GB CAPSTONE

FREE GUIDE · 2026/27 EDITION

MOVING TO THE UK: TAX IN YOUR FIRST FOUR YEARS

When you become UK resident, the four-year foreign income and gains regime, and what a claim costs.

1. WHEN YOU BECOME UK RESIDENT

UK residence is decided for a whole tax year, 6 April to 5 April. It does not start on the day you land. The statutory residence test decides it.

- **183 days or more** in the UK in the tax year: you are resident.
- **Fewer than 46 days**, when you were not UK resident in any of the 3 tax years before: you are not resident.
- **Your only home is in the UK**, or you work full-time here: you are resident.
- **In between**, your days are set against your UK ties.

Days in the UK	Arriving after 3 or more tax years away
Up to 45	Not resident
46 to 90	Resident with all 4 ties
91 to 120	Resident with 3 ties or more
121 to 182	Resident with 2 ties or more

The four ties for an arrival are family, accommodation, work and 90 days. A day counts if you are in the UK at midnight.

The year you arrive. You are resident for the whole tax year, but the year can be split into an overseas part and a UK part if you meet the conditions of one of the split year cases. It is not automatic.

Tool: gbcapstone.com/tools/statutory-residence-test-day-counter

2. THE FOUR-YEAR FOREIGN INCOME AND GAINS REGIME

On 6 April 2025 this regime replaced the remittance basis. If you claim it for a tax year, you pay no UK tax on your eligible foreign income and gains of that year.

Who can claim

You can claim if you are UK tax resident and still within your first 4 tax years of UK residence, after at least 10 tax years in a row as a non-UK resident.

- The 4 years run one after another from the year your UK residence began. A year you do not use is lost.
- If you leave for a year and come back, you can claim for the years still left in the 4. You cannot claim for the year away.
- If your 4 years began before 6 April 2025, you can claim only for the years from 2025/26.

What it covers

- Profit from property overseas.
- Dividends from non-UK companies.
- Interest, such as interest on a foreign bank account.
- Profit of a trade carried on wholly outside the UK.
- Foreign capital gains.

Earnings from a job abroad are not covered. Overseas Workday Relief may apply to those.

How you claim

You claim on your Self Assessment tax return, year by year. You choose which foreign income and gains to claim for. You do not have to claim for all of them.

Worked example: which years?

You left the UK in 2014 and become UK resident again in 2026/27. You can claim for 2026/27, 2027/28, 2028/29 and 2029/30.

A friend became UK resident in 2022/23 after 10 years away. The first three of their 4 years fell before the regime began, so they get one year: 2025/26.

Tool: gbcapstone.com/tools/four-year-regime-checker

3. WHAT A CLAIM COSTS YOU

A claim is not free. In a year you claim, you lose:

- your Income Tax Personal Allowance (£12,570 in 2026/27);
- your Capital Gains Tax allowance (£3,000);
- Marriage Allowance, Married Couple's Allowance and Blind Person's Allowance, if you have them.

Your foreign income is still counted when your income is tested for the High Income Child Benefit Charge and for childcare support.

Worked example: claim or not? (2026/27)

Two people each earn a £60,000 UK salary. Anna has £20,000 of rent from a flat overseas. Ben has £5,000 of dividends from a company overseas. UK tax only, before any relief for foreign tax.

	Anna: £20,000 foreign rent	Ben: £5,000 foreign dividends
Income Tax with no claim	£19,432	£13,041
Income Tax with a claim (no Personal Allowance)	£16,460	£16,460
A claim	**saves £2,972**	**costs £3,419**

The claim pays for Anna and not for Ben. Losing the Personal Allowance costs a 40% taxpayer £5,028, so the foreign income has to be worth more than that in tax.

4. IF YOU WERE AWAY 5 YEARS OR LESS

The regime needs 10 years away. If you were away for 5 years or less, a different rule applies: temporary non-residence. Some income and gains you received while abroad are taxed in the year you return. They include capital gains, distributions from a closely controlled company, and certain pension lump sums.

The period must be longer than 5 years to escape the rule. HMRC's own example: leave on 4 May 2015 and return on 4 May 2020, and the rule does not apply.

5. INHERITANCE TAX AND THE 10-YEAR CLOCK

From 6 April 2025, UK inheritance tax on your overseas assets depends on long-term UK residence. You become a long-term UK resident once you have been UK resident for at least 10 of the previous 20 tax years. From then, your overseas assets are within UK inheritance tax.

If you return after 10 tax years in a row as a non-resident, the count starts again from the year you return. A year with split year treatment counts as a full year.

YOUR CHECKLIST

Before you arrive

- [ ] Count the tax years you have been non-resident. Ten in a row opens the four-year regime; more than five avoids the temporary non-residence rule.
- [ ] Decide which tax year you want to become resident in, and plan your days.
- [ ] List the assets you hold at a gain, and take advice before you sell any of them.

Your first UK tax return

- [ ] Register for Self Assessment.
- [ ] List each source of foreign income and each foreign gain.
- [ ] Work out the tax with a claim and without one, source by source.

Year four

- [ ] From year five, all your foreign income and gains are taxed in the UK. Review what you hold overseas before then.

Sources

- GOV.UK: RDR3, Statutory Residence Test notes (automatic tests, table B, split years, temporary non-residence); HMRC Residence and FIG Regime Manual RFIG20520, RFIG20710
- GOV.UK: Check if you can claim the 4-year foreign income and gains regime
- GOV.UK: Capital Gains Tax rates and allowances (qualifying new residents)
- GOV.UK: Income Tax rates and allowances for current and previous tax years
- GOV.UK: Inheritance Tax if you're a long-term UK resident; HMRC Inheritance Tax Manual IHTM47020

Talk it through first

Book a free 20-minute call at gbcapstone.com/contact. Free, and no obligation to go further.

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This guide is general information about UK tax, correct as at 27 November 2026. It is not advice on your own affairs. The answer for you depends on your own figures.