

UK STATUTORY RESIDENCE TEST FLOWCHART

The purpose of this flowchart is to take your client through a series of questions to establish their UK residency status.

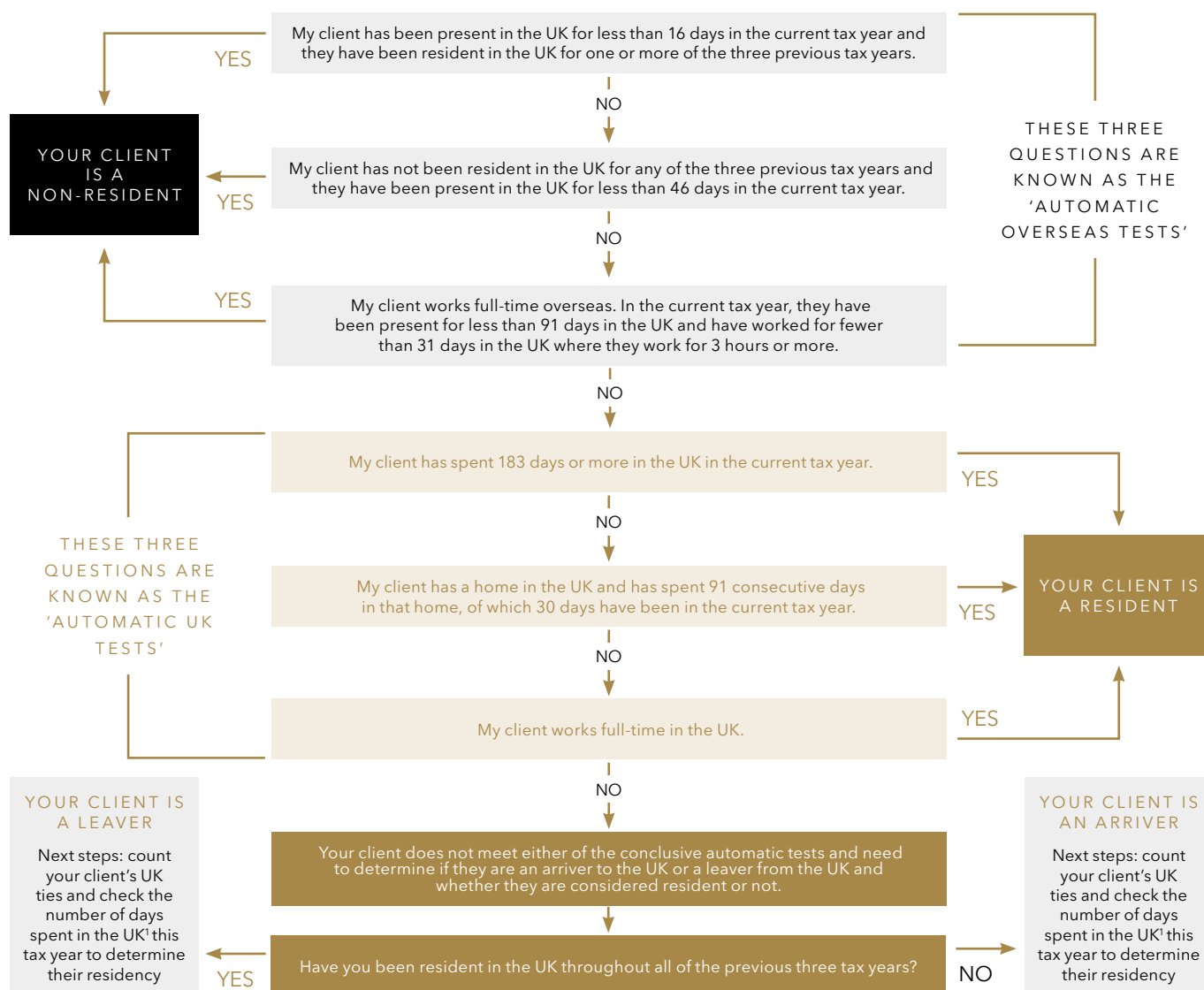
- › The first set of questions are the 'Automatic Tests' by which you can quickly establish whether your client is a UK resident or not
- › If the automatic tests do not provide a definitive answer, the next questions show whether the number of days spent in the UK in the tax year can settle the issue, or whether a combination of days and 'ties' (connections to the UK) are sufficient to establish your clients' UK residency.

This flowchart is designed to give a high level overview of the UK's Statutory Residence Test. For detailed information on the various aspect of the Statutory Residence Test please visit HMRC's Residence Domicile and Remittance manual RDRM11000.

Please see overleaf for a glossary of terms that may be helpful when using this flowchart.

STEP 1 - IS MY CLIENT A UK RESIDENT?

Please answer yes or no to the following statements depending on whether they apply to your client.



STEP 2 - NOW COUNT YOUR CLIENT'S UK TIES

Tick all that apply either in the Leaver column OR Arriver column:

LEAVER	
Has your client been present in the UK for more than 90 days in either of the previous two tax years?	<input type="checkbox"/>
Has your client stayed in their own UK home for at least one night or a close relative's home for at least 16 nights?	<input type="checkbox"/>
Did your client work for at least 40 days in the UK during the tax year?	<input type="checkbox"/>
Does your client have UK resident family?	<input type="checkbox"/>
Has your client spent a greater amount of time in the UK than in any other country?	<input type="checkbox"/>
TOTAL	

ARRIVER	
Has your client been present in the UK for more than 90 days in either of the previous two tax years?	<input type="checkbox"/>
Has your client stayed in their own UK home for at least one night or a close relative's home for at least 16 nights?	<input type="checkbox"/>
Did your client work for at least 40 days in the UK during the tax year?	<input type="checkbox"/>
Does your client have UK resident family?	<input type="checkbox"/>
TOTAL	

STEP 3 - DAYS SPENT IN THE UK IN THIS TAX YEAR

Step 3 shows your client's residency status based on the number of days or a combination of days and UK ties.

LEAVER		NUMBER OF DAYS		ARRIVER
Always non-resident	←	Less than 16 days	→	Always non-resident
Resident only if at least 4 ties	←	16-45	→	Always non-resident
Resident only if at least 3 ties	←	46-90	→	Resident only if at least 4 ties
Resident only if at least 2 ties	←	91-120	→	Resident only if at least 3 ties
Resident only if at least 1 tie	←	121-182	→	Resident only if at least 2 ties
Always resident		183 or more		Always resident



This flowchart is designed as a guide and covers the general tax and residency rules. It is not intended to replace professional tax advice. It is also important to note that when an individual commences or ceases residence during a tax year, the tax year may be split into an overseas and a UK part in certain circumstances.

GLOSSARY OF TERMS

DAYS SPENT

A day is deemed to be spent in the UK for the purposes of the Statutory Residence Test if an individual is in the UK at midnight, regardless of how many hours they have been in the UK that day. However a transit day is not deemed to be a day spent in the UK. A transit day or days are defined as where an individual does not undertake any work, or is in the UK due to circumstances beyond their control (for a maximum of 60 days). In exceptional circumstances, a day may be considered to be a day spent/not spent in the UK when it would not normally be considered to be either.

TAX YEAR

A year that runs from 6 April to 5 April the following year.

UK HOME

An individual will be regarded as automatically resident if they have, or have had, a home in the UK during all or part of the tax year.

The test is met if:

- › the individual spends at least one period of 91 consecutive days in a UK home, at least 30 days of which fall in the tax year in question; and
- › the individual has either no overseas home; or
- › the individual has an overseas home in which they are present on fewer than 30 days in the tax year. (If the individual has more than one overseas home, they must be present in each home for fewer than 30 days in the tax year).

If the individual has more than one UK home, each home must be considered separately and the test only needs to be met on one home.

UK RESIDENT FAMILY

A family tie exists if a spouse, civil partner or a minor child of the individual is resident in the UK in the relevant tax year. For the purpose of this tie, the partner of the individual is also included if the individual and partner are living together in the same way as a married couple or civil partners. A family tie will not exist where a minor child is in the UK solely for the purposes of full-time education and they spend less than 20 days in the UK, outside of term time, during a tax year.

SPLIT YEAR

Under the Statutory Residence Test, your client is either UK resident or non-UK resident for a full tax year and at all times in that tax year. However, if during a year your client either goes to live or work abroad or come from abroad to live or work in the UK, the tax year will be split into two parts if your circumstances meet specific criteria:

- › An overseas part for which, for most purposes, your client is charged UK tax as a non-UK resident.

UK TIES

UK ties (or connections) are the links to the UK that need to be considered for the sufficient ties test (Step 2 on previous page). These ties are then considered alongside the number of days spent in the UK when none of the automatic overseas tests or automatic UK tests are met.

WORK

A work day in the UK for the purposes of the Statutory Residence Test is a day on which more than three hours' work is performed. Generally, work includes incidental and non-incidental duties and some travel.

WORK FULL-TIME IN THE UK

An individual must work sufficient hours in the UK over a 365 day period (defined as an average of 35 hours per week disregarding certain defined days when all or part of the 365 day period is in the current tax year) with no significant breaks from UK work. More than 75% of the total number of days in the period when the individual does more than three hours' work per day must be worked in the UK and the individual must work for more than three hours in the UK on at least one day in the current tax year.

WORK FULL-TIME OVERSEAS

An individual is deemed to work full-time overseas if:

- › they work for sufficient hours overseas (an average of 35 hours per week) with no significant breaks from overseas work;
- › spend fewer than 91 days in the UK; and
- › work for more than three hours a day in the UK for less than 31 days.

ARRIVER

Individuals who have not been resident in the UK in any of the three preceding tax years.

LEAVER

Individuals who have been resident in the UK in one or more of the three preceding tax years.



HM Revenue & Customs (HMRC) has identified eight sets of circumstances where the split year treatment may be applied.

Further details and explanation can be found in HMRC's Guidance note for Statutory Residence at: www.gov.uk/government/publications/rdr3-statutory-residence-test-srt

This document is based on our interpretation of the law and HM Revenue and Customs practice as at November 2021. We believe this interpretation is correct, but cannot guarantee it. Tax relief and the tax treatment of investment funds may change.

The value of any tax relief will depend on the investor's individual circumstances.



To find out more or to contact our Technical team, please visit our uTech site at:

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