 April 2008 to take up full-time employment abroad, and:

- your absence and employment will continue until at least 6 April 2009, and
- your visits to the UK between the date of your departure and 6 April 2009 will average fewer than 91 days a tax year?

Yes No

If 'Yes', you are treated as resident up to and including the date of your departure and entitled to split-year treatment. Put 'X' in box 3 (and make sure you have not completed box 1). Please complete box 7.

If 'No', go to question 19.

19 Did you leave the UK during the year to 5 April 2008, having been ordinarily resident, to accompany or join your spouse or civil partner who had taken up full time employment abroad, and:

- your spouse's or civil partner's absence and employment and your absence abroad will continue until at least 6 April 2009, and
- your visits to the UK between the date of your departure and 6 April 2009 will average fewer than 91 days a tax year, and
- if your spouse or civil partner left the UK during the year to 5 April 2008, their visits to the UK between the date of departure and 6 April 2009 will average fewer than 91 days a tax year, or
- if your spouse or civil partner left the UK before 6 April 2007, their visits to the UK totalled fewer than 183 days in the year to 5 April 2008 and averaged fewer than 91 days a tax year between the date of departure and 6 April 2008 or between 6 April 2004 and 6 April 2008, whichever is the shorter?

Yes No

If 'Yes', you are treated as resident up to and including the date of your departure and entitled to split-year treatment. Put 'X' in box 3 (and make sure you have not completed box 1). Please complete box 7.

If 'No' to both questions 18 and 19 you do not qualify for split-year treatment.

Split-year treatment – capital gains

You do not qualify for split-year treatment for Capital Gains Tax purposes if:

- by answering questions 12 to 19 on pages NRN 6 to NRN 8 you find you do not qualify for Income Tax purposes, or
- you left the UK on or after 6 April 2007 and you were resident or ordinarily resident for tax purposes for any part of at least four out of seven tax years ended 5 April immediately preceding the tax year 2007-08 (that is, 2000-01 to 2006-07 inclusive), or
- you returned to the UK on or after 6 April 2007 and you have been resident or ordinarily resident in the UK at any time during the five tax years 2002-03 to 2006-07 inclusive.

If you do not qualify for split-year treatment for Capital Gains Tax purposes and you have made any disposals of assets during the tax year to 5 April 2008, enter your chargeable gains and allowable losses on the *Capital Gains Summary* pages, available from the Orderline and www.hmrc.gov.uk

Temporary non-residents and Capital Gains Tax

The rules on temporary non-residents may apply to any gains or losses in respect of disposals made in years throughout which you were not resident and not ordinarily resident in the UK where:

- you returned to the UK during 2007-08 following a period of residence abroad
- you left the UK during 2002-03, 2003-04, 2004-05 or 2005-06
- between the tax year when you were last resident or ordinarily resident (referred to as the 'year of departure') and the year of your return there were fewer than five full tax years, and
- you were resident or ordinarily resident for at least part of each of four out of the seven tax years immediately prior to the year of departure.

If you think that the rules on temporary non-residents may apply ask the Orderline for Help Sheet 278 *Temporary Non-residents and Capital Gains Tax*.

Other matters relevant to boxes 6 to 14

General

Please note that if you consider yourself resident but not ordinarily resident in the UK you need only complete box 13.

If you have come to live in the UK, or you intend to work here for two years or more, please enter the relevant date in box 6. You may ignore previous short visits to the UK earlier in the same tax year in arriving at this date.

and

If you were resident in the UK simply because you spent 183 days or more here during the tax year, please enter the first and last dates on which you were present in the UK during the year.

If you have completed an extended period of work in the UK, or you have ceased to live here for other reasons, please enter the date you left in box 7. You may ignore subsequent short visits to the UK later in the same tax year in arriving at this date.

The date on which you became resident in the UK or ceased to be resident here is essentially a question of fact.

8 If you work full-time abroad, or if you worked full-time abroad before the date in box 6 or after the date in box 7

You need only complete box 8 if your work abroad could affect your residence status for tax purposes. That is, if you:

- worked in such employment for the whole of 2007-08, or
- returned to the UK during 2007-08 having worked in such employment for one or more previous tax years, or
- took up such an employment during 2007-08 and will be working abroad for the whole of 2008-09.

9 If you have come to the UK to live or to remain here for an extended period, put 'X' in the box

Please complete box 9 if, when you came to the UK, you intended to remain here for two years or more. To remain in the UK means to be here on a continuing basis apart from trips abroad for holidays, business or other reasons.

10 Up to 5 April 2006 the *Non-residence etc.* pages did not ask for a separate total of the days discounted because of exceptional circumstances beyond your control.

14 From 6 April 2006 this information has been requested. The meaning of exceptional circumstances has not changed.

If the transition affects the rolling average in box 14 you may provide a reconciliation in box 27.

12 When completing box 12 you do not need to count any presence in the UK when you were here merely in transit to another country. Unforeseen short delays will not affect this matter. This does not mean that work performed in the UK during such presence will be disregarded for tax purposes.

13 Please include in box 13 all the days on which you were present in the UK and performed any work duties, unless you have adopted a conventional basis in calculating your workdays. If you have used a conventional basis, please describe it briefly in box 27.

You may wish to include in box 27 a note about any days in the UK on which you performed only 'incidental duties' - see Help Sheet 211 *Employment - Residence and domicile issues*.

Claims for allowances for non-residents

Boxes 15 and 16 are not mutually exclusive. You may, if appropriate, complete both boxes.

Help Sheet 304 *Non-residents - relief under Double Taxation Agreements* gives you information that will be useful to you in deciding if you are entitled to personal allowances.

15 If you are entitled to claim personal allowances as a non-resident because of the terms of a Double Taxation Agreement

If you satisfy one of the conditions listed in the three bullet points on page NRN 11, you will need to get a certificate from the overseas tax authority stating that you are resident there for tax purposes for the period of the claim and, where appropriate, have documents (for example, a passport) to show that you are a national of that country. Keep the certificate and documents in case they are needed later to support your claim.

The list next to the first bullet point below does not include Jamaica and Namibia. These countries are members of the Commonwealth and their nationals will fall within the first condition relevant to box 16.

For the same reason the list next to the second bullet point below does not include the following countries: Australia, Bangladesh, Botswana, Canada, Cyprus, Gambia, India, Lesotho, Malaysia, Malta, New Zealand, Nigeria, Papua New Guinea, South Africa, Sri Lanka, Trinidad and Tobago and Uganda. Nationals of Pakistan and Zimbabwe also fall within the first condition relevant to box 16.

The member states of the European Economic Area (EEA), as shown in the second condition relevant to box 16, have been excluded from the lists mentioned above: Bulgaria, France, Germany and Greece from the first, the other members from the second.

The Double Taxation Agreements (DTAs) between the UK and the following members of the Commonwealth or United Kingdom Overseas Territories do not give nationals of these countries any entitlement to personal allowances: Antigua and Barbuda, Belize, Brunei, Falkland Islands, Ghana, Grenada, Guernsey, Guyana, Isle of Man, Jersey, Kiribati, Malawi, Montserrat, St Kitts and Nevis, Sierra Leone, Singapore, Solomon Islands and Tuvalu. Nationals of these countries should not complete box 15, although Commonwealth citizenship allows them to complete box 16.

The conditions are that:

- you are a national of Israel, or
- you are a national and a resident of Argentina, Azerbaijan, Belarus, Bolivia, Bosnia-Herzegovina, China, Côte d'Ivoire (Ivory Coast), Croatia, Egypt, Indonesia, Japan, Jordan, Kazakhstan, Macedonia, Montenegro, Morocco, Oman, Philippines, Russian Federation, Serbia, South Korea, Sudan, Switzerland, Taiwan, Tajikistan, Thailand, Tunisia, Turkey, Turkmenistan, Ukraine, Uzbekistan, Venezuela and Vietnam, or
- you are a resident of Austria, Barbados, Belgium, Fiji, France, Germany, Greece, Ireland, Kenya, Luxembourg, Mauritius, Myanmar (Burma), Namibia, Netherlands, Portugal, Swaziland, Sweden, Switzerland and Zambia.

If you are a resident, but not a citizen, of Austria, Belgium, France, Germany, Kenya, Luxembourg, Mauritius, Netherlands, Portugal, Sweden, Switzerland and Zambia you are not entitled to personal allowances if your income consists solely of dividends, interest and royalties or any combination of them.

16

Claims not based on the terms of a Double Taxation Agreement

If you are not resident in the UK and you satisfy one or more of the eight conditions listed below, you are entitled under UK law to the same personal allowances and reliefs that would be available to you if you were resident in the UK. The conditions are that:

- you are a Commonwealth citizen (which includes a British citizen)
- you are a national of a state within the European Economic Area (EEA), that is, Austria, Belgium, Bulgaria, Czech Republic, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden and UK
- you are, or have been, employed in the service of the British Crown
- you are employed in the service of any UK missionary society
- you are employed in the service of any State under the protection of Her Majesty

- you are resident in the Isle of Man or the Channel Islands
- you have previously resided in the UK and are resident abroad for the sake of your health, or the health of a member of your family living with you
- you are a widow, widower or surviving civil partner whose late husband, wife or civil partner was in the service of the British Crown.

Life assurance premium relief

If you completed boxes 2 and 7 and have paid premiums on a life assurance policy taken out before 14 March 1984, you may be entitled to claim relief on gross premiums paid. If you consider you are entitled to claim such relief, contact HMRC Residency at the address given on page NRN 27.

Overseas residence and double taxation relief

Please complete box 18 and/or box 19 as appropriate, even if you are or were resident in a country with which the UK does not have a Double Taxation Agreement. The list beginning on page NRN 14 tells you which countries currently have such agreements with the UK. The following notes give you more information about claiming relief under these agreements. If you live or lived in a country that does not have a formal residence criterion for tax or other purposes, please use the code for that country.

Where the statement of relief in terms of tax in box 20 or box 21 would require the performance of unnecessary calculations, please put a brief explanatory note of the background to the claim in box 27.

Double Taxation Agreements

A Double Taxation Agreement is an arrangement between the governments of two countries to resolve taxation issues affecting them both. Agreements contain detailed provisions designed to eliminate or relieve the double taxation that can occur when income arises in one country to a resident of another. They do this by either exempting the income from tax in one country, or by reducing the rate at which tax is charged in one country and allowing credit for that reduced rate of tax in the other.

Non-residents and UK property income

Even though you may be not resident in the UK you could be liable to UK tax on income arising in the UK, including property income. This is so whether or not tax is deducted by your letting agent, or tenants if there is no letting agent. You should complete the *UK property* pages, available from the Orderline and www.hmrc.gov.uk

You are not liable to UK tax if your total UK taxable income (including net property income) is less than any UK tax allowance to which you may be entitled.

A non-resident individual who is entitled to UK property income may, in certain circumstances, apply to receive that income with no tax deducted. Ask us about this, please. You should complete the *UK property* pages.

Non-residents and gains on life insurance policies

If you are not resident in the UK, we will not pursue the tax on any gain under a life insurance policy, contract for annuity, or capital redemption policy, if the terms of Extra Statutory Concession B53 are met. However, any gain counts towards your total income so you should fill in the relevant boxes on the *Additional information* pages of your Tax Return (Help Sheet 320 *Gains on UK life insurance policies* and Help Sheet 321 *Gains on foreign life insurance policies*, available from the Orderline or www.hmrc.gov.uk explain what to do) and, in the 'Any other

information' box, add 'I claim relief under Extra Statutory Concession B53 on my gain on life policy(ies)'.

Non-UK residents

If you are not resident in the UK but resident in a country with which the UK has a Double Taxation Agreement, you may be able to get relief from UK tax under the terms of that agreement in respect of income arising in the UK from:

- pensions (although only a few agreements allow relief for UK government pensions) and some annuities
- royalties
- property income distributions
- interest.

Some agreements require you to be subject to tax in the other country on the income in question, before you get relief from UK tax. The precise conditions for exemption or relief can be found in the relevant agreement. It is not possible to give full details here, as they vary between agreements. To claim double taxation relief, ask the Orderline (or go to www.hmrc.gov.uk) for Help Sheet 304 *Non-residents - relief under Double Taxation Agreements* and fill in box 21 to claim relief. If you require further assistance, ask us or your tax adviser.

Dual residence

Double taxation relief

It may be that you are resident in the UK under UK domestic tax law and also resident for the same period in another country under that country's rules (that is, you are 'dual resident'). If the other country is one with which the UK has a Double Taxation Agreement, the agreement will usually provide special rules for determining (but only for the purpose of applying its detailed provisions) in which of the two countries you are regarded as a resident.

If you are 'dual resident', you may be entitled to claim the exemptions and reliefs from UK tax granted to residents of that other country.

The rules for determining residence for the purposes of a Double Taxation Agreement can be complex. For example, they look at your 'permanent home', your personal and economic relations with both countries, where you have an 'habitual abode', and your nationality.

Some of these terms have special meanings and interpretation of them is not always straightforward. Not all agreements have identical rules, or a similar effect on tax liability.

The precise conditions for exemption or relief can be found in the relevant agreement. If you require further assistance, ask us or your tax adviser.

If you intend to claim relief, please complete box 20. Where you are claiming relief and you were resident for tax purposes in a country or countries with a tax year that fell partly within 2007-08 and partly within 2006-07, please give brief details in the 'Any other information' box, box 27. You will also need to obtain a certificate from the overseas tax authority showing that they regard you as a resident under the domestic tax law of that country for the period of claim.

Country or territory list

A '✓' in the second column of the list below, shows that the UK has a Double Taxation Agreement (DTA) covering the named country or territory.

Country or territory	DTA	3-letter code	Country or territory	DTA	3-letter code
Afghanistan		AFG	Cayman Islands		CYM
Albania		ALB	Central African Republic		CAF
Algeria		DZA	Chad		TCD
American Samoa <i>See Note F</i>		ASM	Chile	✓	CHL
Andorra		AND	China	✓	CHN
Angola		AGO	Christmas Island <i>See Note C</i>	✓	CXR
Anguilla		AIA	Cocos (Keeling) Islands <i>See Note C</i>	✓	CCK
Antigua and Barbuda	✓	ATG	Colombia		COL
Argentina	✓	ARG	Comoros		COM
Armenia		ARM	Congo		COG
Aruba		ABW	Cook Islands		COK
Australia	✓	AUS	Costa Rica		CRI
Austria	✓	AUT	Côte d'Ivoire	✓	CIV
Azerbaijan	✓	AZE	Croatia <i>See Note B</i>	✓	HRV
Bahamas		BHS	Cuba		CUB
Bahrain		BHR	Cyprus	✓	CYP
Bangladesh	✓	BGD	Czech Republic		CZE
Barbados	✓	BRB	Democratic Republic of the Congo (formerly Zaire)		COD
Belarus <i>See Note A</i>	✓	BLR	Denmark	✓	DNK
Belgium	✓	BEL	Djibouti		DJI
Belize	✓	BLZ	Dominica		DMA
Benin		BEN	Dominican Republic		DOM
Bermuda		BMU	Ecuador		ECU
Bhutan		BTN	Egypt	✓	EGY
Bolivia	✓	BOL	El Salvador		SLV
Bosnia and Herzegovina <i>See Note B</i>	✓	BIH	Equatorial Guinea		GNQ
Botswana	✓	BWA	Eritrea		ERI
Brazil		BRA	Estonia	✓	EST
British Virgin Islands		VGB	Ethiopia		ETH
Brunei Darussalam	✓	BRN	Faroe Islands		FRO
Bulgaria	✓	BGR	Falkland Islands	✓	FLK
Burkina Faso		BFA	Fiji	✓	FJI
Burundi		BDI	Finland	✓	FIN
Cambodia		KMH	France	✓	FRA
Cameroon		CMR	French Guiana <i>See Note D</i>	✓	GUF
Canada	✓	CAN	French Polynesia <i>See Note E</i>		PYF
Cape Verde		CPV	Gabon		GAB

Country or territory	DTA	3-letter code	Country or territory	DTA	3-letter code
Gambia	✓	GAM	Liberia		LBR
Georgia	✓	GEO	Libya		LBY
Germany	✓	DEU	Liechtenstein		LIE
Ghana	✓	GHA	Lithuania	✓	LTU
Gibraltar		GIB	Luxembourg	✓	LUX
Greece	✓	GRC	Macao (SAR)		MAC
Greenland		GRL	Macedonia (FYR) <i>See Note B</i>	✓	MKD
Grenada	✓	GRD	Madagascar		MDG
Guadeloupe <i>See Note D</i>	✓	GLP	Malawi	✓	MWI
Guam <i>See Note F</i>		GUM	Malaysia	✓	MYS
Guatemala		GTM	Maldives		MDV
Guernsey	✓	GSY	Mali		MLI
Guinea		GIN	Malta	✓	MLT
Guinea-Bissau		GNB	Marshall Islands		MHL
Guyana	✓	GUY	Martinique <i>See Note D</i>	✓	MTQ
Haiti		HTI	Mauritania		MRT
Honduras		HND	Mauritius	✓	MUS
Hong Kong (SAR)		HKG	Mayotte <i>See Note E</i>		MYT
Hungary	✓	HUN	Mexico	✓	MEX
Iceland	✓	ISL	Micronesia		FSM
India	✓	IND	Moldova		MDA
Indonesia	✓	IDN	Monaco		MCO
Iran		IRN	Mongolia	✓	MNG
Iraq		IRQ	Montenegro <i>See Note B</i>	✓	MNE
Ireland (Republic of)	✓	IRL	Montserrat	✓	MSR
Isle of Man	✓	IOM	Morocco	✓	MAR
Israel	✓	ISR	Mozambique		MOZ
Italy	✓	ITA	Myanmar (also known as Burma)	✓	MMR
Jamaica	✓	JAM	Namibia	✓	NAM
Japan	✓	JPN	Nauru		NRU
Jersey	✓	JSY	Nepal		NPL
Jordan	✓	JOR	Netherlands	✓	NLD
Kazakhstan	✓	KAZ	Netherlands Antilles		ANT
Kenya	✓	KEN	New Caledonia <i>See Note E</i>		NCL
Kiribati	✓	KIR	New Zealand	✓	NZL
Kuwait	✓	KWT	Nicaragua		NIC
Kyrgyzstan <i>See Note A</i>	✓	KGZ	Niger		NER
Laos		LAO	Nigeria	✓	NGA
Latvia	✓	LVA	Niue		NIU
Lebanon		LBN	Norfolk Island <i>See Note C</i>	✓	NFK
Lesotho	✓	LSO	North Korea		PRK

Country or territory	DTA	3-letter code	Country or territory	DTA	3-letter code
Northern Mariana Islands <i>See Note F</i>		MNP	Sudan	✓	SDN
Norway	✓	NOR	Suriname		SUR
Oman	✓	OMN	Svalbard and Jan Mayen Islands <i>See Note G</i>		SJM
Pakistan	✓	PAK	Swaziland	✓	SWZ
Palau		PLW	Sweden	✓	SWE
Panama		PAN	Switzerland	✓	CHE
Papua New Guinea	✓	PNG	Syria		SYR
Paraguay		PRY	Taiwan	✓	TWN
Peru		PER	Tajikistan <i>See Note A</i>	✓	TJK
Philippines	✓	PHL	Tanzania		TZA
Pitcairn Island		PCN	Thailand	✓	THA
Poland	✓	POL	Timor-Leste		TLS
Portugal	✓	PRT	Togo		TOG
Puerto Rico <i>See Note F</i>		PRI	Tokelau		TKL
Qatar		QAT	Tonga		TON
Reunion <i>See Note D</i>	✓	REU	Trinidad and Tobago	✓	TTO
Romania	✓	ROU	Tunisia	✓	TUN
Russian Federation	✓	RUS	Turkey	✓	TUR
Rwanda		RWA	Turkmenistan <i>See Note A</i>	✓	TKM
St Helena and Dependencies		SHN	Turks and Caicos Islands		TCA
St Kitts and Nevis	✓	KNA	Tuvalu	✓	TUV
St Lucia		LCA	Uganda	✓	UGA
St Pierre and Miquelon <i>See Note E</i>		SPM	Ukraine	✓	UKR
St Vincent and the Grenadines		VCT	United Arab Emirates		ARE
Samoa		WSM	United Kingdom		GBR
San Marino		SMR	United States of America	✓	USA
Sao Tome and Principe		STP	United States Virgin Islands <i>See Note F</i>		VIR
Saudi Arabia		SAU	Uruguay		URY
Senegal		SEN	Uzbekistan	✓	UZB
Serbia <i>See Note B</i>	✓	SRB	Vanuatu		VUT
Seychelles		SYC	Vatican		VAT
Sierra Leone	✓	SLE	Venezuela	✓	VEN
Singapore	✓	SGP	Vietnam	✓	VNM
Slovak Republic	✓	SVK	Wallis and Futuna Islands <i>See Note E</i>		WLF
Slovenia <i>See Note B</i>	✓	SVN	Yemen		YEM
Solomon Islands	✓	SLB	Zambia	✓	ZMB
Somalia		SOM	Zimbabwe	✓	ZWE
South Africa	✓	ZAF	None of the above		<i>see Note H</i>
South Korea	✓	KOR			
Spain	✓	ESP			
Sri Lanka	✓	LKA			

Notes

A

Entitlement continues under the Double Taxation Agreement the UK had with the former Soviet Union until such time as a new Double Taxation treaty takes effect.

B

Entitlement continues under the Double Taxation Agreement the UK had with the former Yugoslavia until such time as a new Double Taxation treaty takes effect.

C

These territories are part of Australia, in a geographical sense, for the purposes of the Double Taxation Agreement between the UK and Australia. However, the validity of any particular claim under the Double Taxation Agreement could depend on you being a resident of Australia for Australian tax purposes.

D

These territories are 'departements d'outre-mer' and are therefore an integral part of France for the purposes of the Double Taxation Agreement between the UK and France.

E

These territories are not covered by the Double Taxation Agreement between the UK and France.

F

These territories are not covered by the Double Taxation Agreement between the UK and the United States of America.

G

The Kingdom of Norway includes these territories, but they are not part of Norway for the purposes of the Double Taxation Agreement between the UK and Norway.

H

Please give details in the 'Any other information' box.

Domicile

Domicile is a general law, rather than a tax law, concept. There are many factors that affect your domicile. Some of the main points you should consider if you are claiming not to be domiciled in the UK are:

- you cannot be without a domicile
- you can only have one domicile at a time
- you are normally domiciled in the country where you have your permanent home
- your existing domicile continues until you can prove that you have a new one
- domicile is distinct from nationality or residence.

Please note that references to being domiciled in the UK are references to being domiciled in any part of the UK.

There are three types of domicile for Income Tax and Capital Gains Tax purposes:

- domicile of origin
- domicile of choice
- domicile of dependence.

Domicile of origin

You normally acquire a domicile of origin from your father when you are born. It need not be the country in which you were born. A domicile of origin may change as a result of adoption but not otherwise. A domicile of origin is not easy to displace.

For example, if you leave the country of your domicile of origin, you will continue to be domiciled there until you acquire a domicile of choice elsewhere.

Domicile of choice

You have a legal capacity to acquire a new domicile at the age of 16. Broadly, to acquire a domicile of choice you must leave your current country of domicile and settle in another country. You need to provide strong evidence that you intend to live there permanently or indefinitely. The following factors will be relevant, though the list is not exhaustive:

- your intentions
- your permanent residence
- your business interests
- your social and family interests
- your ownership of property
- the form of any will you have made.

If you need help, ask us or your tax adviser.

Domicile of dependence

Until you have the legal capacity to change it, your domicile will follow that of the person on whom you are legally dependent.

If the domicile of that person changes, you automatically acquire the same domicile, in place of your domicile of origin. Before 1974, married women automatically acquired their husband's domicile. As a married woman, who married before 1974, you retain your husband's domicile until you legally acquire a new domicile.

An exception to this rule is the Double Taxation Agreement between the UK and the USA, which provides that a marriage before 1974 between a woman who is a US national and a man domiciled within the UK, is deemed to have taken place on 1 January 1974.

Relevance of your domicile to your tax liability

Having read the above guidelines, if you think you are not domiciled in the UK you must now decide whether domicile has any immediate relevance to your UK tax liability. If you are not resident and not ordinarily resident in the UK, you will not usually need to consider domicile or complete boxes 22 to 26. Work through the following questions.

20 Did you have, or could you have benefited from, any income arising abroad or gains on assets situated outside the UK for the year to 5 April 2008 that will not be wholly remitted to the UK?

Yes No

21 Have you made (or will you be making) a claim for the year to 5 April 2008 for UK tax relief on contributions to a non-UK pension scheme or retirement benefit plan, which were incurred out of remuneration you received from an employer who is not resident in the UK?

Yes No

22 Have your costs for the year to 5 April 2008, or those of your family, in travelling between the country in which you normally live and the UK, been borne or reimbursed by your employer?

Yes No

23 In the year to 5 April 2008 did you have income from an employment:

- where the employer was not resident in the UK, and
- the employment was carried out abroad, and
- you have not remitted the whole of the income to the UK?

Yes No

If 'Yes' to any of questions 20 to 23, domicile is relevant for the year ended 5 April 2008, put 'X' in box 22. Please also complete boxes 23 to 26 as appropriate. If 2007-08 is the first year that you have claimed to be domiciled outside the UK, please put 'X' in box 23 even if you have never been domiciled within the UK.

When completing box 24, if you do not have a specific date on which your domicile changed, please use 5 April at the end of the tax year in which the change took place. If the tax year is an approximation, please make a note of this in the 'Any other information' box, box 27.

Please put 'X' in box 25 if you were born in the UK but your domicile of origin is outside the UK and your domicile is relevant to your Income Tax or Capital Gains Tax liability.

The date in box 26 should be that on which you started to live in the UK as your home. In many cases the date that you came to live in the UK will be the same as the date on which you first became resident here for tax purposes. The main exception will occur if you have been treated as resident in the UK simply because of the number of days that you have spent here. Please do not complete box 26 if you do not live in the UK.

If 'No' to all of questions 20 to 23, domicile is not relevant for the year ended 5 April 2008. Do not fill in boxes 22 to 26.

Tax implications

Broadly the UK charges tax on:

- income arising in the UK, whether the individual to whom it belongs is resident in the UK or not
- income arising outside the UK that belongs to individuals resident in the UK
- gains accruing on the disposal of assets anywhere in the world, that belong to individuals resident or ordinarily resident in the UK.

Special rules apply in some circumstances, but generally the amount of Income Tax and Capital Gains Tax you have to pay depends on whether you are resident and ordinarily resident in the UK, and in some cases on your domicile.

Application to specific sources of income/gains

The Tables on pages NRN 22 to NRN 26 summarise the tax consequences of the tax status you claim. If a Table shows that you are liable to tax, fill in the relevant boxes in your Tax Return. If a Table shows that you are not liable, do not put the income or gains concerned in your Tax Return.

If a Table shows that you are liable on a remittance basis, you are liable to UK tax on the amount of your overseas income or gains paid here, or transmitted, or

brought to the UK in any way. (Note that the remittance basis needs to be claimed in some circumstances.) If this applies, enter the amount of the remittance in the relevant boxes in your Tax Return.

The 'arising' basis

Unless a Table shows that you are liable to Income Tax or Capital Gains Tax on the remittance basis, enter the full amount of income or gain arising from the particular source in the tax year, even if the income or gain is not brought to the UK. In the case of business profits or rental income, the 'full amount of income arising' means the gross income minus allowable expenses. For other sources the 'full amount' is the gross income arising.

The 'remittance' basis

Where a Table shows that you are liable to Income Tax or Capital Gains Tax on the remittance basis, enter in the relevant part of your Tax Return the full amount of the actual sums received in the UK in the tax year, irrespective of the tax year in which the income arose, unless the income arose in a tax year in which you were not resident in the UK. The amount received in the UK might be less or more than the amount of income or gains arising in the tax year.

Example 1

Ian is resident but not domiciled in the UK. He opened an overseas interest-bearing bank account in 2005-06 and interest arose as follows:

2005-06	2006-07	2007-08
£200	£400	£500

Ian has claimed the remittance basis for each year. If none of the interest was received in the UK in 2005-06 or 2006-07, but £800 was brought to the UK in 2007-08, Ian will be liable to UK Income Tax for 2007-08 on £800, even though only £500 arose in that year. Ian will enter £800 in the *Foreign* pages.

If, however, the above account had been closed on 31 December 2006, the whole of the £600 interest that arose in 2005-06 and 2006-07 could be brought to the UK at any time in the 2007-08 tax year without incurring a UK tax charge.

Example 2

John is resident but not domiciled in the UK. He has an overseas bank account containing £50,000, from the proceeds of selling property overseas of £45,000 (the original cost of which was £30,000) and interest credited for the year of £5,000. If he transfers £35,000 to the UK during the year, he will be liable to tax as follows:

- £5,000 will be liable to Income Tax. He will put it in the *Foreign* pages. Note that remittances from 'mixed' funds of income and capital are treated primarily as coming from income unless the facts show otherwise
- £10,000 will be liable to Capital Gains Tax - this is one-third of the amount transferred to the UK (£35,000 minus £5,000). He will put this in the *Capital Gains Summary* pages. The fraction is used because immediately before the transfer to the UK the fund contained £50,000, of which £45,000 was proceeds from the disposal of property overseas and one third of that (£15,000) was a gain (£45,000 minus the original £30,000 cost).

Meaning of 'received in the UK'

Income or gains are 'received in the UK' if funds provided in the UK are derived from income or gains arising overseas. The precise way this result is achieved makes no difference. Any commercially recognised form of money, such as cash, notes, cheques, promissory notes, bills of exchange or financial credit, can constitute a remittance.

The money does not have to be physically imported from overseas. It may, for example, be received in the UK from another UK resident, in return for money, or assets representing income or gains, being transferred to them abroad. Nor does the money have to be received by you personally - if it is received by someone else on your authority, for example, in settlement of a debt between you and that person, then a remittance will have occurred.

If you use overseas income or gains to acquire assets that you subsequently bring to the UK, the import of the asset may in some circumstances constitute the income or gains being received in the UK. Even where it does not, if at a later date, you sell the asset in the UK, you may need to treat the proceeds as a taxable remittance of income or gains, to the extent that the funds originally used to acquire the asset were derived from overseas income or gains.

Similarly, if you use overseas income or gains to acquire an asset or investment abroad, and at a later date the asset or investment is sold or encashed and the proceeds transferred to the UK, the proceeds will constitute a sum 'received' and be taxable up to the amount of the overseas income or gains used to acquire the asset in the first place.

If you are in doubt about whether income or gains from abroad have been received in the UK, or the precise amount of that income or gains, ask us or your tax adviser for assistance.

Table 1 – Scope of liability to Income Tax on employment income*

	Residence status ¹ and whether domiciled in the UK	Employment performed wholly or partly in the UK:		Employment performed wholly outside the UK ²
		– <i>in the UK</i>	– <i>outside the UK</i>	
Earnings from employment with a foreign employer ^{3 and 4}	Resident and ordinarily resident, not domiciled	Liable – less possible deduction ⁵	Liable – less possible deduction ⁵	Liable on the remittance basis – see notes on page NRN 20
	Resident but not ordinarily resident, not domiciled	Liable	Liable, but the remittance basis can be claimed ^{1, 2 and 3} – see notes on page NRN 20	Liable on the remittance basis – see notes on page NRN 20
	Not resident not domiciled	Liable	Liable, but the remittance basis can be claimed ^{1, 2 and 3} – see notes on page NRN 20	Not liable
Other earnings ⁴	Resident and ordinarily resident, domiciled	Liable – less possible deduction ⁵	Liable – less possible deduction ⁵	Liable – less possible deduction ⁵
	Resident and ordinarily resident, not domiciled	Liable – less possible deduction ⁵	Liable – less possible deduction ⁵	Liable – less possible deduction ⁵
	Resident but not ordinarily resident, domiciled	Liable	Liable on the remittance basis – see notes on page NRN 20	Liable on the remittance basis – see notes on page NRN 20
	Resident but not ordinarily resident, not domiciled	Liable	Liable on the remittance basis – see notes on page NRN 20	Liable on the remittance basis – see notes on page NRN 20
	Not resident	Liable	Not liable	Not liable

Notes

*Subject to any different treatment provided for under the terms of the relevant article in a Double Taxation Agreement.

- 1 If your residence and domicile status is anything other than resident and ordinarily resident and domiciled in the UK and you worked overseas during the year, you should refer to Help Sheet 211 *Employment – residence and domicile issues* before completing the *Employment* page.
- 2 If you hold an office or employment but no liability to UK Income Tax arises on the earnings, do not complete the *Employment* page for that office or employment. Tick 'Yes' at Question 1 on page 2 of your Tax Return and make a note in the 'Any other information' box, box 19 on page TR6 explaining your circumstances. If you held two or more offices or employments with the same employer or associated employers and earnings from, say, one are chargeable to UK Income Tax but earnings from the other are not, you should complete the *Employment* page for both or all of the associated employments. If you are unsure, contact us for advice.
- 3 The $\frac{1}{10}$ th deduction is not due if the remittance basis is claimed.
- 4 If you are tax equalised by your employer, you should refer to Help Sheet 212 *Tax equalisation* before completing the *Employment* page.
- 5 If you think that you may qualify for the Seafarers' Earnings Deduction, ask the Orderline for Help Sheet 205 *Seafarers' Earnings Deduction*.

Table 2 – Scope of liability to Income Tax on pension income*

If Table 2 shows that you are liable to Income Tax on pension income complete:

- boxes 7 to 14 as appropriate on page TR 3 of your Tax Return
- the *Foreign* pages for any overseas pension.

If Table 2 shows that you are not liable to Income Tax on overseas pension income, do not complete the *Foreign* pages for that income. This also applies to income arising abroad in the part of a split-year during which you would not normally have been liable to tax.

Residence status and whether domiciled in the UK	Paid by, or on behalf of a person:	
	- in the UK	- outside the UK
Resident and ordinarily resident, domiciled	Liable	Liable ¹
Resident and ordinarily resident not domiciled	Liable	Liable, but the remittance basis can be claimed ^{2 and 3} – see notes on page NRN 20
Resident but not ordinarily resident, domiciled	Liable	Liable, but the remittance basis can be claimed ^{1, 2 and 3} – see notes on page NRN 20
Resident but not ordinarily resident, not domiciled	Liable	Liable, but the remittance basis can be claimed ^{1, 2 and 3} – see notes on page NRN 20
Not resident	Liable ^{4 and 5}	Not liable

Notes

*Subject to any different treatment provided for under the terms of the relevant article in a Double Taxation Agreement.

1 Less 1/10th deduction.

2 Pensions arising in Ireland are liable on the arising basis minus 1/10th deduction. In the case of Irish Government pensions this applies only if the pensioner is solely a UK national.

3 The 1/10th deduction is not due if the remittance basis is claimed.

4 Where a pension is paid by an employer, or its successor, in the UK and the pension arises wholly from an employment carried out abroad, that pension should not be included for 2007-08. A pension is regarded as arising wholly from an employment abroad if:

- the last ten years' service for which the pension is paid was abroad, or
- the service abroad amounted to
 - half the total service for which the pension is paid, and
 - at least ten of the last 20 years.

This note does not apply to a UK or Northern Ireland Crown employment pension.

5 The tax charge on state pensions and annuities under retirement annuity contracts or trust schemes is limited to the amount, if any, deducted at source. If you have any such income, ask the Orderline for Help Sheet 300 *Non-residents and investment income*.

Table 3 - Scope of liability to Income Tax on investment income*

If Table 3 shows that you are liable to Income Tax, complete the following parts of your Tax Return, relevant to each source of income:

- for income from UK savings and investments - boxes 1 to 6 on page TR 3 of your Tax Return and boxes 1 to 3 and 12 and 13 on page Ai 1 of your *Additional information* pages
- for rent or income from UK property - the *UK property* pages
- for other income from UK investments - page TR 3 of your Tax Return
- for income from investments outside the UK - *Foreign* pages
- for gains under a life insurance policy, contract for life annuity, or a capital redemption policy, boxes 4 to 11 on page Ai 1 of the *Additional information* pages of your Tax Return.

If Table 3 shows that you are not liable to Income Tax, do not complete the Tax Return for that particular source of income. This also applies to income arising abroad in the part of a split-year during which you would not normally have been liable to tax.

If, as a result of a transfer of assets, you have received a benefit from a person abroad, or the income from abroad is to be treated as your income for tax purposes, please see Help Sheet 262 *Income and benefits from transfers of assets abroad or from non-resident trusts*.

Residence status and whether domiciled in the UK	Investment income:		UK Government securities
	- arising in the UK	- arising outside the UK	
Resident and ordinarily resident, domiciled	Liable	Liable	Liable
Resident and ordinarily resident not domiciled	Liable	Liable, but the remittance basis can be claimed ¹ - see notes on page NRN 20	Liable
Resident but not ordinarily resident, domiciled	Liable	Liable, but the remittance basis can be claimed ¹ - see notes on page NRN 20	Not liable
Resident but not ordinarily resident, not domiciled	Liable	Liable, but the remittance basis can be claimed ¹ - see notes on page NRN 20	Not liable
Not resident but ordinarily resident, domiciled	Liable ²	Not liable	Liable
Not resident but ordinarily resident, not domiciled	Liable ²	Not liable	Liable
Not resident and not ordinarily resident, domiciled	Liable ²	Not liable	Not liable
Not resident and not ordinarily resident, not domiciled	Liable ²	Not liable	Not liable

Notes

*Subject to any different treatment provided for under the terms of the relevant article in a Double Taxation Agreement.

1 Income arising in Ireland is liable on the arising basis.

2 UK property income, and investment income connected to a trade carried on in the UK through a permanent establishment are liable to Income Tax in the normal way. The tax charge on other income covered by Table 3 is limited to the amount of tax, if any, deducted at source. If the tax charge is limited in this way, personal allowances will not be given against other income. If you have any income within this latter category and you intend to work out your tax, ask the Orderline for Help Sheet 300 *Non-residents and investment income*.

Table 4 – Scope of liability to Income Tax on self-employment income*

If Table 4 shows that you are liable to Income Tax on self-employment income complete a set of *Self-employment* pages for each self-employment and for each set of accounts relevant to the basis period for each one.

If Table 4 shows that you are not liable to Income Tax on self-employment income do not complete those pages for that income. This also applies to income arising abroad in the part of a split-year during which you would not normally have been liable to tax.

Residence status and whether domiciled in the UK	Trade, profession or vocation carried on wholly or partly in the UK	Trade, profession or vocation carried on wholly outside the UK
Resident and ordinarily resident, domiciled	Liable	Liable
Resident and ordinarily resident, not domiciled	Liable	Liable, but the remittance basis can be claimed ¹ - see notes on page NRN 20
Resident but not ordinarily resident, domiciled	Liable	Liable, but the remittance basis can be claimed ¹ - see notes on page NRN 20
Resident but not ordinarily resident, not domiciled	Liable	Liable, but the remittance basis can be claimed ¹ - see notes on page NRN 20
Not resident	Liable ²	Not liable

Notes

*Subject to any different treatment provided for under the terms of the relevant article in a Double Taxation Agreement.

- 1 Income from a trade, profession or vocation carried out wholly in Ireland is liable on the arising basis.
- 2 Complete the *Self-employment* pages to show profits attributable to the UK.

Table 5 – Scope of liability to Capital Gains Tax on disposals of assets*

If Table 5 shows that you are **liable** to Capital Gains Tax, complete the *Capital Gains Summary* pages.

If Table 5 shows that you are **not liable** to Capital Gains Tax, do not complete those pages for these assets.

Residence status and whether domiciled in the UK	Gains on disposal of:	
	- UK assets ¹	- overseas assets
Resident and ordinarily resident, domiciled	Liable	Liable
Resident and ordinarily resident, not domiciled	Liable	Liable if received in the UK - see notes on page NRN 21
Resident but not ordinarily resident, domiciled	Liable	Liable
Resident but not ordinarily resident, not domiciled	Liable	Liable if received in the UK - see notes on page NRN 21
Not resident but ordinarily resident, domiciled	Liable	Liable
Not resident but ordinarily resident, not domiciled	Liable	Liable if received in the UK - see notes on page NRN 21
Not resident and not ordinarily resident, domiciled	Not liable ^{2 and 3}	Not liable ³
Not resident and not ordinarily resident, not domiciled	Not liable ^{2 and 3}	Not liable ³

Notes

*Subject to any different treatment provided for under the terms of the relevant article in a Double Taxation Agreement.

1 There is no liability if the disposal is of certain UK government securities.

2 Liability will arise if the assets were used or held for the purposes of a trade, profession or vocation carried on in the UK through or by a branch or agency.

3 Gains arising during a period of temporary non-residence may be chargeable (see page NRN 9).

Further advice or information

For more information go to www.hmrc.gov.uk

Special rules apply to some people working abroad and also to members of visiting forces who are posted to the UK. Further guidance may be obtained from our offices as follows:

Crown employees or pensioners (for example, civil servants, diplomats, members of the armed forces)

South Wales Area, Cardiff (Compliance)
Residence Group 15 East
Ty-Glas
Llanishen
Cardiff
Wales CF14 5FP
Phone: **0845 300 3949** (from UK) **00 44 161 931 9070** (from overseas)
email: via our website at www.hmrc.gov.uk/car/email-htm

European Community (EC) employees and also members of visiting forces who are posted to the UK

HMRC Residency (NR Individuals)
St John's House
Merton Road
Liverpool
England L75 1BB
Phone: **0845 070 0040** (from UK) **00 44 151 210 2222** (from overseas)
email: via our website at www.hmrc.gov.uk/car/email-htm

Employees working in oil and gas extraction industries (where the employer is not resident in the UK)

Foreign Compliance,
Queensway House
East Kilbride
Glasgow
Scotland G79 1AA
Phone: **01355 275701**

Merchant Navy seafarers

South Wales Area, Cardiff (Compliance)
Marine Group 15 East
Ty-Glas
Llanishen
Cardiff
Wales CF14 5FP
Phone: **0845 300 3949** (from UK) **00 44 161 931 9070** (from overseas)
email: via our website at www.hmrc.gov.uk/car/email-htm

Non-resident entertainers and sports persons

Foreign Entertainers Unit
St John's House
Merton Road
Liverpool
England L75 1BB
Phone: **0151 472 6488** (from UK) **00 44 151 472 6488** (from overseas)

