HM Revenue & Customs

Foreign notes

Tax year 6 April 2017 to 5 April 2018 (2017–18)

Use these notes to help you fill in the Foreign pages of your tax return

These notes are for common types of foreign income including:
- interest from overseas savings
- dividends from foreign companies
- income from overseas pensions and property (not exempt from tax by the property income allowance)

Property income allowance

From 6 April 2017, any income from overseas property, including UK property, up to £1,000 is exempt from tax and doesn't need to be reported on a tax return. This exemption applies even if your share of this income is from property you own or let jointly.

If your total income from your overseas property, including UK property or furnished holiday letting (FHL) income reported on the 'UK property' page, is £1,000 or less, don't complete the 'Foreign' pages unless your allowable expenses are higher than your turnover and you want to be able to claim relief for the loss against future property income. If you do this don't complete the property income allowance box (box 14.1).

If your total income from your overseas property, including UK property or furnished holiday letting (FHL) income reported on the 'UK property' page, is over £1,000, complete the 'Foreign' pages by either:
- claiming the new allowance in box 14.1 - if you claim the property income allowance, you can't deduct any allowable expenses or claim any other allowances
- calculating your property profits by deducting allowable expenses and allowances - if you do this, you can't claim the property income allowance

If you have more than one property business, the total amount of property income allowance claimed can't exceed £1,000.

> For more information on the property income allowance, go to www.gov.uk/guidance/tax-free-allowances-on-property-and-trading-income

Check if you still need to fill in a tax return

If you don't think you need to fill in a tax return for this year, go to www.gov.uk/check-if-you-need-a-tax-return

If you don't need to fill in a return, you must tell us by 31 January 2019 to avoid paying penalties.

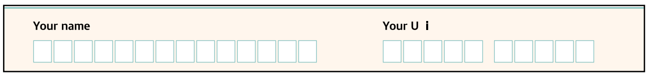
Use the 'Foreign' pages if you want to claim Foreign Tax Credit Relief or Special Withholding Tax if you are claiming the remittance basis.

Don't use the 'Foreign' pages for:
- foreign income earned by your business or partnership – use the 'Self-employment' or 'Partnership' pages instead
- capital gains from the disposal of overseas assets – use the 'Capital gains summary' pages
- foreign employment income – use the 'Employment' pages
- income from furnished holiday lettings in the European Economic Area – use the 'UK property' pages unless you're taxable on the remittance basis

> For more information on furnished holiday lettings, go to www.gov.uk and search for 'HS253' and for the remittance basis, go to www.gov.uk and search for 'HS264'.

Your name and Unique Taxpayer Reference

If you printed the 'Foreign' pages from our website, fill in your name and Unique Taxpayer Reference (UTR) in the boxes at the top of the form.



Example of completed name and UTR boxes

Unremittable income

If you claimed any income as unremittable in an earlier tax year and the restrictions preventing you from bringing that income to the UK stopped during the 2017 to 2018 tax year, you must convert that foreign income and tax into UK pounds using the exchange rate when the restriction ended.

This is foreign income that you couldn't bring to the UK because of exchange controls or a shortage of foreign currency in the overseas country. If you later bring this income into the UK, convert the income and foreign tax into UK pounds, using the exchange rate at the time of the remittance.

Box 1 If you were unable to transfer any of your overseas income to the UK, put 'X' in the box

If you put an 'X' in box 1, you must give details of the country where the income arose, the amount in foreign currency and any foreign tax you've paid in 'Any other information' on page TR 7 of your tax return.

Foreign Tax Credit Relief

If you've paid tax in another country on your overseas income you can claim Foreign Tax Credit Relief (FTCR) if:

- you're a UK resident
- the foreign income was properly charged under that country's law
- the amount of FTCR doesn't exceed UK tax on the same item of income or gains
- there's a double taxation agreement (DTA) and foreign tax relief is restricted to the minimum foreign tax payable in the agreement

If no DTA exists, or the agreement doesn't cover that particular foreign tax, relief is only available if the tax matches UK Income Tax or Capital Gains Tax.

A DTA is an arrangement to avoid taxing the same item twice. If a DTA is in place, check how its terms apply to you. If the agreement doesn't give the other country or territory the right to tax the income, you can't claim FTCR and must claim relief in the other country.

You can't claim FTCR for taxed dividends from Antigua, Australia (franked dividends only), Belize, Cayman Islands, Cyprus, Gambia, Guernsey, Isle of Man, Jersey, Kiribati, Malaysia, Malta, Montserrat and Singapore.

Box 2 If you are calculating your tax, enter the total Foreign Tax Credit Relief on your income

You don't have to work out the FTCR yourself. We'll do this for you if you complete other relevant boxes and send your tax return by the filing date. Only fill in box 2 if you want to calculate the FTCR yourself.

If you want to calculate FTCR, use Helpsheet 263, 'Calculating Foreign Tax Credit Relief on income' first. Put the total amount of relief in box 2.

For more information, go to www.gov.uk and search for 'HS263'.

Income from overseas sources

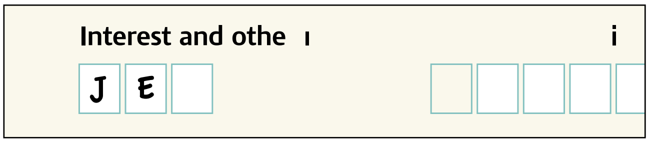
If you put any amounts on page F 2 and page F 3, convert the income into UK pounds using the exchange rate at the time the income arose. If you're not sure, ask your tax adviser.

Put the full amount in the relevant boxes (even if you didn't bring the income into the UK) and fill in the 'Total' boxes on page F 3.

If you don't have room for all your entries, attach a separate sheet for each type of income.

Column A

Use the list that follows to find the 3-letter code for the country where your income arose.
Put that code in column A. Use a separate row for each country.



Example of the country code for Jersey, column A

Country or territory list

A '•' in the second column of the list shows that the UK has a double taxation agreement (DTA) with that country or territory.

Country or territory	DTA	3-letter code
Afghanistan		AFG
Albania	•	ALB
Algeria	•	DZA
American Samoa		ASM
Andorra		AND
Angola		AGO
Anguilla		AIA
Antigua and Barbuda	•	ATG
Argentina	•	ARG
Armenia	•	ARM
Aruba		ABW
Australia	•	AUS
Austria	•	AUT
Azerbaijan	•	AZE

Country or territory	DTA	3-letter code
Bahamas		BHS
Bahrain	•	BHR
Bangladesh	•	BGD
Barbados	•	BRB
Belarus	•	BLR
Belgium	•	BEL
Belize	•	BLZ
Benin		BEN
Bermuda		BMU
Bhutan		BTN
Bolivia	•	BOL
Bonaire	•	BES
Bosnia and Herzegovina	•	BIH
Botswana	•	BWA
Brazil		BRA
British Virgin Islands	•	VGB
Brunei Darussalam	•	BRN
Bulgaria	•	BGR
Burkino Faso		BFA
Burma (also known as Myanmar)	•	MMR
Burundi		BDI
Cambodia		KHM
Cameroon		CMR
Canada	•	CAN
Cape Verde		CPV
Cayman Islands	•	CYM
Central African Republic		CAF
Chad		TCD
Chile	•	CHL
China	•	CHN
Christmas Island	•	CXR
Cocos (Keeling) Islands	•	CCK
Colombia		COL
Comoros		COM
Congo		COG
Cook Islands		COK
Costa Rica		CRI
Côte d'Ivoire	•	CIV
Croatia	•	HRV
Cuba		CUB
Curaçao	•	CUW
Cyprus	•	CYP
Czech Republic	•	CZE
Democratic Republic of the Congo (formerly Zaire)		COD
Denmark	•	DNK

Country or territory	DTA	3-letter code
Djibouti		DJI
Dominica		DMA
Dominican Republic		DOM
Ecuador		ECU
Egypt	•	EGY
El Salvador		SLV
Equatorial Guinea		GNQ
Eritrea		ERI
Estonia	•	EST
Ethiopia	•	ETH
Falkland Islands	•	FLK
Faroe Islands	•	FRO
Fiji	•	FJI
Finland	•	FIN
France	•	FRA
French Guiana	•	GUF
French Polynesia		PYF
Gabon		GAB
Gambia	•	GMB
Georgia	•	GEO
Germany	•	DEU
Ghana	•	GHA
Gibraltar		GIB
Greece	•	GRC
Greenland		GRL
Grenada	•	GRD
Guadeloupe	•	GLP
Guam		GUM
Guatemala		GTM
Guernsey	•	GGY
Guinea		GIN
Guinea-Bissau		GNB
Guyana	•	GUY
Haiti		HTI
Honduras		HND
Hong Kong (SAR)	•	HKG
Hungary	•	HUN
Iceland	•	ISL
India	•	IND
Indonesia	•	IDN
Iran		IRN
Iraq		IRQ
Ireland (Republic of)	•	IRL
Isle of Man	•	IMN
Israel	•	ISR
Italy	•	ITA

Country or territory	DTA	3-letter code
Jamaica	•	JAM
Japan	•	JPN
Jersey	•	JEY
Jordan	•	JOR
Kazakhstan	•	KAZ
Kenya	•	KEN
Kiribati	•	KIR
Kosovo	•	XKX
Kuwait	•	KWT
Kyrgyzstan		KGZ
Laos		LAO
Latvia	•	LVA
Lebanon		LBN
Lesotho	•	LSO
Liberia		LBR
Libya	•	LBY
Liechtenstein	•	LIE
Lithuania	•	LTU
Luxembourg	•	LUX
Macao (SAR)		MAC
Macedonia (FYR)	•	MKD
Madagascar		MDG
Malawi	•	MWI
Malaysia	•	MYS
Maldives		MDV
Mali		MLI
Malta	•	MLT
Marshall Islands		MHL
Martinique	•	MTQ
Mauritania		MRT
Mauritius	•	MUS
Mayotte		MYT
Mexico	•	MEX
Micronesia		FSM
Moldova	•	MDA
Monaco		MCO
Mongolia	•	MNG
Montenegro	•	MNE
Montserrat	•	MSR
Morocco	•	MAR
Mozambique		MOZ
Namibia	•	NAM
Nauru		NRU
Nepal		NPL
Netherlands	•	NLD
New Caledonia		NCL

Country or territory	DTA	3-letter code
New Zealand	•	NZL
Nicaragua		NIC
Niger		NER
Nigeria	•	NGA
Niue		NIU
Norfolk Island	•	NFK
North Korea		PRK
Northern Mariana Islands		MNP
Norway	•	NOR
Oman	•	OMN
Pakistan	•	PAK
Palau		PLW
Panama	•	PAN
Papua New Guinea	•	PNG
Paraguay		PRY
Peru		PER
Philippines	•	PHL
Pitcairn Island		PCN
Poland	•	POL
Portugal	•	PRT
Puerto Rico		PRI
Qatar	•	QAT
Reunion	•	REU
Romania	•	ROU
Russian Federation	•	RUS
Rwanda		RWA
St Helena and Dependencies		SHN
St Kitts and Nevis	•	KNA
St Lucia		LCA
St Pierre and Miquelon		SPM
St Vincent and the Grenadines		VCT
Saba	•	BES
Samoa		WSM
San Marino		SMR
Sao Tome and Principe		STP
Saudi Arabia	•	SAU
Senegal	•	SEN
Serbia and Montenegro	•	SRB
Seychelles		SYC
Sierra Leone	•	SLE
Singapore	•	SGP
Sint Eustatius	•	BES
Sint Maarten (Dutch part)	•	SXM
Slovak Republic	•	SVK
Slovenia	•	SVN
Solomon Islands	•	SLB

Country or territory	DTA	3-letter code
Somalia		SOM
South Africa	•	ZAF
South Korea	•	KOR
South Sudan		SSD
Spain	•	ESP
Sri Lanka	•	LKA
Sudan	•	SDN
Suriname		SUR
Svalbard and Jan Mayen Islands		SJM
Swaziland	•	SWZ
Sweden	•	SWE
Switzerland	•	CHE
Syria		SYR
Taiwan	•	TWN
Tajikistan	•	TJK
Tanzania		TZA
Thailand	•	THA
Timor-Leste		TLS
Togo		TGO
Tokelau		TKL
Tonga		TON
Trinidad and Tobago	•	TTO
Tunisia	•	TUN
Turkey	•	TUR
Turkmenistan	•	TKM
Turks and Caicos Islands		TCA
Tuvalu	•	TUV
Uganda	•	UGA
Ukraine	•	UKR
United Arab Emirates	•	ARE
United Kingdom		GBR
United States of America	•	USA
United States Virgin Islands		VIR
Uruguay	•	URY
Uzbekistan	•	UZB
Vanuatu		VUT
Vatican		VAT
Venezuela	•	VEN
Vietnam	•	VNM
Wallis and Futuna Islands		WLF
Yemen		YEM
Zambia	•	ZMB
Zimbabwe	•	ZWE
None of the above (Give details in 'Any other information' on page TR 7 of your tax return.)		ZZZ

Column B

In column B, put the total amount of income (in UK pounds) before taking off any foreign tax or Special Withholding Tax (SWT).

SWT is an amount of tax taken off certain payments to UK residents (in addition to foreign tax). It can be set against your UK tax liability or repaid to you if the amount exceeds your liability for that year. This will only now be relevant if you are taxable on the remittance basis and are remitting income relating to earlier years where SWT was withheld.

You need to add the tax taken off to the amount received after deduction and put the total in column B (make sure that you put the SWT in column D).

If you have more than one source of the same income from a country, add the amounts together (unless taxed differently). For example, if you have 2 savings accounts in Monaco, add the amounts before putting the total in column B.

B Amount o ı ı ı i

rom overseas sa i

						1	2	0

Example of income arising or received, column B

The following countries may have taken SWT: Andorra, Austria, Curaçao, Gibraltar, Jersey, Liechtenstein, Luxembourg, Monaco, San Marino, Sint Maarten and Switzerland.

Column C

If you had any foreign tax taken off your income in column B, put the amount of tax (in UK pounds) in column C. Foreign tax is the lower of the foreign tax actually withheld and the amount of tax credit allowed under the terms of a double taxation agreement.

Column D

If you are taxable on the remittance basis, put any SWT taken off your foreign income in column D. You must show your amount in UK pounds.

If you've had any UK Income Tax taken off this income, include it here and give further details in 'Any other information' on page TR 7 of your tax return.

Column E

If you're claiming Foreign Tax Credit Relief, put 'X' in this box.

Column F

If you're claiming Foreign Tax Credit Relief (FTCR), put the same amount as the figure in column B. If you're not claiming Foreign Tax Credit Relief, the figure will be the amount in column B, minus any amount in column C.

From 6 April 2016, if you haven't paid tax because you're within the Dividend Allowance then you can't claim FTCR on that income.

Interest and other income from overseas savings

In columns A to F include any:

- interest from foreign bank accounts, foreign company loan stocks or from loans to individuals or organisations outside the UK
- interest from overseas unit trusts and other investment funds (use the details on your unit trust or fund voucher)
- income from a purchased life annuity
- excess 'reported income' from reporting offshore funds – this is income accumulating in offshore funds that you haven't yet received
- other overseas savings and accrued income securities

For information on the Accrued Income Scheme, go to www.gov.uk and search for 'HS343'.

Box 3

Fill in columns A to F, add up the figures in column D and put the total in box 3. Include any amounts shown on separate sheets that you attach to the 'Foreign' pages.

Box 4

Fill in columns A to F, add up the figures in column F and put the total in box 4. Include any amounts shown on separate sheets that you attach to the 'Foreign' pages.

Dividends from foreign companies

In columns A to F put details of any:

- dividends from foreign companies (use the details on your dividend voucher)
- distributions (use their value at the date of distribution) from overseas sources, such as, company assets released to shareholders

Don't include:

- distributions from the liquidation of a foreign company
- distributions from a foreign company that return your capital interest or are in the form of its own stocks and shares
- stock dividends or bonus shares from a stock dividend issue made by a foreign company

There are specific rules about dividends from offshore funds. If the fund has more than 60% invested in interest bearing assets, any distribution that you receive, or that are reported to you, are treated as interest received. You need to put this under 'Interest and other income from overseas savings'.

If you're not sure whether your shares are in an offshore fund, ask your tax adviser.

Box 5

Fill in columns A to F, add up the figures in column D and put the total in box 5. Include any amounts shown on separate sheets that you attach to the 'Foreign' pages.

Box 6

Fill in columns A to F, add up the figures in column F and put the total in box 6. Include any amounts shown on separate sheets that you attach to the 'Foreign' pages.

Remittance basis applied for earlier years

If, in the 2017 to 2018 tax year, you remitted to the UK foreign dividends taxed using the remittance basis in an earlier year, include this amount in box 4.

Dividends of earlier tax years aren't shown on the section of your tax return dealing with foreign dividends. If you are claiming a tax credit on a foreign dividend that was paid to you after 5 April 2008, you should use the working sheet on page FN 7 to work out the amounts to enter in column B on page F 2.

To claim the tax credit, you will need to make an adjustment to box 2 on page F 1. Fill in the working sheet on page FN 7 to calculate the adjustment. Add this into box 2. Tell us in the 'Any other information' box (on page TR 7 of your tax return) the total amount of dividends included in box 4 and the amount that doesn't qualify for UK tax credit.

Working sheet for non-UK dividends qualifying for tax credit

Amount actually received	A	£
Foreign tax taken off before receipt	B	£
Total box A + box B	C	£
Box C x 100/90 Copy to column B on page F 2	D	£
Box D x 10% Add to amount in box 2	E	£

Dividends received on or after 6 April 2016

Dividends received on or after 6 April 2016 no longer qualify for a dividend tax credit. From 6 April 2016, you won't pay tax on the first £5,000 of dividend income you receive (the dividend allowance). You'll pay tax on dividends above the dividend allowance at the following rates:

- 7.5% on dividend income within the basic rate band
- 32.5% on dividend income within the higher rate band
- 38.1% on dividend income within the additional rate band

Include all dividend income, even if it's less than £5,000, as it may affect the rate of tax that you pay on dividends you receive in excess of the £5,000 allowance.

For more information, go to www.gov.uk/tax-on-dividends

Overseas pensions, social security benefits, and royalties

Fill in columns A to F if you received a pension or social security benefits from overseas during the 2017 to 2018 tax year. You must also include any pensions or annuities (not purchased life annuities) paid in the UK for an overseas pension provider. Also include lump sum payments from overseas schemes that are taxable as pension income.

Don't include pensions or lump sums from overseas pension schemes registered in the UK on this page. These go in the 'UK pensions, annuities and other state benefits received' section on page TR 3 of your tax return.

If your foreign pension included payments from an earlier tax year, you can set those payments against the year that they belong to if the pension is taxed on the arising basis. If you're not sure if this is to your advantage, ask us or your tax adviser.

10% deduction

From 6 April 2017 you will pay tax on 100% rather than 90% of your foreign pension, annuity or social security benefits regardless of when you started to take it. The 10% deduction has been abolished. You must tell us the total overseas pension, annuity or social security benefit payments you received.

If you've a pension that is not taxable in the UK because of a DTA, give full details of the pension payer, pension and the relevant DTA in 'Any other information' on page TR 7 of your tax return.

Exemption

Some foreign pensions are wholly or partly exempt from UK tax.

These include:

- war widow's pensions, if the death in service was before 6 April 2005, and some pensions paid to other dependants of deceased forces and Merchant Navy personnel
- foreign pensions with an award for a work-related illness or injury at work – the award amount is not taxable
- certain pensions and annuities payable under German or Austrian laws – if you started to receive this in the 2017 to 2018 tax year, attach a copy of the pension award ('Bescheid') to your tax return
- pensions and annuities payable under the Netherlands' Wet uitkeringen vervolgingsslachtoffers 1940 to 1945 scheme
- certain beneficiaries' income withdrawal or annuities purchased from unused pension drawdown or flexi-access drawdown funds

For more information on inheriting a pension, go to www.gov.uk/tax-on-pension-death-benefits

If you're not sure whether your pension is exempt from UK tax, ask your tax adviser.

For more information about pensions for war widows and dependants, go to www.gov.uk/war-widow-pension

Claiming an exemption

If you're claiming Foreign Tax Credit Relief – put in column F, the amount in column B, minus the exemption – remember to put an 'X' in column E.

If you're not claiming Foreign Tax Credit Relief – put in column F, the amount in column B, minus the exemption and less any amount in column C.

Social security benefits

Don't include foreign benefits that match the following UK benefits:

- Incapacity Benefit paid in the first 28 weeks of your incapacity or if you've been getting it for the same illness since before 13 April 1995
- Attendance Allowance
- Disability Living Allowance or Severe Disablement Allowance
- Maternity Allowance
- Guardian's Allowance
- Child Benefit
- Universal Credit

Include all other foreign benefits. If you're not sure what to include, ask us or your tax adviser.

Box 8

Fill in columns A to F, add up the figures in column D and put the total in box 8. Include any amounts shown on separate sheets that you attach to the 'Foreign' pages.

Box 9

Fill in columns A to F, add up the figures in column F and put the total in box 9. Include any amounts shown on separate sheets that you attach to the 'Foreign' pages.

Dividends and all other income received by a person abroad

Boxes 10 to 13

You may need to fill in boxes 10 to 13 if you transferred or have taken part in the transfer of assets so that a person abroad received income. Put all items chargeable as income under the transfer of assets provisions in this section.

If the income received by the person abroad is 'protected foreign income', don't enter details of protected foreign income in boxes 10 to 13.1.

Please read the 'Trust protections and protected foreign income' section of Helpsheet 262, 'Income and benefits from transfers of assets abroad and income from non-resident trusts', for further information.

> Go to www.gov.uk and search for 'HS262'.

Relief for residential finance costs

For the tax year 6 April 2017 to 5 April 2018, the allowable cost of getting a loan or alternative finance to buy a residential property that is let, and any interest on those loans and alternative finance, is restricted to 75% of these costs for each property business.

Any amounts of residential property income from persons abroad included in box 13 must be calculated using only 75% of those finance costs.

> For more information on the residential property finance costs restriction, go to www.gov.uk/guidance/changes-to-tax-relief-for-residential-landlords-how-its-worked-out-including-case-studies

Box 13.1 Amount of residential property income or restricted finance costs associated with income in box 13 for calculating relief for residential finance costs

The remaining 25% of the finance costs (the 'restricted finance costs') from each residential property business operated by persons abroad is used as a basis for calculating a reduction to your Income Tax. Use the working sheet on page FN 9 to calculate your tax reduction. Each person must be considered separately and each property business they carry on (for example UK property and foreign property) must be considered separately. If a property business made no profit, or made a loss, put zero in column A. If it had no finance costs, put zero in column B.

Any unused finance costs can be carried forward to following years.

Use the working sheet below to calculate your tax reduction.

Working sheet for box 13.1	Column A Property business profits £	Column B Restricted finance costs £	Column C Lower of column A and column B £	Unused finance costs to be carried forward £
Example 1: Person A's foreign property business	15,000	2,000	2,000	0
Example 2: Person A's UK property business carried on in partnership	3,000	4,000	3,000	1,000
Property business 1				
Property business 2				
Property business 3				
Property business 4				
Property business 5				
Property business 6				
Property business 7				
Property business 8				
Total of column C – copy to box 13.1				

Income from land and property abroad

From 6 April 2017 to 5 April 2018, you're taxable on the amount of your overseas rental income over £1,000, even if you don't bring that income to the UK, unless you claim the remittance basis of taxation.

If your overseas rental income was up to £1,000, read 'Property income allowance' on page FN 1.

Fill in boxes 14 to 24.1, columns A to F, and boxes 25 to 32, if you've any of the following:

- only one overseas let property
- more than one property but they're in the same country, and all the income is remittable
- more than one property and no foreign tax is taken off any of the income and all the income is remittable

If you've more than one overseas let property and your properties are in different countries and you've paid foreign tax on that rental income, photocopy pages F 4 and F 5 and fill in the boxes for each property.

Furnished holiday lettings in the European Economic Area (EEA)

Only fill in page F 4 and page F 5 if you pay tax on the remittance basis. You need to show all amounts of income from land and property abroad remitted to the UK, unless your total property income was up to £1,000 and you're claiming the property income allowance. Read 'Property income allowance' on page FN 1. If you want to claim Foreign Tax Credit Relief, fill in the 'Foreign tax paid on employment, self-employment and other income' section on page F 6.

Don't include income from the commercial letting of furnished holiday lettings (FHL) in the EEA calculated on the arising basis. This goes in the 'UK property' pages.

> For more information about furnished holiday lettings, go to www.gov.uk and search for 'HS253'.
>
> For more information about the remittance basis, go to www.gov.uk and search for 'HS264'.

Income and expenses

Box 14 Total rents and other receipts (excluding taxable premiums for the grant of a lease)

Put the total amount of any rents, or other receipts, you receive from any rights or interests held in land or property abroad, in box 14. Don't include any chargeable premiums here. These go in box 16. Before completing this box, read 'Property income allowance' on page FN 1. If you use cash basis, your income is the total amounts you received during the year (see box 14.2).

Box 14.1 Property income allowance

Before completing this box, read 'Property income allowance' on page FN 1.

If your property income is over £1,000 and you're claiming property income allowance, the total amount of the allowance claimed from all property businesses (this includes UK or EEA FHL or UK property business) can't exceed £1,000.

Box 14.2 Traditional accounting or cash basis

Only put 'X' in box 14.2 if you used traditional accounting instead of cash basis to calculate your income and expenses.

Cash basis is a simpler way of working out your property business profits or losses. You add up all your property income received (your turnover) and take off any allowance expenses paid in the year. Don't include money you owe or owed to you after 5 April 2018.

You can only use cash basis if your total income from foreign property (including FHLs in the EEA) is up to £150,000.

If you have income from a foreign property and an FHL in the EEA, you must use the same accounting practice for both incomes. Box 14.2 and box 5.2 on the 'UK property' page must both be either present or absent.

> For more information about cash basis, go to www.gov.uk/simpler-income-tax-cash-basis

Transitional adjustments

If you use cash basis for the 2017 to 2018 tax year, you may need to make a transitional adjustment.

All transitional receipts must be included in box 14 and all transitional expenses must be included in box 17.

Box 16 Premiums paid for the grant of a lease

If you've been paid premiums for the grant of a lease for possession of a property, put the amount received in box 16. Before you fill in this box, you may need to fill in the working sheet for premiums for the grant of a lease, in the 'UK property' notes.

> For more information, go to www.gov.uk and search for 'SA105'.

Box 17 Property expenses (rent, repairs, legal fees, cost of services provided)

You can claim expenses such as:
- rents, rates, insurance and ground rents
- property repairs and maintenance
- legal, management, professional fees
- interest and other finance charges (restricted for residential property from 6 April 2017)
- costs of services provided, including wages
- other property expenses

You can't deduct expenses:
- incurred in connection with the first letting or subletting of a property, such as the cost of drawing up a lease, agents' and surveyors' fees and commission
- for costs of agreeing and paying a premium on renewal of a lease
- for fees for planning permission or registration of title on a property purchase
- for renewals – the renewals allowance for the cost of replacing items is no longer available – use box 23 for the cost of replacing domestic items such as furniture, furnishings, appliances and kitchenware
- if you've claimed the trading income allowance in box 14.1 - don't fill in box 17, go straight to box 18 and box 24 (don't complete boxes 19, 21, 22, 23 or 24.1) - if you claimed capital allowances in previous years on an asset that you have disposed of this year then go to box 20, otherwise go to box 24

Don't include the cost of buying or selling, improving or altering, land or property, equipment, furnishings or furniture. These are capital allowances and go in box 21.

Non-residential property

You can claim the costs of getting a loan or alternative finance to buy a non-residential property that you let, and the full amount of any interest on such a loan or alternative finance payments.

Residential property

For the 2017 to 2018 tax year, you can only claim 75% of the cost of getting a loan, or alternative finance to buy a residential property that you let, and 75% of any interest on such a loan or alternative finance payments.

For example, if you incurred £4,000 in interest on such a loan:
- include £3,000 (75% of £4,000) in box 17
- put £1,000 (25% of £4,000) in box 24.1 - this will be used to calculate a reduction in your Income Tax

For more information on the residential property finance costs restriction, go to www.gov.uk/guidance/changes-to-tax-relief-for-residential-landlords-how-its-worked-out-including-case-studies

Use the working sheet below to work out the amount to include in box 17 and box 24.1.

Working sheet for box 17 and box 24.1

Non-residential finance charges and loan interest	A	£
Residential finance charges and loan interest	B	£
Box B x 75%	C	£
Box B minus box C (copy this to box 24.1)	D	£
Box A + box C (include this amount in box 17)	E	£

Calculating profits and losses for tax purposes

Box 19 Private use adjustment

If you put any amounts in box 17 that weren't solely for the property business, put the private (non-business) proportion in box 19. For example, if you include the cost of insuring the property for a year in box 17, and you only let it for 8 months, put the 4 months non-business cost in box 19.

Box 20 Balancing charges

You may need to make an adjustment, called a balancing charge, if you sell, give away or stop using an item in your business that you claimed a capital allowance on. Put this amount in box 20.

Box 21 Capital allowances for equipment and vehicles

You can't deduct the cost of buying, altering, building, installing or improving 'fixed' assets such as property, equipment or machinery. Nor can you claim depreciation or losses when such assets are disposed of. Instead, you can claim capital allowances, which reduce your profits (or increase a loss).

Expenditure incurred on the provision of, or the special leasing of, plant or machinery for use in a dwelling house is not qualifying expenditure for capital allowances for an ordinary property business or an overseas property business.

There are rules for claiming capital allowances on fixtures in a property that you buy, sell or lease.

From April 2012, if you buy or sell a property that has fixtures, you must agree the part of the purchase price to be attributed to those fixtures with the other party to the sale. You should have a mutual agreement which is usually made by means of a joint election (called a 'section 198' election) which you must tell HM Revenue and Customs about within 2 years of the date of transfer.

From April 2014, if you buy or sell a property the new owner won't be able to claim allowances for fixtures, if the previous owner didn't pool their qualifying expenditure on the fixtures.

You can't claim capital allowances if you are claiming the property income allowance (in box 14.1).

> For more information on capital allowances, go to www.gov.uk/capital-allowances

Box 22 Zero-emission goods vehicle allowance

Claim the full cost of a new, but not second hand, zero-emission goods vehicle in this box.

If you use a vehicle outside of your business, for 50% of the time for example, you must reduce the amount of the allowance you claim by 50%. You can't claim capital allowances if you are claiming the property income allowance (in box 14.1).

Box 23 Costs of replacing domestic items (for residential lettings only)

You can claim the cost of replacing domestic items in the residential accommodation where:

- the cost is incurred on purchasing a replacement domestic item – you can't claim the initial cost for an item provided for use in the accommodation for the first time
- the new item is provided solely for the use of the tenants in the accommodation and the old item is no longer available for use

If the new item is an improvement on the old item, you can only claim up to the amount needed to replace the original item.

Include items such as:

- moveable furniture, for example, beds, free-standing wardrobes
- furnishings, for example, curtains, linens, carpets, floor coverings
- household appliances, for example, televisions, fridges, freezers
- kitchenware, for example, crockery, cutlery

You can't claim capital allowances if you are claiming the property income allowance (in box 14.1).

Box 24 Adjusted profit or loss for the year

Add boxes 18, 19 and 20 together. Then take off boxes 21, 22 and 23 and put the total in box 24.

24	**Adjusted profit or loss for the year (boxes 18 to 20) minus (boxes 21 to 23)**
	£ 18700.00

Example of adjusted profit, box 24

If this is a negative amount (a loss), put a minus sign in the shaded box in front of your figure.

If you're claiming property income allowance, you will only have entries in boxes 14, 16 and 20. Add these together, deduct the amount in box 14.1 and put the total in box 24.1. This cannot be a loss.

Box 24.1 Residential finance costs not included in box 17

You can only claim 75% of the finance costs incurred on residential property in box 17. Include the remaining 25% in box 24.1. This will be used to calculate a reduction in your Income Tax. Use the working sheet on page FN 11 to work out the amount to put in box 24.1.

> For more information on the residential property finance costs restriction, go to www.gov.uk/guidance/changes-to-tax-relief-for-residential-landlords-how-its-worked-out-including-case-studies

Summary

Fill in this section if you receive any income from land and property abroad. You don't need to do this if you've claimed the remittance basis and have made no remittance in the year.

> For more information about the remittance basis, go to www.gov.uk and search for 'HS264'.

If you've only filled in one set of boxes 14 to 24, copy the figure from box 24 to box 25 and fill in columns A to F.

If you photocopied pages F 4 and F 5, because you had more than one overseas let property, you need to add together the profit and losses for all your let properties to work out the overall total.

If you're claiming Foreign Tax Credit Relief, you need to keep separate calculations of profit and loss to work out the amount of UK tax for each property.

Losses

Only fill in boxes 26, 27, 31 and 32 if you pay tax on the arising basis.

If you're claiming Foreign Tax Credit Relief and there are losses available, you need to take off the losses in the order that most benefits your claim.

Column A

Use the list on pages FN 2 to FN 5 of these notes to find the 3-letter code for the country where your land or property income arose.

If you've properties in more than one country but you're only filling in one set of boxes 14 to 24, put the country code of the first property in column A and the codes for the others in 'Any other information' on page TR 7 of your tax return.

Column B

Put the profit or loss amount from your let property in column B.

Column C

Put the amount of any foreign tax paid on your let income in column C.

Column D

Put the amount of UK tax taken off in column D.

Column E

If you're claiming Foreign Tax Credit Relief (FTCR), put 'X' in the box.

Column F

If you're claiming FTCR, and there's a profit figure in column B, put that figure in column F. If you're not claiming FTCR, the figure will be the amount in column B, minus any amount in column C.

If you're claiming FTCR and have profits and losses from more than one foreign property, take off the losses from your profits in the order that most benefits your FTCR claim. Then put the profits from each property in column F.

If there's a loss from one foreign property, or losses from any property, don't fill in the column F boxes.

Box 26 Total loss brought forward from earlier years

If you've any unused losses from earlier years (box 32 on your 'Foreign' pages for the 2016 to 2017 tax year), put that figure in box 26.

You can use this to reduce your overall profit or add to your overall loss.

Box 27 Total taxable profits

If the figure in box 25 is a profit, take off any unused losses in box 26 that you want to use against your profits (up to the amount in box 25) and put the total here.

If the figure in box 25 is negative (a loss), leave box 27 blank.

Boxes 28 and 29

Fill in columns A to F, add up the figures in:

- column C and put the total foreign tax figure in box 28
- column D and put the total UK tax in box 29

Include any amounts shown on separate sheets that you attach to the 'Foreign' pages.

Box 30 Total taxable amount

Add up the figures in column F, including any shown on a separate sheet, and take off any losses in box 26 that you want to set off against the total amount. Put this figure in box 30 (enter '0' if it's a minus figure).

Box 31 Loss set off against total income

In some cases, you can set off a loss against your total income for the 2017 to 2018 tax year if the loss arises because of your claim to capital allowances. Any loss to be set off must be either:

- the lower of any capital allowance in box 21, after deducting any balancing charges in box 20, or the figure in box 24
- the greater of £50,000 or 25% of your adjusted total income

If you can't use all your losses for the 2017 to 2018 tax year, you can carry the balance forward by filling in box 32. The time limit for claiming is 31 January 2020.

> For more information on the limit on Income Tax reliefs, go to www.gov.uk and search for 'HS204'.

Box 32 Total loss to carry forward to the following year

If you made a net profit, there is a positive amount in box 25. Put in box 32, the total loss brought forward from box 26.

If you've made a net loss, there's a minus figure in box 25. Put in box 32, the total loss in box 25, plus any losses brought forward from earlier years (box 26), minus any amount set off against total income (box 31). The time limit for claiming this is 5 April 2022.

You'll need the figure in box 32 to fill in the 'Foreign' pages on next year's tax return.

Foreign tax paid on employment, self-employment and other income

Fill in this section if you're claiming Foreign Tax Credit Relief on income or gains that you've put elsewhere on your tax return, including income from furnished holiday lettings in an EEA country.

If you paid foreign tax on your employment income, you must fill in the 'Employment' page. For example, if you work for a British company abroad.

If you've income from membership of Lloyd's, you'll need Helpsheet 240, 'Lloyd's underwriters' to help you fill in this part of the 'Foreign' pages.

> For more information, go to www.gov.uk and search for 'HS240'.

Column A

Use the list on pages FN 2 to FN 5 of these notes to find the 3-letter code for the country where your foreign income had tax taken off.

Put that code in column A. Use a separate row for each country.

Column C

If you had any foreign tax taken off your income, put the amount of tax (in UK pounds) in column C.

Column F

Put the gross amount of foreign income (before tax taken off) which you've shown elsewhere (for example, on the 'Employment' page) in column F. You'll need to give us the details in 'Any other information' on page TR 7 of your tax return.

If you've a business in the UK and the gross receipts include income that you've paid foreign tax on, you need to work out the amount of profit that came from the overseas receipts. If the income is from the overseas branch of a UK business, put the gross profits earned by the branch in column F.

In some cases, if your business basis period for the 2017 to 2018 tax year overlaps with your basis period for the 2016 to 2017 tax year, you may be able to claim FTCR.

> For more information about overlap, go to www.gov.uk and search for 'HS260'.

Capital gains – Foreign Tax Credit Relief and Special Withholding Tax

Boxes 33 to 40

If you've paid tax in a foreign country on a gain and you want to claim Foreign Tax Credit Relief (FTCR), fill in box 33 and boxes 37 to 40 (in UK pounds) as appropriate. Don't fill in boxes 34 to 36.

If you've more than one gain, show this information on a separate sheet. Include in boxes 33, 37, 39 and 40, any amounts you put on the separate sheet.

If you want to claim FTCR, put 'X' in box 38. You don't have to work out the FTCR yourself. If you want to work it out, use Helpsheet 261, 'Foreign Tax Credit Relief: capital gains' to help you. Put the amount you're claiming in box 39.

If you are taxable on the remittance basis and the remitted proceeds of a sale chargeable to Capital Gains Tax had Special Withholding Tax (SWT) taken off, put the SWT amount in box 40.

> For more information, go to www.gov.uk and search for 'HS261'.

Other overseas income and gains

Box 41 Gains on disposals of holdings in offshore funds (excluding the amounts entered in box 13) and discretionary income from non-resident trusts

The rules for the disposal of an interest in an offshore fund can be complex. Ask your tax adviser or read the guidance in our Offshore Funds Guide Manual and our Savings and Investment Manual if you need to fill in box 41.

If you received income from a non-resident trust, use Helpsheet 262, 'Income and benefits from transfers of assets abroad and income from non-resident trusts' to help you fill in this box.

> For more information, go to the Offshore Funds Manual and the Savings and Investment Manual at www.gov.uk/government/collections/hmrc-manuals

Box 42 If you have received a benefit from a person abroad, or you are chargeable on a benefit received by you or a close family member that is matched to protected foreign source income, enter the value of the payment received

If you are omitting income from this section because you are claiming an exemption, see box 46.

If this applies, you need Helpsheet 262, 'Income and benefits from transfers of assets abroad and income from non-resident trusts' to help you fill in this box.

For more information, go to www.gov.uk and search for 'HS262'.

Boxes 43 to 45 Gains on foreign life insurance policies, life annuities and capital redemption policies and life annuity contracts

Use the details on your 'chargeable event certificate' to help you fill in boxes 43 to 45. Don't include any amount you've already put in box 13.

If you've more than one certificate for the same gain, use the amended benefits figures or chargeable event gain on the later certificate.

If you made gains from more than one identical policy, add them together. If you made gains from non-identical policies, give full details in 'Any other information' on page TR 7 of your tax return.

You'll need Helpsheet 321 'Gains on foreign life insurance policies' to help you fill in boxes 43 to 45 if you:

- didn't receive a certificate from your insurer
- own the policy jointly with someone else (only include your share of the gain)
- have a 'cluster' of policies with the same insurer and one or more has specific terms
- have been a non-UK resident during the period you've been a beneficial owner of the policy
- paid more than £100,000 a year into the policy or policies and you received a rebate of commission or you reinvested commission in the policy as additional premium
- consider that the gain is wholly disproportionate and you wish to apply to HMRC to have the gain recalculated

For more information, go to www.gov.uk and search for 'HS321'.

Box 46 If you have omitted income from boxes 11, 13 and 42 because you are claiming an exemption in relation to a transfer of assets, enter the total amount omitted

Boxes 10 to 13 and box 42 don't apply as long as the purpose of the transfer and any associated operations wasn't to avoid tax. For transactions occurring on or after 6 April 2012, any income attributable to genuine transactions is exempt, where any liability imposed would constitute a restriction on the EU Treaty freedoms (for example, freedom of establishment or freedom of movement of capital).

An exemption is only due if actual income would otherwise be chargeable.

If you omit income for this reason from boxes 11, 13 and 42, you must put the total amount of income you left out in box 46.

You must give details of the assets transferred, and any associated operations, the person abroad concerned, the circumstances of the relevant transactions and the basis of your claim in 'Any other information' on page TR 7 of your tax return or on a separate sheet.

For more information about income and benefits from transfers of assets abroad, and income from non-resident trusts, go to www.gov.uk and search for 'HS262'.

More help if you need it

To get copies of any tax return forms or helpsheets, go to www.gov.uk/taxreturnforms

You can phone the Self Assessment Helpline on 0300 200 3310 for help with your tax return.

We have a range of services for disabled people. These include guidance in Braille, audio and large print. Most of our forms are also available in large print. Please contact our helplines for more information.

These notes are for guidance only and reflect the position at the time of writing. They do not affect the right of appeal.