



Overseas investment in UK property by individuals

How can we help?

Providing robust compliance and advisory services to assist your investment.

We have extensive experience in advising and assisting overseas investors in UK property, from direct investment in 'buy to let' investment property, to complex commercial and trading structures.

HELPING YOU WITH ALL ASPECTS OF TAX COMPLIANCE

Our specialist teams have assisted property investor clients in the following areas, adding value through our advisory services, including:

'Non-Resident Landlord' (NRL) registration with HM Revenue & Customs – this allows rental income to be paid gross, otherwise tax must be withheld by the letting agent or tenant at 20%.

Preparation of UK tax returns – a requirement for registered NRLs, which allows tax deductible finance interest and expenses to be claimed. Net rental or trading profits may be taxable on individuals at 20% to 45%.

Completion of the annual ATED Returns – this is necessary where UK investment and residential property is held through a corporate body, whether or not the charge is payable.

Completion of capital gains tax returns for companies and individuals – individual disposals of UK residential property must be reported within 30 days, even if there is no tax payable.

Establishing an offshore holding structure – trusts and offshore companies have historically provided a tax-efficient way to hold UK property. This position is now threatened by actual and proposed changes to the UK tax regime. It is more important than ever that those setting up structures (or with existing structures) obtain appropriate tax advice.

Advising on tax-efficient financing – interest payable on bank mortgages or private loan arrangements can be used to significantly reduce rental profits, but care must be taken to avoid withholding tax on the interest payments. This area will become more complex in the future following the announcement of a phased reduction in the tax relief for finance costs.

Advising on tax deductibility of expenses – repair, maintenance and administration expenses are usually deductible from rental income, while improvements and other 'capital' expenditure may not be.



We have a strong reputation for integrity and reliability.



Advising on avoiding UK inheritance tax

– UK property is potentially subject to inheritance tax if held directly by an individual, but can be avoided through the use of an offshore holding company or reduced with mortgages. The UK Government proposes to introduce legislation effective on or after 6 April 2017 to apply UK inheritance tax on UK residential property held through the use of an offshore holding company or other structure.

Advising on tax on disposal – non-UK residents are subject to capital gains tax on the sale of UK investment and residential property from 6 April 2015. Certain non-natural persons may also be liable to capital gains tax on UK residential properties and profits on property development or trading may also be subject to income tax.

Advising on commercial property – commercial property may be subject to Value Added Tax (VAT) or permit the deduction of capital allowances in relation to 'plant and machinery' or certain categories of building.

ABOUT UHY HACKER YOUNG

- A top 15* group of UK chartered accountants, providing accounting, tax, trust and consultancy services from 27 offices across the UK.
- Strong links to local business communities and a reputation for integrity and reliability in the financial community.
- A focus on individuals and owner-managed businesses, from start-ups to stock market listed companies.
- The London office, established 90 years ago, has 23 partners and 200 staff who service the needs of clients from a variety of backgrounds.
- A founder member of the UHY international network.

WHY US

- We provide a property service tailored to the needs of our investor clients.
- We are committed to the property sector, through our National Property Sector group, comprising specialist property partners and managers from across the UK.
- We care about giving you the best service and the best advice.
- We will put together a specialist team capable of servicing your investor needs, whatever they may be, in a co-ordinated, proactive and cost-effective manner.
- Our UK network allows us to share knowledge and solutions, while each office retains local knowledge and the flexibility to act quickly and proactively.
- UHY is a global entity, it has a structure with the depth and breadth that can help clients do business with any organisation of any size and compete for foreign and cross-border business effectively.

ADVICE YOU CAN TRUST, A RELATIONSHIP THAT WILL LAST

- Our foundation of service, based on strong ties and long-standing loyalty, continues to be valued and fostered at its roots in the UK.
- We will work closely with you, in tandem with your existing advisers where appropriate.
- Where external expertise is needed, we will seek to introduce capable professionals who are right for you.

For further information on any of the above or to arrange a meeting to discuss your specific requirements, please contact your usual UHY contact or find your local property expert on our website: www.uhy-uk.com/locations-people.

* Latest Accountancy Age and Accountancy Magazine league tables

UHY Hacker Young Associates is a UK company which is the organising body of the UHY Hacker Young Group, a group of independent UK accounting and consultancy firms. Any services described herein are provided by the member firms and not by UHY Hacker Young Associates Limited. Each of the member firms is a separate and independent firm, a list of which is available on our website. Neither UHY Hacker Young Associates Limited nor any of its member firms has any liability for services provided by other members.

A member of UHY International, a network of independent accounting and consulting firms.



This publication is intended for general guidance only. No responsibility is accepted for loss occasioned to any person acting or refraining from actions as a result of any material in this publication. © UHY Hacker Young 2015

www.uhy-uk.com

