



HM Revenue & Customs

<https://www.gov.uk/government/organisations/hm-revenue-customs>

This guidance note is aimed to assist the Estate Agency profession in Hong Kong to notify their clients of their obligations in purchasing a property in the UK.

This note is not intended to place any obligation upon the Estate Agency profession to provide tax advice.

This note may be shared with clients

UK Residential Property Taxes – Guidance Note for Estate Agents

The main taxes which may be levied on non-resident individuals investing in UK residential property are:

- **Stamp Duty Land Tax (SDLT)** – Stamp Duty Land Tax is chargeable at the point of purchase upon the purchaser. Purchasers need a certificate from HMRC showing that an SDLT return has been made, before they can register title to their property with the Land Registry.
<https://www.gov.uk/stamp-duty-land-tax>
- **Income Tax (IT)** – Income Tax will arise on income generated from letting (renting) property out or from property development. For information about how to pay UK Income Tax:
<https://www.gov.uk/self-assessment-tax-returns>
- **Withholding Tax (Non-Resident Landlord Scheme)** – The UK based agent, or where there is no agent the tenant, must deduct income tax from rents before rents are paid to landlords overseas. Landlords should receive a certificate of how much tax has been paid at the year end. For information about the withholding Scheme see <https://www.gov.uk/tax-uk-income-live-abroad/rent>. (In certain circumstances HMRC may give approval for rents to be paid to landlords without the deduction of withholding tax)
- **Annual Tax on Enveloped Dwellings (ATED)** - Where a residential property valued at more than £500,000 is owned via a corporate structure (known as enveloping) rather than by an individual there may be an annual tax charge called the Annual Tax on Enveloped Dwellings (see <https://www.gov.uk/guidance/annual-tax-on-enveloped-dwellings-the-basics> for more information).
- **Capital Gains Tax (CGT)** – Capital Gains Tax is charged on gains arising on the disposal of UK residential property. The disposal must be reported within 30 days, irrespective of whether tax is due (see <https://www.gov.uk/guidance/capital-gains-tax-for-non-residents-uk-residential-property>). From April 2019 the scope of the charge is being widened to gains arising on all disposals of UK property and disposals of UK property rich entities.

(This list is not intended to be exhaustive and other taxes may arise during the purchase, ownership and disposal of UK property.)

Failure to apply UK taxes correctly may be considered tax evasion by HMRC and professional advice should be sought when investing in the UK.

Actively seeking to facilitate the evasion of UK taxes may be considered a criminal offence of aiding or abetting and may also result in charges being considered under the new extra-territorial Corporate Criminal Offences of Failure to Prevent the Facilitation of Tax Evasion.

To report concerns anonymously please contact our fraud hotline at +44 (0) 800 788 887