

Panel – UK Update

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UK Update

- Capital Gains Tax reforms
- Changes to remittance regime for “non-doms”
- Residence rule changes
- New Companies Act

Capital Gains Tax Reforms

- Disposals after 6 April 2008
- Abolition of taper relief
 - previously, for business assets
 - 40% for higher rate taxpayer in first year, reducing to
 - 20% after 1 year
 - 10% after 2 years
- 18% flat rate regardless of asset and taxpayer
 - first £9,600 of annual gains exempt
 - entrepreneur's relief on lifetime gains of £1m



Changes to remittance rules

- Non-domiciled individuals
- Remittance basis
 - non-UK income and gains free from UK tax
 - unless remitted to UK
 - NOR employment income
 - OR dual contracts
- Arising basis
 - worldwide income and gains subject to UK tax as they arise
- Election to be taxed on remittance basis
- £30,000 annual charge if >7 years in past 10



Other changes

- Alignment of R/NOR and R/OR employment-related securities rules
- New Companies Act
 - loans to directors were generally prohibited
 - now subject to shareholder approval
 - with extended exemptions



Questions?

Thank you for your participation

