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**From:**

**Sent:**

24 June 2014 16:00

**To:**

**Subject:**

FW: Consultation on Non Residents - response from

**From:**

**Sent:** 20 May 2014 08:59

**To:** TaxTeam, CapitalGains (CAR Capital Gains)

**Subject:** Consultation on Non Residents

I would like to respond in support of the consultation responses made by the Chartered Institute of Tax. In particular, I share their concerns over the proposed removal of the PPR election process in favour of either a prescriptive test or an after the fact subjective test.

I believe this will create a less certain, less fair and more administratively cumbersome system, which will see the number of disputes between taxpayers and HMRC increase both at grass roots level and through the tribunal and court systems.

The ability to elect provides certainty and clarity. Despite the sharp increase in recent tribunal cases surrounding PPR, these have all concerned cases where no election has been made and where taxpayers and HMRC disagree as to the interpretation of the facts of the case.

Further to my concerns over the proposed removal of the PPR election, I also share the CIOTs view that slipping the proposal into a document ostensibly dealing with non resident tax is disingenuous. A significant change in tax law affecting both resident and non resident taxpayers deserves an explicit consultation in order to give stakeholders a fair chance to respond to the proposal.

Lastly, I feel that the reasoning for the proposal is flawed, in that taxpayers would be treading a very fine line in seeking to argue that they had sufficient quality of occupation of a UK property to enable a PPR election to be made whilst also ensuring that they met the statutory residence test criteria to maintain a non UK tax residence. I believe that cases of non residents being in a position to elect UK properties over a prolonged period of time such as to exempt gains on UK property whilst spending the bulk of their time overseas would be relatively few in number, and capable of being dealt with (in cases of abuse) under existing rules.

For and on behalf of UHY Hacker Young  
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