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SCHEDULE 1

Section 1

DOMICILE: INCOME TAX AND CAPITAL GAINS TAX

*ICTA 1988*

- 1 (1) In section 266A of ICTA 1988 (life assurance premiums paid by employer), after subsection (8) insert –
  - “(8A) Section 835BA of ITA 2007 (deemed domicile) applies for the purposes of subsection (6)(b).”
- (2) The amendment made by this paragraph has effect in relation to the tax year 2017-18 and subsequent tax years.

*TCGA 1992*

- 2 TCGA 1992 is amended as follows.
- 3 (1) In section 69 (trustees of settlements), after subsection (2E) insert –
  - “(2F) Section 835BA of ITA 2007 (deemed domicile) applies for the purposes of subsection (2B)(c).”
- (2) The amendment made by this paragraph has effect in relation to a settlement –
  - (a) in a case where the settlement arose on the settlor’s death (whether by will, intestacy or otherwise), where the settlor died on or after 6 April 2017;
  - (b) in any other case, where the settlor made the settlement (or was treated for the purposes of TCGA 1992 as making the settlement) on or after 6 April 2017.
- 4 (1) In section 86 (attribution of gains to settlors with interest in non-resident or dual resident settlements), after subsection (3) insert –
  - “(3A) Section 835BA of ITA 2007 (deemed domicile) applies for the purposes of subsection (1)(c).”
- (2) The amendment made by this paragraph has effect in relation to the tax year 2017-18 and subsequent tax years.
- 5 (1) In section 275 (location of assets), after subsection (3) insert –
  - “(3A) Section 835BA of ITA 2007 (deemed domicile) applies for the purposes of subsection (1)(l)(iii).”
- (2) The amendment made by this paragraph has effect for the purposes of determining for the purposes of TCGA 1992 the situation of any asset, or whether the situation of any asset is in the United Kingdom, at any time on or after 6 April 2017 (irrespective of when the asset was acquired by the person holding it).

*ITEPA 2003*

- 6 (1) ITEPA 2003 is amended as follows.
- (2) In section 355 (deductions for corresponding payments by non-domiciled employees with foreign employers), in subsection (2), at the end insert “(and

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section 835BA of ITA 2007 (deemed domicile) applies for the purposes of this subsection)”.

- (3) In section 373 (non-domiciled employee’s travel costs and expenses where duties performed in UK), at the end insert –

“(7) Section 835BA of ITA 2007 (deemed domicile) applies for the purposes of subsection (1).”

- (4) In section 374 (non-domiciled employee’s spouse’s etc travel costs and expenses where duties performed in UK), at the end insert –

“(10) Section 835BA of ITA 2007 (deemed domicile) applies for the purposes of subsection (1).”

- (5) The amendments made by this paragraph have effect in relation to the tax year 2017-18 and subsequent tax years.

#### *ITA 2007*

7 ITA 2007 is amended as follows.

- 8 (1) In section 476 (how to work out whether settlor meets Condition C in section 475), after subsection (3) insert –

“(3A) Section 835BA (deemed domicile) applies for the purposes of subsections (2)(b) and (3)(b).”

- (2) The amendment made by this section has effect –

- (a) so far as relating to section 476(2)(b) of ITA 2007, in relation to a settlor who dies on or after 6 April 2017;
- (b) so far as relating to section 476(3)(b) of ITA 2007, in relation to a settlement made on or after 6 April 2017.

- 9 (1) In section 718 (meaning of “person abroad” etc), after subsection (2) insert –

“(3) Section 835BA (deemed domicile) applies for the purposes of subsection (1)(b).”

- (2) The amendment made by this paragraph has effect in relation to the tax year 2017-18 and subsequent tax years.

- 10 (1) Chapter A1 of Part 14 (remittance basis) is amended as follows.

- (2) In section 809B (claim for remittance basis to apply), after subsection (1) insert –

“(1A) Section 835BA (deemed domicile) applies for the purposes of subsection (1)(b).”

- (3) In section 809C (claim for remittance basis by long-term UK resident: nomination) omit the following –

- (a) in subsection (1)(b), “the 17-year residence test”;
- (b) subsection (1ZA);
- (c) subsection (1A)(a);
- (d) in subsection (1B)(a), “the 17-year residence test or”;
- (e) subsection (4)(za).

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- (4) In section 809E (application of remittance basis without claim: other cases), after subsection (1) insert –
- “(1A) Section 835BA (deemed domicile) applies for the purposes of subsection (1)(b).”
- (5) In section 809H (claim for remittance basis by long-term UK resident: charge) omit the following –
- (a) in subsection (1)(c), “the 17-year residence test”;
  - (b) in subsection (1A) –
    - (i) “(1ZA)”;
    - (ii) “the 17-year residence test”;
  - (c) subsection (5B)(za).
- 11 (1) The amendments made by paragraph 10 have effect in relation to the tax year 2017-18 and subsequent tax years.
- This is subject to the following provisions of this paragraph.
- (2) Sub-paragraph (3) applies in a case where –
- (a) section 10A of TCGA 1992 (temporary non-residents) as originally enacted applies in relation to an individual, and
  - (b) the year of return is 2017-18.
- (3) For the purposes of capital gains tax in respect of foreign chargeable gains accruing to the individual during an intervening year, the amendments made by paragraph 10(2), (3) and (5) do not have effect in relation to the year of return.
- (4) In sub-paragraphs (2) and (3) “intervening year” and “year of return” have the same meanings as in section 10A of TCGA 1992 as originally enacted.
- (5) Sub-paragraph (6) applies in a case where section 10A of TCGA 1992 as substituted by paragraph 119 of FA 2013 applies in relation to an individual.
- (6) For the purposes of capital gains tax in respect of foreign chargeable gains accruing to the individual during a temporary period of non-residence beginning before 8 July 2015, the amendments made by paragraph 10(2), (3) and (5) do not have effect in relation to the tax year which consists of or includes the period of return.
- (7) Part 4 of Schedule 45 to FA 2013 explains what “temporary period of non-residence” and “period of return” mean.
- (8) In this paragraph “foreign chargeable gain” has the meaning given by section 12(4) of TCGA 1992.
- 12 (1) In section 834 (residence of personal representatives), at the end insert –
- “(5) Section 835BA (deemed domicile) applies for the purposes of subsection (3).”
- (2) The amendment made by this paragraph has effect in relation to the tax year 2017-18 and subsequent tax years.