



Department for
Business & Trade

Analytical paper

Initial assessment of the proposed framework for a UK corporate re-domiciliation regime

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This note provides an initial, high-level assessment of the likely impacts of the government's proposal for the introduction of an inward-only corporate re-domiciliation regime which will provide a framework for non-UK companies to move to the UK whilst maintaining their legal identity. The proposed framework does not mandate new, or amend existing, requirements on business. Instead, it gives companies from certain jurisdictions the option of a less complex or expensive route to relocating to the UK.

At this initial stage, this note does not quantify expected impacts of the proposal. The regime demand and flow of direct impacts (such as those that fall within scope of the Better Regulation Framework) are difficult to model. This is due to inherent uncertainties on push (from the current domicile) and pull (from prospective new domiciles) factors as well as changes to the UK business environment that might make it more or less attractive.

Moreover, the re-domiciliation regime will be optional for companies, which, at the point of use of the regime would be a mix of non-UK entities and entities that are part of UK groups. Therefore, we provide a qualitative assessment of the likely impacts of the proposal to these companies and to the UK economy.

A further, more detailed assessment, incorporating the findings of the consultation, will be produced to accompany the legislation that introduces the re-domiciliation regime.

Background

1. Corporate re-domiciliation is a process that enables a company to change its place of incorporation while maintaining its legal identity as a corporate body. Whilst the UK does not have a re-domiciliation regime, it is still possible for foreign-incorporated companies to move in or out of the UK. However, the processes available for doing so require the establishment of a new company (and therefore a new legal identity). Typically involves a range of legal, regulatory and administrative steps which can be complex and costly and, in some cases, may make such a move unfeasible.
2. There is no single, representative cost for such a move, as this will depend on the firm's size, sector, regulatory status and group structure. However, establishing a new legal entity commonly requires legal and advisory fees associated with incorporation and dissolution, the transfer or novation of assets and contracts, potential tax crystallisation events, regulatory re-authorisations or licensing, and shareholder approvals. For firms with complex structures or regulated activities, these steps can involve multiple advisers, extended timeframes, and significant management resource, increasing both direct and indirect costs.
3. Against this backdrop, and with a view to widening options for increasing the attractiveness and availability of the UK as a destination to locate a business and in which to invest, an initial consultation was published in 2021¹ seeking views on the appetite for a UK re-domiciliation regime and how it may be designed. Responses to the consultation were positive overall but noted that there was insufficient detail (at that stage) for a proper assessment of the likely benefits of the proposal. The consultation response² set out the government's intention to introduce a regime but noted that more detailed analysis and engagement was required and committed to further formal consultation.
4. To progress this work, the Department of Business and Trade (the department) established an Independent Expert Panel in November 2023. Their report was published in October 2024. Their findings on an inward regime forms the basis of the proposed framework that this consultation is seeking views on.
5. In parallel, the government carried out further research into the potential demand for, and benefits of, a re-domiciliation regime which included a literature review, cross-country analysis and engagement with those with experience of re-domiciliation. Interviews were conducted by Department of Business and Trade officials during April

¹ [Government Consultation on Corporate Re-domiciliation \(2021\)](#)

² Ibid.

and May 2024 with 4 companies and 5 professional advisory firms with experience of either moving a company into or out of the UK via current legal processes or of corporate re-domiciliation in other jurisdictions. This analytical paper is based on the findings of this research.

Current consultation proposal

6. Corporate re-domiciliation regimes are typically two-way, enabling companies to re-domicile to and from the jurisdiction with some exceptions. Australia, Singapore³, and Hong Kong⁴, all operate inward-only corporate re-domiciliation regimes. Ireland also has an inward-only re-domiciliation regime for funds.
7. This consultation proposes to introduce an inward UK re-domiciliation regime, that would enable companies in certain jurisdictions to move to the UK more easily. Whilst no facility for outward re-domiciliation is being considered at this time, it would still be possible for companies to move their place of incorporation out of the UK via existing mechanisms, should they choose to do so, by establishing a new company in the chosen jurisdiction and transferring the assets from the UK company to that new company. An outward regime may make the regime more attractive to companies considering moving their place of incorporation to the UK due to the flexibility of being able to leave easily if circumstances change, but the potential benefits of increasing the attractiveness may be outweighed by the potential drawbacks to UK growth if UK companies choose to relocate outside of the UK via the regime.

How and why companies change domicile

8. Where a company is incorporated (or a company's domicile) is a major decision for the company. A company's domicile is no longer necessarily where it operates, sells its goods or services, or even where its headquarters are based. Neither is it necessarily the place where the company pays tax. It is the place where it chooses to be governed, whose rules for registering and operating companies and preparing and auditing accounts they must follow.
9. Being domiciled in a certain jurisdiction can have positive or negative implications for a company. For instance, a company or subsidiary of a group incorporated in a jurisdiction deemed to be a tax haven might have negative implications for the company's tax policy and its broader reputation⁵, even if the company is in fact tax

³ [Inward Re-domiciliation Regime in Singapore](#)

⁴ [Companies Registry - Legislation - Companies Ordinance \(Cap. 622\) > Companies Amendment \(No.2\) Ordinance 2025 - Company Re-domiciliation Regime - Overview](#)

⁵ [Taking Stock of Progress on Transparency and Exchange of Information for Tax Purposes \(EN\)](#)

resident elsewhere. Changing a company's domicile or place of incorporation to another jurisdiction can offer numerous benefits to the company, as it enables the company to adapt its location or organisational structure – to market changes and to changes in its position in those markets – by choosing the national law which, in its view, best meets its requirements. Changing domicile also doesn't necessarily result in any physical relocations of staff or operations.

10. Our research and engagement found that a company's desire to change domicile may be a result of proactive action, reactive action following a change in the company's legal or operating environment, or a combination of the two. The specific motivation can vary based on each company's individual situation, but typically relates to, among other things accessing less burdensome tax regimes, accessing better opportunities or capital raising, rationalising group structures, and other commercial, economic or political reasons.

11. These are set out in the table 1 below.

Table 1

Typical motivations for changing domicile
<p>To gain easier access to finance via:</p> <ul style="list-style-type: none"> ▪ major capital markets ▪ access to certain investors who may prefer to make investments in companies from certain jurisdictions ▪ enhanced investor confidence for example some investors may prefer a stable regulatory environment and some companies such as those in the fund sector, may choose to re-domicile to move to a jurisdiction with stronger investor protections
<p>For commercial reasons:</p> <ul style="list-style-type: none"> ▪ as part of a wider group restructuring to simplify or align group structures to strategic aims ▪ to align domicile with the place that has the most commercial significance or that has a strong sector presence and/or to achieve agglomeration or economies of scale ▪ to facilitate a transaction, for example the need to be domiciled in a particular jurisdiction may be a condition of a merger or acquisition ▪ it might also be used to assist with attracting staff in the destination jurisdiction where equity is offered as an incentive ▪ to align domicile with location where majority of management resides to retain executives ▪ to align domicile with tax residency
<p>To benefit from cost savings to:</p>

- migrate a company's tax residency to create tax efficiencies
- achieve regulatory consolidation or a more favourable regulatory environment

To avert risk to:

- locate in a more stable tax jurisdiction
- move from an unstable political or economic environment
- move away from a jurisdiction that has been blacklisted by international organisations and potential trading partners for example The Financial Action Task Force and the EU's list of non-cooperative jurisdictions.

12. These motivations create a mix of push (from the current domicile) and pull (from prospective new domiciles) factors, examples of which are shown in table 2 overleaf:

Table 2

Push factors	Pull factors
<ul style="list-style-type: none"> ▪ To move away from jurisdictions experiencing political upheaval and threats to stability of legal system ▪ To move away from changes to (or uncertainty around) a current tax or regulatory regime ▪ To move away from a country blacklisted by international organisations and potential trading partners 	<ul style="list-style-type: none"> ▪ Favourable tax conditions and a large number of double tax treaties⁶ ▪ Regulatory environment that matches companies needs ▪ Potential to secure lucrative government contracts or subsidies ▪ Ease of access to finance ▪ Strong sector presence

13. It is already possible for companies to move in or out of the UK, but the available processes typically require the establishment of a new UK company, and therefore, a new legal identity. This means that all of the company's existing contracts need to be re-drawn along with the transfer of its assets, liabilities and contracts, which can result in a very complex and costly process, as well as wider legal and commercial risks. As a result, in many cases, changes of domicile to the UK are largely unfeasible, especially for larger companies and companies that are publicly listed or operate in regulated sectors – that is, sectors where firms must hold statutory or regulatory licences (for

⁶ bilateral, legally binding, international agreements designed to prevent the same income or gains from being taxed by two different countries

example financial services, energy, or utilities) – and therefore need to be re-approved following the change of domicile. A UK re-domiciliation regime would remove many of the barriers companies face that prevent them coming to the UK.

14. Many other jurisdictions already operate purpose-designed re-domiciliation regimes including Canada, New Zealand, Switzerland, Australia, Luxembourg, Malta, Cyprus, and other EU and offshore jurisdictions including Jersey, Guernsey, Isle of Man, Cayman Islands, Bermuda and British Virgin Islands. There are very few published statistics on the number of re-domiciliations that take place annually in other regimes. Published statistics from Hong Kong's company registry⁷ show that 30 re-domiciliations occurred between May 2025 when the regime was implemented and Dec 2025 compared to a registry of over 1.5 million companies.
15. As such, without a re-domiciliation regime, companies looking to move their domicile, may be dissuaded from choosing the costly and complex routes into the UK, and instead choose a jurisdiction that already allows re-domiciliation.

Potential demand for a UK re-domiciliation regime

Types of company

16. The demand for the regime is likely to largely stem from companies that wish to move to the UK without triggering the complexities around their tax, corporate legal, and listings arrangements. These complexities are likely to be more pronounced for large multinational groups, who may either want to change the location of the group parent company or restructure the group by moving the location of the group's intermediate holding companies or trading companies.
17. Group parent companies are likely to only change their domicile once or twice in their lifetime, if at all. Since 2006, we are only aware of 12 parent companies that have changed their domicile to the UK and 29 parent companies that have moved their domicile out of the UK⁸. Based on discussions with a range of legal advisors, law firms and companies, we do not anticipate that the introduction of a re-domiciliation regime, on its own, would result in a significant increase in the number of parent companies re-domiciling into or out of the UK. This is because parent companies wanting to move to or from the UK are unlikely to opt against doing so due to the absence of a re-domiciliation regime. A UK law firm involved in re-domiciliation and relocation advised that if there are sufficient motivating factors for a parent company to move, it will do so

⁷ [Companies Registry releases statistics for 2025](#)

⁸ Based on information available at <http://uk.practicallaw.com/about/WhatsMarketUK> and public corporate announcements.

via whatever facility or mechanism is available, and that for the largest companies especially, cost and complexity are not seen as barriers.

18. Multinational companies often have hundreds of subsidiaries made up of a mixture of trading companies and intermediate holding companies. Our stakeholder engagement suggests that the bulk of demand is expected to arise from intermediate holding companies, for whom change in domicile is commonly driven by the opportunities to access a particular tax or regulatory regime or to align with group strategy as part of a wider group restructuring exercise.
19. Demand from trading companies wanting to re-domicile is likely to be considerably smaller, due to the complexities arising from moving companies' entire operations, but the degree to which this depresses demand will likely vary by sector and company type: for example, high-growth startups with limited physical presence that were established in low regulation or low tax jurisdictions for ease, might now wish to move to a more transparent or regulated jurisdiction in order to attract investment to grow. By contrast, trading companies with a significant physical presence may be put off from the potential costs and complexities of shifting their entire operations.

Where companies are likely to come from

20. Companies would only be able to re-domicile to the UK from jurisdictions that permit outward re-domiciliation of companies. Current jurisdictions with outward regimes include the US, Canada and New Zealand and various offshore financial centres including Luxembourg, Switzerland, Jersey, Guernsey, Isle of Man, Cayman Islands, Bermuda and BVI⁹.
21. Historically, some corporate groups chose to incorporate their holding companies in offshore financial centres that operate low tax/low transparency regimes. However, for some of these jurisdictions, the benefits previously allowed by these regimes are now impacted by, among other factors, the introduction of a 15 percent global minimum corporate tax rate¹⁰ as part the development of the global tax agreement co-ordinated by the OECD; reputational risks from perceptions around being registered offshore; the increasing trend of these jurisdictions requiring economic substance tests¹¹; and the increasing uptake of globally acceptable transparency requirements¹². An example of this is the Joint Ministerial Council Commitments of 2024 and 2025 for the British

⁹ [Table of jurisdictions with a company re-domiciliation framework.pdf](#)

¹⁰ [Global Minimum Tax | OECD](#)

¹¹ For example, see here: [EU's Economic Substance Requirements, CRS and Country-by Country Reporting | Vistra](#)

¹² For example, see here: [Global Trends in Corporate Transparency](#)

Overseas Territories to implement registers of beneficial ownership with the maximum degrees of access and transparency.

22. It is therefore possible that the declining attractiveness of incorporating in low-tax/low transparency jurisdictions will result in more companies wanting to move to jurisdictions with lower reputational risks, which leaves the UK well placed among peer countries to benefit from some from the resulting demand.

Level of demand

23. It is difficult to predict how many companies, overall, would use the regime, particularly when we expect that future demand to be dynamic and fluctuate in response to external factors in the corporate legal and tax environment both in the UK and companies' origin jurisdictions. For example, demand can be expected to respond to regulatory or tax changes in the UK and/or other jurisdictions that make the UK relatively more or less attractive.

24. Accurate estimates are difficult to obtain because there is limited public information on the number of re-domiciliations that take place in other jurisdictions, and little to go by in assessing the likely demand for re-domiciliation into the UK before a regime is introduced. Based on insights from our research and stakeholder engagement, we may expect to see an initial influx of companies, which settles to a lower steady state. However, we urge caution in considering these broad projections, as country-specific factors, comparability issues and the absence of a re-domiciliation baseline in the UK, mean that stakeholders' experiences of other regimes and examples of company behaviour may not be wholly appropriate to use as an indicator of the likely UK reality.

Benefits to companies

25. Companies are likely to benefit from a re-domiciliation regime through significant reductions in cost and complexity relative to currently available processes for moving to the UK, which typically requires the establishment of a new UK company (and therefore a new legal identity) and company re-structuring.

26. This means that existing company contracts would need to be re-drawn along with a transfer of its assets, which can result in a complex and costly process, wider legal and commercial risks, and potential tax implications. In some cases, the cost and complexity involved makes a move to the UK unfeasible – particularly for regulated companies, publicly listed companies, and other large companies.

Case Study

Evaluating options for a regulated investment management company – Company A

Company A (name withheld at the request of the company), a large, listed investment company incorporated in Jersey and tax resident in the UK, previously considered relocating the domicile from Jersey to the UK. As an FCA-regulated entity with a substantial investment portfolio, the company assessed the feasibility of using the currently available legal mechanisms to execute the move.

The company identified that the move would require the creation of a new UK company, followed by the transfer of all assets, contracts and its regulated business activities from the existing Jersey registered company to the new UK company.

While this was found to be legally possible, the process presented significant regulatory, operational and financial complexities. A detailed internal review concluded that the restructuring would cost around £2.5 million, including unwinding and re-establishing its investment relationships, updating its regulatory and listing registrations, and migration of its existing contracts. The move was also expected to significantly disrupt business continuity.

Company A ultimately decided against the Jersey to UK re-domiciliation exercise as, whilst this was technically viable, the costs and complexities involved made it commercially prohibitive.

27. A re-domiciliation regime would offer a new, simplified, and more feasible facility for moving to the UK maximising continuity. It would avoid the need for companies to:

- establish a new legal identity
- undertake liquidation proceedings for the original company if it is to be wound down
- transfer all company's assets, liabilities, cash, capital and concluded contracts from one entity to another
- for listed companies, to issue prospectus and new shares, with the company being able to maintain a continuous listing and the shareholders not having to swap their shares; and
- for financial services, obtain authorisation from financial services regulators.

28. Insights from our stakeholder engagement suggest that companies using the re-domiciliation regime could save 50-90% of costs from current process (and potentially more for listed or regulated companies). The cost savings arise mainly from avoided

legal fees, not having to transfer the company's assets and potential tax savings. For listed or regulated companies, the savings are potentially far higher because continuance into the UK with the same legal identity would avoid the need to re-list, or to re-apply for authorisations or operating licences, respectively.

29. For large multinationals the costs associated with a change of domicile without a re-domiciliation regime can be significant: stakeholders identified costs ranging from £1m to £5m for the basic process, before accounting for additional complexities. For some specific sectors, such as mining, costs may be significantly higher, as a change of domicile outside of a re-domiciliation regime could trigger significant indirect tax charges.
30. To note that these benefits would accrue to a mix of non-UK companies and companies that are part of UK groups. Only the latter grouping would be subject to the Better Regulation Framework. Whilst these companies will benefit from direct cost savings, the likely scale of these savings is difficult to predict. Other UK businesses would benefit from indirect benefits. We outline these cases in the wider benefits section below. A re-domiciliation regime will be less burdensome for companies wishing to change domicile to the UK compared with existing routes. However, because re-domiciliation is a voluntary choice and not a mandatory requirement, and because the companies that would use the regime are not currently facing admin burdens in the UK, we do not count this towards admin burden savings.

Wider benefits to the UK

31. At the very least, a UK re-domiciliation regime would place the UK on par with some key peer countries, and would signal the UK's openness to, and its positioning as, a global centre for business.
32. A re-domiciliation regime could bring increased investment and skilled jobs as companies shift their headquarters to the UK. However, any increase in UK employment, business activity or tax receipts is likely to be limited because the bulk of the demand is expected to arise from intermediate holding companies within multinational groups, which do not carry out any economic activity themselves.
33. However, the professional services sector, which provides technical and legal advisory services to these companies, is likely to be boosted, supporting delivery of our Industrial Strategy. Companies incorporated in the UK will need to prepare accounts that meet UK accounting standards and where applicable have those accounts audited in line with UK audit requirements. Therefore, it is likely that the demand for audit, accounting, legal and advisory services will increase. There may also be marginal tertiary benefits to service sectors, arising, for example, from logistics and accommodation arrangements for company director presence at UK board meetings,

etc. The scale of these benefits would ultimately depend on the inflow of companies into the UK via the regime.

34. In addition, the introduction of a re-domiciliation regime will complement efforts being made elsewhere within government to attract companies from strategic sectors. For example, in recent years, the government has taken measures to make the UK investment fund sector more attractive via the introduction of the new Long-Term Asset Fund¹³ and Qualifying Asset Holding Company (QAHC)¹⁴ regimes and has made plans to support the growth of the UK's captive insurance market¹⁵ by introducing a proportionate authorisation and regulatory regime in 2027. A re-domiciliation regime would simplify the process for funds or captive insurers to be moved to the UK to take advantage of these regimes.

Risks and Uncertainties

35. The main risks and uncertainties are around the anticipated level of demand. The Expert Panel noted that the flexibility to re-domicile both into and out of the UK would increase the overall attractiveness of the UK as a destination of choice. The proposals in the consultation are limited to an inward-only re-domiciliation regime, which therefore may make the regime less attractive and depress the overall level of demand.

36. Adding to this uncertainty is the fact that the motivation for a company to change its domicile to the UK will not be driven by the regime itself. For example, demand can be expected to respond in line with regulatory or tax changes in the UK or other jurisdictions that make the UK more or less attractive than alternative destinations.

37. There are no significant drawbacks to an inward regime, other than the administrative effort and cost required to design, legislate for and implement a regime. Companies House will be responsible for operating the regime, who will recover the costs associated with applications through fees.

¹³ [PS21/14: A new authorised fund regime for investing in long term assets | FCA](#)

¹⁴ [Amendments to the Qualifying Asset Holding Companies \(QAHC\) regime - GOV.UK](#)

¹⁵ [Captive insurance - GOV.UK](#)

Growth Impact Assessment

A corporate re-domiciliation regime will make it possible for non-UK companies to move their place of incorporation to the UK whilst retaining their legal identity, offering a less costly and complex route than the currently available legal channels. Further information can be found in the analytical paper produced to accompany the consultation.

Growth Impact Assessment summary

A regime would help to make the UK more attractive to companies wishing to change their domicile – and importantly, signal the UK's openness to, and position as a global centre for business. **Impacts on UK economic growth are therefore expected to be neutral to positive, but the scale of those impacts is uncertain.**

Use of the regime would be entirely voluntary. Therefore, the likely scale of demand for re-domiciliations via the regime is difficult to model before a regime is introduced – especially as it would be, in part, determined by factors external to the UK (for example the relative attractiveness of regulation and tax regimes in other jurisdictions). However, we expect the bulk of any demand to stem from intermediate holding companies within multinational groups, which means it is unlikely that companies moving to the UK via the regime would directly increase UK employment, business activity or tax receipts, and directly increase economic growth in the short or long run. It is also unlikely that the regime would have any direct place-based or people-centred impacts.

Despite this, we expect some indirect growth impacts to arise from the regime. The professional services sector, which provides technical and legal advisory services to these companies, is likely to see increased activity, as re-domiciled companies will need to engage their services in preparing and auditing their accounts in line with UK accounting and audit standards. Additionally, the regime is expected to complement reforms being introduced in other parts of government to attract companies to move to the UK including, the introduction of the Qualifying Asset Holding Company regime, which aims to attract investment funds to the UK.

We do not expect any negative growth impacts as we are prioritising an inward-only regime which would only make it possible for foreign companies to change their place of incorporation to the UK (as opposed to a two-way regime, which could allow companies to more easily move their incorporations out of the UK).

Options Development and Assessment

Corporate re-domiciliation regimes are typically two-way, enabling companies to re-domicile to and from the jurisdiction with some exceptions. Australia, Singapore, and Hong Kong, all operate inward-only corporate re-domiciliation regimes. Ireland also has an inward-only re-domiciliation regime for funds. This consultation proposes to introduce an inward UK re-domiciliation regime, that would enable companies in certain jurisdictions to move to the UK more easily. Whilst no facility for outward re-domiciliation is being considered at this time, it would still be possible for companies to move their place of incorporation out of the UK via existing mechanisms, should they choose to do so – by establishing a new company in the chosen jurisdiction and transferring the assets from the UK company to that new company.

Enablers, risks and dependencies

This policy aligns with supporting the **business and investment confidence critical growth enabler** of the growth strategy by helping to signal the UK's openness to, and position as a global centre for, business.

Dependencies include how the UK's business environment is performing relative to other jurisdictions as well as the need for permission to re-domicile from the departing jurisdiction (companies would only be able to redomicile to the UK from jurisdictions that permit outward re-domiciliation).

The main **risks and uncertainties** are around the anticipated level of demand. The Expert Panel noted that the flexibility to re-domicile both into and out of the UK would increase the overall attractiveness of the UK as a destination of choice. The proposals in the consultation are limited to an inward-only re-domiciliation regime, which would likely make the regime less attractive, and depress the overall level of demand.

There are no significant drawbacks to establishing a UK re-domiciliation regime as proposed. However, this would involve administrative effort and cost to Government in designing, legislating for and implementing the regime. Companies House will be responsible for operating the regime and will recover the costs associated with applications through changes in fees.

Department for Business and Trade

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