

# MACFARLANES

## CERTIFICATE OF UK TAX RESIDENCE

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A new and straightforward form has been made available online to enable UK tax resident individuals to apply to HMRC for a certificate of tax residence. This will be useful for UK taxpayers who are making a claim for relief under a double tax treaty.

The UK has entered into a number of double tax treaties with other countries which aim to ensure that those who would otherwise be liable to tax on income and gains both in the UK and another contracting state will not be taxed twice on the same income or gains.

To claim relief under a double tax treaty, a UK resident individual must provide evidence of the fact that he is tax resident in the UK. For some countries a taxpayer will need to complete a specific claim form issued by that country's tax authority and which HMRC must endorse with a certificate. For other countries it will be sufficient to provide a letter – called a "certificate of residence" – which will confirm the taxpayer was tax resident in the UK in a particular period. The new form, now available to complete online, provides an efficient and streamlined way for a UK tax resident individual to prove to a foreign tax authority that he is tax resident in the UK. The introduction of this certificate of UK tax residence is therefore a very welcome development.

By way of example, the UK/US double tax treaty provides that where interest income arises in the US to a person resident in the UK, the interest income will only be taxable in the UK. In order to claim this relief and avoid being taxed in the US the individual would now be able to complete the online form to obtain a certificate of UK tax residence which he could then submit to the IRS as evidence of his UK tax residence status.

It is likely that the certificate will be of most use to those who are clearly resident in the UK rather than more borderline cases. The certificate of residence does not amount to a formal confirmation of UK residence by HMRC. HMRC will still be entitled to question the taxpayer's residence status as part of an enquiry into his self assessment tax return.

### DO YOU NEED A CERTIFICATE OF TAX RESIDENCE?

Where a claim is made to a foreign tax authority a certificate of UK tax residence will in many cases provide a more streamlined process. In other cases a country may still require their specific claim form to be endorsed directly by HMRC with a certificate which is more time consuming. The country-specific section of HMRC's double taxation manual provides information about what evidence a particular country requires. For the country-specific section of HMRC's double taxation manual please click [here](#).

### HOW TO APPLY?

A taxpayer or their tax agent or adviser can apply online for a certificate of tax residence from HMRC by clicking [here](#).

### CONTACT DETAILS

If you would like further information or specific advice please contact:

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### USEFUL LINKS

[Country-specific section of HMRC's double taxation manual](#)

[Certificate of tax residence from HMRC](#)

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This note is intended to provide general information about some recent and anticipated developments which may be of interest.

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