
From:

Sent:

24 June 2014 15:37

To:

Subject:

FW: Consultation on non-residents - response from :

From:

Sent: 16 June 2014 16:48

To: TaxTeam, CapitalGains (CAR Capital Gains)

Subject: Consultation on non-residents

Question 13

The imposition of the requirement on solicitors etc to arrange withholding tax etc would add a significant burden and ultimately increased costs for clients, apart from the additional administration required by HMRC. HMRC have estimated that the total amount of tax to be raised from this proposal is only £125m over FIVE years, or £25m per year. This seems unsurprising especially in light of the fact that the vast majority of foreign investors only invest in London, the London housing market has already had its boom, and is now widely reported to be plateauing. Certainly by April 2015 any future gains will be minimal over the following few years. So there will only be a small amount of tax raised and a large administrative burden. This Government also stands to receive less stamp duty due to less foreign buyers wanting to buy UK property as a result of the CGT charge. Indeed, the absence of CGT is probably one of the significant factors that currently encourages foreign buyers to buy in London rather than elsewhere. With this factor becoming absent, it will be relatively more advantageous to invest in other countries where prices are more likely to rise, stamp duty may be lower and (for some countries) where indexation allowance applies against CGT, unlike the UK. Therefore it is very possible that HMRC will lose more than it gains from this proposal, and combined with the general reduction of foreign investment into the UK with its associated economic benefits, and extra administrative burdens on all concerned, it seems sensible to either abandon this proposal or at the very least delay it by several years.

(I am an individual)

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