THE COMPLETE GUIDE

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Liquidity-event tax planning.

For founders who expect to sell shares in a private company, and the advisers who will be asked what to do about it. What the UK charges, what leaving does and does not change, what each destination really costs, and where the five-year rules bite.

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This guide is written for a founder who expects to sell shares in a private company, and for the adviser who will be asked what to do about it. It answers four questions in order: what the United Kingdom will charge on the sale; whether leaving the UK changes that, and on what conditions; what each of eight destinations would charge instead, and what their regimes cost; and what it costs, in government charges and professional fees, to find out properly. It is a reference to keep open while you act, not an essay to read once.

It is not legal or tax advice, and nothing in it substitutes for advice on your own facts from a regulated adviser in each country concerned. It does not recommend a jurisdiction: the right answer depends on where your family will live, what you will do next and how long you can stay away, and those are not tax questions. It does not name an investment fund, and it does not repeat private estimates of how many wealthy people are leaving the UK, because no official source supports them.

It is for three readers: the UK-resident founder who has not yet exchanged contracts; the founder living outside the UK, often in the Gulf, who is considering a move to the UK before a sale; and the wealth manager, tax adviser or family office who needs a document accurate enough to forward to a client without a covering apology.

Read chapter 1 first. It is a scored self-assessment, and for many readers it will say that the window for planning the disposal itself has closed. The rest of the guide is still useful to those readers: chapter 2 on earn-outs and deferred consideration, chapter 4 on the reliefs that remain, chapter 5 on the five-year rule that governs any return, chapter 6 on arriving in the UK. Chapters 3 to 6 are UK law, written to be checked against the statute. Chapter 7 gives the eight destinations as cards and a comparison matrix. Part 2, chapters 8 to 14, covers Italy's five-year problem, anti-avoidance, US persons, the treaties, two worked scenarios, costs and how advisers are paid, and the evidence, followed by the glossary, questions, sources and change log.

Our pricing policy is binding on every page. Government charges are stated exactly, with the source named, because they are fixed by law. Professional and legal fees are given only as ranges, because they depend on your structure, your documents, your family and the countries involved; anyone who quotes a fixed fee before seeing the file is quoting for a different client.

Every figure was verified on 2 September 2026. UK statute was read on legislation.gov.uk in the version in force from 6 April 2026; the Italian, Portuguese, Cypriot, Maltese and Swiss provisions on the official consolidated-text services of those states; the Greek provisions in the Government Gazette text of L. 5313/2026 and the tax authority's own publications, with arts. 42 and 43 of the income tax code read in a commercial consolidation; fees on government portals. Where a primary source could not be reached, the passage says so and the point is marked as contested rather than asserted. Two dates bound this edition: the Italian income tax code is repealed and re-enacted on 1 January 2027, so every Italian article number cited here expires on 31 December 2026; and the UK's Temporary Repatriation Facility closes after 2027/28.

Executive summary: the seven things a founder must know

1. **Staying costs about a quarter.** A UK-resident higher-rate taxpayer pays capital gains tax at 24 per cent on essentially the whole gain (TCGA 1992 s.1H and s.1I). Business Asset Disposal Relief charges 18 per cent on the first GBP 1,000,000 of qualifying gains, and the main lower rate is also 18 per cent, so the relief is worth at most GBP 60,000 in a lifetime. On a GBP 12,000,000 sale with a GBP 40,000 base cost the bill is GBP 2,809,680, an effective rate of 23.5 per cent.
2. **Leaving removes the charge, on conditions.** A non-resident is outside UK capital gains tax on shares in a trading company unless the company derives at least 75 per cent of its value from UK land (s.1A(3)). You must be non-resident for the whole tax year of the disposal, or the disposal must fall in the overseas part of a split year (s.1G(2)). A disposal in the UK part of a split year is fully chargeable.

3. **The date that matters is exchange, not completion.** The disposal is made when the contract becomes unconditional (s.28). Once the share purchase agreement is exchanged, your residence on completion day is irrelevant. Heads of terms are usually not binding and do not fix the date; a signed agreement does.
4. **Five years means more than five years.** If you were UK resident in at least four of the seven tax years before departure and you resume UK residence within five years, the gain is taxed in the year you return, at the rates then in force, and no treaty prevents it (s.1M and s.1N; FA 2013 Sch 45 para 110). The clock runs from the day you leave, and the absence must exceed five years by at least a day.
5. **The destinations differ mainly in what they charge on the gain itself.** The UAE, Cyprus, Malta (for a non-domiciliary), Switzerland (on private assets) and Monaco charge nothing. Greece charges nothing on foreign shares under its EUR 100,000 lump sum; Portugal charges nothing for a founder who qualifies for IFICI and 28 per cent otherwise. Italy's EUR 300,000 flat tax excludes gains on qualified holdings for the first five tax periods, which for a founder means 26 per cent, worse than staying.
6. **Treaties do not rescue a return within five years, and some extend the UK's reach.** Section 1M(4) overrides every treaty for the year-of-return charge. The Italian treaty lets the UK tax a former resident for five years where Italy does not; the Maltese treaty for five years without that condition; the Swiss treaty for six. The 1953 Greek treaty has no tie-breaker. Monaco has no treaty with the UK at all.
7. **Coming to the UK before a sale is a different problem.** A founder non-resident for ten consecutive tax years can claim the four-year foreign income and gains regime and pay no UK tax on a gain on foreign-situated shares; UK-registered shares are taxed normally. The Temporary Repatriation Facility, at 12 per cent for 2025/26 and 2026/27 and 15 per cent for 2027/28, is for pre-2025 remittance-basis users and cannot settle a gain caught by the five-year rule. None of the eight destination regimes helps a US citizen or green card holder; Part 2 explains why.

CHAPTER 1

01

Are you still in time? A scored self-assessment

Most guides in this field open with the destinations. This one opens with a question, because for many of the founders who contact us the honest answer is that the window has shut. The disposal is already fixed by a signed agreement; or the family cannot move before the date; or the founder is willing to spend two years abroad but not six; or the buyer wants the founder in the office for three more years. In each case the tax on the disposal will be paid in the UK, and no destination in chapter 7 changes that. What the guide then does is explain how to plan the return: how deferred consideration and earn-outs can still be taken outside the charge, which reliefs remain, how the five-year rule works when a return is inevitable, and, for those coming the other way, how the UK treats an arriving founder. That is a legitimate result, and it is the one we reach with a large share of enquiries.

Four things close the window. The first is an unconditional contract: under TCGA 1992 s.28 the disposal is made when the contract is made, not when it completes. The second is time: ceasing UK residence under the Statutory Residence Test (chapter 3) is a matter of days counted across a whole tax year, and a disposal in the UK part of a split year is fully chargeable (s.1G(2)). The third is the household: a spouse, civil partner or minor child who remains UK resident is a UK tie, a home that stays available is another, and a founder with four ties is allowed fewer than 16 days in the UK in a year. The fourth is the five-year rule in chapter 5: a return within five years brings the whole gain back into charge, so a departure that is not a real emigration achieves nothing but delay.

Work through the twelve questions on paper. Score each answer with the points in brackets, add the total, and read the band. Three answers override the score and are noted under the table.

1. **Where is the transaction today?** No approach, or informal conversations only [4]. A non-disclosure agreement signed or an indicative offer received, but no heads of terms [3]. Heads of terms signed and due diligence under way [1]. Share purchase agreement exchanged, or completion already taken place [0].
2. **When is completion expected?** In a tax year that has not yet begun, more than twelve months away [3]. In the next tax year, within twelve months [2]. In the current tax year, which ends on 5 April 2027 [0].

3. **In how many of the seven tax years before your intended year of departure were you UK resident?** Fewer than four [3]. Four or more, and you are prepared to stay away for more than five years [2]. Four or more, and you expect to return within five years [0].
4. **Can you cease UK residence before the disposal date under the Statutory Residence Test?** Yes: no UK home retained, UK days below 16, no UK work days [3]. Probably: a UK home is retained but you can hold UK days below the threshold for your number of ties [1]. No: family, accommodation and work ties will keep you resident, or you cannot leave before exchange [0].
5. **How are the shares held?** Personally, in your own name [3]. Through a UK personal holding company, or by trustees [1]. A mixture, or you are not sure [0].
6. **Will your spouse or partner and any minor children relocate with you?** Yes, or there is no such family [3]. Partly, with children remaining in UK boarding education [1]. No, they will remain in the UK [0].
7. **Is anyone in the household a US citizen or green card holder?** No [3]. Yes [0].
8. **What form will the consideration take?** Cash on completion [3]. Cash with an earn-out or a deferred element [2]. Loan notes or rollover into the buyer's equity for a material part [1]. Mostly paper [0].
9. **Will you have a continuing role after completion?** None [3]. Consultancy performed from outside the UK [2]. Continuing employment or a directorship that requires days working in the UK [0].
10. **How ready is your destination?** Chosen, permit route confirmed, and you can be resident there before exchange [3]. Chosen but not yet resident [2]. Undecided [0].
11. **Does the company derive 75 per cent or more of its value from UK land?** No [3]. Yes, or you do not know [0].
12. **Are you willing to live outside the UK for more than five full years, and to arrange your life so that the day counts are met every year?** Yes [3]. Unsure [1]. No [0].

SCORE, OUT OF 37	BAND	WHAT IT MEANS
28 to 37	Window open	Non-residence before exchange is achievable and the five-year absence is credible. Read chapters 3, 5 and 7 before anyone drafts anything.
16 to 27	Window narrowing	One or two answers are doing the damage, usually timing, family or the five-year horizon. Some can be changed, some cannot. Read chapters 2 and 5 first.
0 to 15	Window shut	Plan the return instead. The disposal is taxed in the UK. Chapters 2, 4 and 5 show what can still be done with the tail of the deal and the years after it.

Three overrides. If question 1 scored 0, the window is shut whatever the total: the disposal date is fixed, though the earn-out material in chapters 2 and 5 may still apply. If question 7 scored 0, read the chapter on US persons in Part 2 before doing anything else, because citizenship-based taxation follows you to every destination here. If question 11 scored 0, non-residence does not remove the UK charge, because property-rich shares stay within s.1A(3)(c) wherever the holder lives.

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The enquiry we receive most often arrives in the fortnight after heads of terms are signed, from a founder who has just been told by the buyer's lawyers what completion will look like. By then the questions that decide the outcome, the family's willingness to move, the five-year horizon and whether the founder is needed in the business afterwards, have usually been answered without anyone noticing, and the answer is that the sale will be taxed in the UK. The founders who genuinely have a choice are the ones who ask two tax years before an approach, when the company is not for sale and the conversation feels premature. It is not premature. It is the only time the arithmetic in this guide is fully available.

CHAPTER 2

02

The anatomy of a liquidity event

Every plan in this guide depends on three facts about the transaction: what is being sold, what is being received for it, and when the law treats the disposal as made. Founders and their corporate lawyers negotiate the first two for months and rarely think about the third until the tax adviser asks. This chapter sets out the forms a liquidity event takes and where the tax point falls in each, so that the residence planning in chapters 3 and 5 can be laid against a real timetable.

Share sale or asset sale

A share sale is a disposal by you of your shares; the gain is yours, computed under s.38 as proceeds less cost, and charged at the rates in chapter 4. An asset sale is a disposal by the company of its trade and assets: the company pays corporation tax on its gains and the proceeds sit inside it, so you face a second charge when you take them out, as a dividend or as a capital distribution on a winding-up, the latter subject to the anti-avoidance rule in ITTOIA 2005 s.396B covered in Part 2. Two layers of tax against one is why founders sell shares. Everything here assumes a share sale unless stated.

Secondary sales

A secondary sale is a partial disposal, typically to a private equity investor who takes a stake while you continue. The same computation applies to the part sold. Business Asset Disposal Relief is tested disposal by disposal, so the two-year personal-company condition in s.169I(6) must be met at each sale, and after a secondary you must still hold at least 5 per cent of ordinary share capital and votes with the corresponding economic entitlement (s.169S(3)) for the next disposal to qualify. A secondary while UK resident followed by emigration before the full exit means two disposals under two regimes; the first is simply taxed, the second is where the planning lives.

IPO and lock-ups

A listing is not a disposal. The gain arises only when you sell the listed shares, usually after a lock-up. For UK purposes the change from unlisted to listed has no effect on the rate; Investors' Relief requires only that the company was unlisted when the shares were issued (s.169VB(2)(d)). It matters in some destinations. Italy defines a qualified holding in a listed company as more than 2 per cent of votes or 5 per cent of capital, against 20 and 25 per cent for an unlisted one (TUIR art. 67(1)(c)), so a founder who keeps a meaningful stake after listing stays inside the five-period exclusion in chapter 7. Greece taxes gains on listed shares only where the seller holds at least 0.5 per cent (KFE art. 42(1)(b)). Portugal excludes 10, 20 and 30 per cent of the gain on listed securities held for two, five and eight years (CIRS art. 43(5)). A founder heading for an IPO should test the cards on the post-listing facts.

Earn-outs and deferred consideration

Most private-company sales of any size include consideration not paid on completion, and the treatment depends on whether the deferred amount is ascertainable.

Where the deferred sum is fixed, s.48(1) brings the whole of it into the computation in the year of disposal, without discount for the delay and, in the first instance, without regard to the risk of non-payment; if part later proves irrecoverable, the computation is adjusted on a claim. Section 280 allows tax on consideration payable by instalments over more than eighteen months to be paid by instalments over up to eight years.

Where the deferred sum is unascertainable, because it depends on future profits or another contingency, Marren v Ingles [1980] 1 WLR 983 applies. The right to the earn-out is itself an asset, a chose in action, and its market value at completion forms part of the consideration for the shares. When the earn-out is paid, that is a second disposal, of the right, and the gain or loss is the amount received less the value brought in at completion. Two consequences matter for a leaver. The first disposal is fixed on exchange; the second falls where you are resident when the earn-out is paid, and chapter 5 explains why a cash earn-out right created after departure sits outside the five-year rule while a paper one does not. And Business Asset Disposal Relief is not available on the right, because it is not shares or securities (s.169I(2)(c)).

The Part 2 scenario shows the shape. A sale for GBP 10,000,000 cash plus an earn-out of up to GBP 2,000,000 in year three, the right valued at GBP 1,400,000 on completion, produces tax of GBP 2,665,680 in year one and GBP 143,280 in year three if the earn-out pays in full, GBP 2,808,960 in all for a UK-resident founder. A founder who is non-resident when the earn-out is paid and stays away for more than five years pays nothing on the year-three receipt. Where the earn-out is satisfied only in shares or debentures of the buyer, s.138A treats the right as a security so that the paper-for-paper rules apply, unless the seller elects out under s.138A(2A). Where the right yields a loss, s.279A allows an election to carry it back to the year of the original disposal.

Rollover, loan notes and management reinvestment

Buyers frequently pay part of the price in their own shares or loan notes, and private equity buyers expect management to reinvest part of their proceeds in the acquisition vehicle. Where paper is issued in exchange for your shares, s.135 and s.136 treat the exchange as a reorganisation, so that no disposal takes place and the new holding stands in the shoes of the old under s.127. For a qualifying corporate bond, s.116 freezes the gain and charges it when the bond is redeemed or disposed of (s.116(10)). For a non-qualifying bond and for shares, the new asset is simply the old asset with its original base cost.

Two points for a founder who plans to leave. The buyer's loan notes will rarely qualify for Business Asset Disposal Relief, so s.169Q allows an election to crystallise the gain, and the relief, on the exchange. And the five-year rule reaches paper taken for shares held before departure: s.1N(2) re-imports gains computed by reference to an old asset under s.116(10) and (11), and a share-for-share exchange under s.127 does not create a new asset at all. Deferring a gain into paper does not remove it from the UK's reach; only a genuine absence of more than five years does.

Pre-sale dividends

Extracting cash before the sale as a dividend reduces the price and the gain. For a founder paying income tax at the higher or additional rate, a dividend is taxed as income at rates above the 24 per cent capital gains rate, so the suggestion rarely survives arithmetic; it can make sense where a non-resident recipient is not taxed on the dividend at all. The transactions in securities rules in ITA 2007 ss.682 to 713, covered in Part 2, are HMRC's answer to arrangements that convert income into capital, and they should be considered before any pre-sale reorganisation.

Where the tax point falls

Under s.28(1), where an asset is disposed of under a contract, the disposal is made when the contract is made, not at completion. Under s.28(2), where the contract is conditional, the disposal is made when the condition is satisfied. Heads of terms, letters of intent and exclusivity agreements are ordinarily expressed not to be binding as to the sale itself, but a founder should have the corporate lawyer confirm that in writing rather than assume it.

The consequence for residence planning is direct. Your residence status for the tax year in which the contract becomes unconditional, or your position within a split year on that date, decides whether the gain is chargeable at all (s.1A, s.1G). A founder who becomes non-resident on 1 August, exchanges on 1 September and completes on 1 October is disposing in the overseas part of the split year, provided the split-year case is met. A founder who exchanges on 1 July and leaves on 1 August is disposing in the UK part, and the whole gain is chargeable.

STAGE	WHEN	WHAT HAPPENS
Approach and indicative offer	Months before exchange	No disposal. Residence planning still fully available. Heads of terms usually non-binding.
Exclusivity and due diligence	Typically two to four months	Still no disposal. The last period in which departure before exchange can be organised.
Exchange of the share purchase agreement	Day X	Disposal under s.28(1); if conditional, when the condition is satisfied under s.28(2). Residence on this date decides the UK charge.
Completion	Day X or later	Cash paid, paper issued. No further tax event on the shares.
Earn-out payments	Often one to three years after completion	Disposal of the Marren v Ingles right, or crystallisation of the s.116 frozen gain on a qualifying corporate bond. Residence on each date matters.
Self-assessment payment	31 January after the end of the tax year of disposal	Capital gains tax due. Instalments under s.280 where consideration is deferred over more than eighteen months.
Relief claim deadline	First anniversary of the 31 January following the tax year	Business Asset Disposal Relief claim under s.169M(3).
Five-year anniversary of departure	Day of departure plus five years and one day	The temporary period of non-residence exceeds five years; a return after this date is outside s.1M (chapter 5).

CHAPTER 3

03

The UK Statutory Residence Test as a reference table

Since 6 April 2013 UK residence for tax has been decided by the Statutory Residence Test in FA 2013 Sch 45. It is mechanical, and that is its virtue for a founder: it can be planned against, and it can be failed by a single careless week. The Schedule applies in a fixed order (paras 3 to 5). You are resident for a tax year if the automatic residence test or the sufficient ties test is met, and not resident otherwise. The automatic residence test is met if you satisfy at least one automatic UK test and none of the automatic overseas tests, so the overseas tests are checked first: meet any one and you are non-resident whatever else is true.

Table A: the automatic overseas tests

Meeting any one of these makes you non-resident for the year.

TEST	PARAGRAPH	CONDITION
First automatic overseas test	Sch 45 para 12	Resident in one or more of the three preceding tax years; fewer than 16 days in the UK in the year; did not die in the year.
Second automatic overseas test	Para 13	Resident in none of the three preceding tax years; fewer than 46 days in the UK.
Third automatic overseas test	Para 14	Sufficient hours worked overseas, an average of 35 a week; no significant break; fewer than 31 days with more than three hours' UK work; fewer than 91 days in the UK.
Fourth and fifth tests	Paras 15 and 16	Death in the year, with the prior-year conditions stated in the paragraphs.

The first test is the one a founder in the year after departure will rely on, and it allows 15 days. The third is for employees sent abroad on full-time contracts, and a founder who has just sold the business should not build a plan on it.

Table B: the automatic UK tests

If no overseas test is met, meeting any one of these makes you resident.

TEST	PARAGRAPH	CONDITION
First automatic UK test	Para 7	At least 183 days in the UK in the year.
Second automatic UK test	Para 8	A UK home used on at least 30 days in the year, plus a 91-day period (30 days of it in the year) with no overseas home, or none used on 30 days or more.
Third automatic UK test	Para 9	Sufficient hours worked in the UK over 365 days, more than 75 per cent of working days being UK working days, at least one such day in the year.
Fourth automatic UK test	Para 10	Death in the year after three years of automatic residence, with a UK home.

The second test is the one that catches people who think they have left. A founder who keeps the family house, spends 30 nights there over the year and has not yet established a home abroad in which he spends 30 days is resident, regardless of the day count. The cure is a genuine overseas home used as one.

Table C: the sufficient ties test

This applies only if no automatic test is met. The number of ties that makes you resident depends on days in the UK and on whether you were resident in any of the three preceding tax years (a "leaver") or none of them (an "arriver").

DAYS IN THE UK IN THE YEAR	TIES SUFFICIENT FOR A LEAVER (PARA 18)	TIES SUFFICIENT FOR AN ARRIVER (PARA 19)
16 to 45	At least 4	Not resident
46 to 90	At least 3	All 4
91 to 120	At least 2	At least 3
More than 120	At least 1	At least 2

Table D: the ties

TIE	PARAGRAPH	DEFINITION
Family tie	Para 32	A UK-resident spouse or civil partner (not separated), cohabiting partner, or child under 18. No tie through a child seen in the UK on fewer than 61 days, or in full-time UK education and there under 21 days outside term.
Accommodation tie	Para 34	A place to live in the UK available for at least 91 continuous days, with at least one night spent there (16 nights at a close relative's home). Gaps of fewer than 16 days are ignored.
Work tie	Para 35	At least 40 days in the year on which more than three hours' work is done in the UK.
90-day tie	Para 37	More than 90 days in the UK in either of the two preceding tax years.
Country tie (leavers only)	Para 38	The UK is the country in which you were present at midnight for the greatest number of days.

Each tie counts once; a leaver has five possible ties and an arriver four (para 31). For a founder in the year after departure the 90-day tie is almost always present, since the two preceding years were spent in the UK, and the accommodation tie is present if any UK property remains available. With a spouse who has not moved, that is three ties and a permitted maximum of 45 days. Add a work tie, or spend more midnights in the UK than anywhere else, and the maximum is 15.

A day counts if you are present in the UK at midnight (para 22); transit days and up to 60 days of exceptional circumstances are excluded. The deeming rule in para 23 counts days present without a midnight, once more than 30 such days have accumulated, for a leaver with at least three ties; day-trips from Paris to London are not free.

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> The Statutory Residence Test is not usually failed by the founder. It is failed by the household. The founder moves to Dubai in August; the spouse stays until the children finish the school year; the family home stays open; the founder flies back for parents' evenings, board meetings and Christmas. On those facts there are four ties and the founder is resident after 15 days. We have seen more plans fail on the family tie than on every other provision in this guide combined, and no adviser can fix it, because the decision belongs to the family.

Split years in summary

Part 3 of the Schedule splits the year of departure or arrival into a UK part and an overseas part where one of eight cases applies. Cases 1 to 3 are for leavers: starting full-time work overseas; accompanying a partner who does; and ceasing to have a home in the UK, becoming resident abroad and thereafter spending only a small number of days in the UK. Cases 4 to 8 are for arrivers: starting to have a home in the UK only; starting full-time work in the UK; ceasing full-time work overseas; accompanying a partner who does; and starting to have a home in the UK. Each case carries its own day-count conditions for the rest of the year and the following year, and where more than one applies the Schedule sets a priority order. The case to be relied on should be identified before departure, not reconstructed afterwards. A founder who has sold the business and is not taking employment abroad will usually be looking at Case 3, and it requires the UK home to go.

Record-keeping

The test is evidential. Keep a contemporaneous diary of midnights by country, boarding passes, and evidence of the overseas home: the lease or title, utility accounts, the family's presence. HMRC enquiries into residence typically arrive years after the event, when memory has faded and the airline has purged its records. A founder with a GBP 12,000,000 gain riding on 15 days should treat the log as seriously as the share purchase agreement.

The departure-year trap

Section 1G(2) provides that in a split year, gains accruing in the overseas part are chargeable only if they accrue on assets within s.1A(3): UK land, property-rich holdings and branch assets. Gains in the UK part are chargeable in full. The disposal date under s.28 is the date of exchange, so a founder who exchanges on 1 July and leaves on 1 August has made a fully chargeable disposal, however carefully the rest of the year is managed. The same rule has a second edge: the five-year clock in chapter 5 starts from the end of the UK part, so an early departure both protects the disposal and shortens the absence required.

CHAPTER 4

04

The UK position on a share sale

This chapter is the base case: what a UK-resident founder pays, what a non-resident pays, and the reliefs that alter the rate, as the law stands for 2026/27. The rates have moved four times since 2024 and the reliefs have been reshaped twice, so the history is tabulated at the end; anyone whose planning was done before October 2024 should re-run it.

Territorial scope

Section 1A(1) charges a UK-resident person on gains on the disposal of assets wherever situated. Section 1A(3) charges a non-resident only on assets connected with a UK branch or agency, interests in UK land, and assets deriving at least 75 per cent of their value from UK land where the person has a substantial indirect interest in that land (s.1D and Sch 1A). Shares in an ordinary UK trading company fall into none of these. A founder whose company owns its freehold premises should have the 75 per cent test checked with real valuations before assuming the company is not property-rich; a hotel group, a care-home operator or a developer will usually fail it. Section 1A(4) makes a person UK resident for a tax year if resident during any part of it, subject to the split-year rule in s.1G.

The rates

Section 1H(3) charges an individual's gains at 18 per cent or 24 per cent, the rates substituted by FA 2025 s.7 for disposals on or after 30 October 2024. Section 1I decides which applies: if any of your income is taxed at a higher income tax rate, all your gains are at 24 per cent (s.1I(1)); otherwise gains fit into the unused basic-rate band at 18 per cent and the excess is at 24 per cent (s.1I(2)). Gains charged at 18 per cent under Business Asset Disposal Relief or Investors' Relief use up the band first (s.1I(4) to (6)), which is why, for a founder with a gain of any size, the band is irrelevant: the relieved gains exhaust it and everything else is at 24 per cent. Trustees and personal representatives pay 24 per cent (s.1H(6) and (8)).

The annual exempt amount is GBP 3,000 (s.1K(2)), deductible in whatever way is most beneficial (s.1K(5)), which for a founder means against the 24 per cent slice. It is not available in a year for which you make a foreign gain claim under the four-year regime for new residents (s.1K(6)(b)).

Business Asset Disposal Relief

The relief, formerly Entrepreneurs' Relief, sits in ss.169H to 169S. A disposal of shares is a material disposal if, throughout the two years ending with the disposal, the company is your personal company and a trading company or the holding company of a trading group, and you are an officer or employee of it or of a group company (s.169I(2)(c), (5) and (6), Condition A). Condition B (s.169I(7)) covers a company that ceased trading within the three years before the disposal, provided the conditions were met for the two years to cessation. Conditions C and D deal with EMI option shares, for which the two-year period runs from grant and the personal-company test is disapplied.

A company is your personal company if you hold at least 5 per cent of the ordinary share capital, that holding carries at least 5 per cent of the votes, and you are entitled by it either to at least 5 per cent of distributable profits and of assets on a winding up, or to at least 5 per cent of the proceeds on a sale of the whole ordinary share capital (s.169S(3)). The proceeds test assumes a sale of the whole capital at market value on the last day of the period, ignoring avoidance arrangements (s.169S(3A)). Founders with preference shares, growth shares or ratchets in the capital table should have this tested with the cap table in front of them.

The rate on qualifying gains is 18 per cent (s.169N(3)), limited to so much of lifetime qualifying gains as does not exceed GBP 1,000,000 (s.169N(4) and (4A)); the balance is charged under s.1H (s.169N(4B)). The claim must be made by the first anniversary of the 31 January following the tax year of disposal (s.169M(3)). The rate was 10 per cent until 5 April 2025, 14 per cent for 2025/26 and 18 per cent from 6 April 2026 (FA 2025 s.8); the lifetime limit has been GBP 1,000,000 for disposals on or after 11 March 2020 (FA 2020 Sch 3).

CANDOUR

Business Asset Disposal Relief is now worth at most GBP 60,000 to a founder. The relieved rate is 18 per cent, the unrelieved rate for a higher-rate taxpayer is 24 per cent, and the difference on the GBP 1,000,000 lifetime limit is GBP 60,000. On a GBP 12,000,000 sale that is half of one per cent of the price. It is still worth claiming, and the two-year officer-or-employee condition is still worth protecting, but a founder who has been told that "Entrepreneurs' Relief" will shelter the sale is being advised from a memory of 2019, when the rate was 10 per cent and the limit was ten times higher. The relief no longer changes any decision in this guide.

Investors' Relief

Investors' Relief (ss.169VB to 169VW) charges 18 per cent on gains on qualifying shares (s.169VC(2)), subject to a lifetime cap of GBP 1,000,000 (s.169VK), reduced from GBP 10,000,000 for disposals on or after 30 October 2024 by FA 2025 s.10. A qualifying share must have been subscribed for in cash at arm's length, issued on or after 17 March 2016 when the company was unlisted, held continuously for at least three years in a trading company, and neither the investor nor a connected person may have been an officer or employee during the holding period (s.169VB(2), s.169VU, s.169VW). The relief is for outside investors, not for a founder-director, who should not count on it for shares in their own company. It can matter to an angel on the same cap table.

The rate history, 2019 to 2026

TAX YEAR	MAIN RATES ON SHARES	BUSINESS ASSET DISPOSAL RELIEF	INVESTORS' RELIEF	ANNUAL EXEMPT AMOUNT
2020/21 to 2022/23	10 and 20 per cent	10 per cent; GBP 1,000,000 lifetime limit from 11 March 2020	10 per cent; GBP 10,000,000	GBP 12,300
2023/24	10 and 20 per cent	10 per cent; GBP 1,000,000	10 per cent; GBP 10,000,000	GBP 6,000
2024/25 to 29 October 2024	10 and 20 per cent	10 per cent; GBP 1,000,000	10 per cent; GBP 10,000,000	GBP 3,000
2024/25 from 30 October 2024	18 and 24 per cent (FA 2025 s.7)	10 per cent; GBP 1,000,000	10 per cent; GBP 1,000,000 (FA 2025 s.10)	GBP 3,000
2025/26	18 and 24 per cent	14 per cent; GBP 1,000,000	14 per cent; GBP 1,000,000	GBP 3,000
2026/27	18 and 24 per cent	18 per cent; GBP 1,000,000	18 per cent; GBP 1,000,000	GBP 3,000

The 2019/20 year carried the same 10 and 20 per cent rates; the Entrepreneurs' Relief lifetime limit was reduced to GBP 1,000,000 for disposals on or after 11 March 2020, within that year. Read across a row and the direction is unmistakable: in six years the rate on a founder's gain above the first million has gone from 20 to 24 per cent, the relieved slice from 10 to 18 per cent, and the exemption has shrunk to a rounding error.

What it looks like in money

The Part 2 scenario takes a sole shareholder and working director who sells 100 per cent of an unlisted UK trading company for GBP 12,000,000 cash in 2026/27, with a base cost of GBP 40,000 and a full lifetime limit available. The gain is GBP 11,960,000. The first GBP 1,000,000 is charged at 18 per cent, GBP 180,000. The balance of GBP 10,960,000, less the GBP 3,000 exemption, is charged at 24 per cent, GBP 2,629,680. The total is GBP 2,809,680, payable by 31 January 2028, an effective rate of 23.5 per cent of the gain; without the relief, GBP 2,869,680. That is the number every destination in chapter 7 is measured against, and the number a founder who leaves and returns within five years will pay in the year of return.

The scale nationally is visible in HMRC's Capital Gains Tax statistics of 27 August 2026: in 2024/25, 45 per cent of all capital gains tax came from fewer than 1 per cent of taxpayers, those with gains of GBP 5,000,000 or more, and in 2023/24 disposals of unlisted shares produced 48 per cent of all gains. The founder's exit is not a marginal case in the CGT base; it is the CGT base, and the rate changes since 2024 were aimed at it. Part 2 sets out the evidence in full.

CHAPTER 5

05

The temporary non-residence rule: s.1M and s.1N in full

The UK has no exit tax on an individual's shares. What it has instead is a rule that treats a gain realised during a short absence as if it had been realised on the day you came back. The rule is in two sections of TCGA 1992 and five paragraphs of FA 2013 Sch 45, and it is the provision on which every plan in this guide finally turns.

The charging rule

Section 1M(1) provides that where an individual who is temporarily non-resident disposes of an asset, and a gain or loss accrues in the temporary period of non-residence on an asset not excluded by s.1N, the gain or loss "is treated instead as accruing to the individual in the period of return". Nothing is assessed at departure. The gain lands in the tax year, or the UK part of the split year, in which you resume residence, and is charged at the rates and with the exemption then in force. Section 1M(5) preserves any charge that would arise anyway, so a gain on UK land is not re-timed. Section 1M(4) is the sentence to remember: "Nothing in any double taxation arrangements prevents a charge to capital gains tax arising as a result of this section." Section 1M(6) imports the definitions from Sch 45 Part 4.

Section 1M(1A), inserted by FA 2026 s.58 and Sch 11 for 2026/27 onwards, disapplies subsection (1) for gains of individuals who were temporarily non-resident under the old carried-interest provisions in s.103KA, which are now charged to income tax under ITTOIA 2005 s.23M instead. It is confined to investment managers' carried interest and has no effect on a founder's gain on trading-company shares. Section 1M(2), on remitted gains, is spent now that the remittance basis has ended.

Who is temporarily non-resident

Sch 45 para 110(1) sets four conditions. You had sole UK residence for a residence period ("period A"). Immediately after it, one or more residence periods occur for which you do not have sole UK residence. At least four of the seven tax years immediately preceding the year of departure were tax years of sole UK residence, or split years including a period of sole UK residence. And the temporary period of non-residence is five years or less.

A residence period is a whole tax year or, in a split year, the UK part or the overseas part (para 111). Sole UK residence means UK resident and at no time Treaty non-resident (para 112), and you are Treaty non-resident whenever you fall to be regarded as resident of another country under a double taxation agreement in force (para 112(3)). The temporary period runs from the end of period A to the start of the next residence period of sole UK residence (para 113), and that next period is the period of return (para 115).

Three consequences follow. First, where split-year treatment applies, the clock starts on the day the overseas part begins and stops on the day the UK part of the return year begins; the five years are measured in days, and HMRC's helpsheet confirms that the period "may start or end within a tax year due to the 'split year' treatment". Second, "five years or less" is caught, so the absence must exceed five years by at least a day. Third, a year in which you remained UK resident under the Statutory Residence Test but were tie-broken to another country under a treaty is not a year of sole UK residence, so it counts towards the absence and not towards the four-of-seven condition. That condition exempts a genuine short-term arrival: someone who came to the UK three years ago is not temporarily non-resident however soon they return.

What is caught, and s.1N

The charge falls on assets held when you left. Section 1N(1) excludes an asset acquired in the temporary period, provided it was not acquired by a no gain, no loss transfer from a spouse or civil partner (s.58) or from trustees (s.73), its base cost was not reduced by rollover or similar relief by reference to a UK-resident disposal, and it is not an interest under a settlement. A new company founded in Dubai after departure and sold before return is outside the rule; shares transferred from a spouse after departure are not.

Section 1N(2) removes the exclusion where a gain on the new asset is computed by reference to an old asset under s.116(10) or (11), s.134 or s.154, and the old asset would not have qualified. This reaches loan notes: qualifying corporate bonds issued after departure for shares held before it carry the frozen gain, which is charged on return. A share-for-share exchange under s.127 is not listed because the new shares are the same asset as the old and were never "acquired" in the temporary period. A cash earn-out right created on a sale made after departure is different: it is a new asset outside every provision listed in s.1N(2), and on the natural reading it is excluded from s.1M, so a founder who sells after leaving and returns within five years pays on the share gain but not on the later earn-out receipt. That reading is the statute's, not HMRC's published view, and it should be confirmed before it is relied on.

How the charge lands

The gain is charged in the period of return at that year's rates; today that means 24 per cent above the first GBP 1,000,000 of relieved gains, but Parliament sets the rates of the year of return, not of the year of sale. Tax is due on 31 January after the year of return, and interest does not run from the original disposal. HMRC's practice, as we understand it, is that Business Asset Disposal Relief conditions are tested at the actual disposal and the claim is made for the year of return; we have not verified the manual paragraph and the point should be confirmed for any individual case. Foreign tax paid on the same gain in the destination is creditable under the unilateral relief rules in TIOPA 2010, subject to the usual limits. Where the destination charged nothing, which is the position in the UAE, Cyprus, Malta, Switzerland, Monaco, Greece under the lump sum and Portugal under IFICI, the full UK charge is payable: in the Part 2 scenario, GBP 2,809,680, the same figure as if the founder had never left. The one case in which a return costs nothing extra is Italy within five years, where the 26 per cent Italian tax on a qualified holding exceeds the UK charge, subject to HMRC's application of the credit rules to a s.1M gain, which we have not seen confirmed in published guidance.

> **CONTESTED POINT**
>
> HMRC's helpsheet HS278, in its 2026 edition published on 6 April 2026, still explains the rule by reference to "the residence conditions in section 10A TCGA 1992". Section 10A was repealed and replaced by s.1M and s.1N with effect from 6 April 2019 by FA 2019 Sch 1, and the helpsheet contains no reference to s.1M. The substance of the guidance is correct and its summary of the four-of-seven and five-year conditions matches Sch 45 para 110, but any document, including a professional memorandum, that cites s.10A for a disposal after 5 April 2019 is citing a repealed section. We cite s.1M and s.1N throughout and note the discrepancy so that a reader checking this guide against gov.uk is not misled by it.

A compliant five-year absence

STAGE	WHEN	WHAT HAPPENS
Decision and destination residence	At least one full tax year before the expected approach	Family agrees to move; destination permit route confirmed; overseas home taken.
Departure	Day 0, for example 1 September 2026	UK home disposed of or let on terms that remove the accommodation tie; Case 3 split year begins; period A ends.
Disposal	After Day 0, in the overseas part or a full non-resident year	Contract becomes unconditional (s.28). Gain on non-property-rich shares outside s.1A(3); s.1G(2) confines the charge to UK land. No UK capital gains tax.
Years one to five	Each tax year	Day counts held under the Table C limit for your ties; midnight diary kept; UK work days below the work-tie threshold.

STAGE	WHEN	WHAT HAPPENS
Earn-out or loan-note receipts	Whenever paid	Outside the charge while non-resident, but caught on return within five years if the asset was held at departure or falls within s.1N(2).
Five-year anniversary	Day 0 plus five years	The temporary period is still "5 years or less" on the anniversary itself.
Return	Day 0 plus five years and at least one day, for example 3 September 2031 or later	Para 110(1)(d) not met; s.1M does not apply; the gain is never charged in the UK. Residence resumes under the SRT, with the arriver ties table applying.

Five years is not a tax-planning horizon; it is a decision about where your children grow up and where you will be when something goes wrong. Founders who leave for the tax and not for the life come back in year three, and s.1M then charges the whole gain at whatever the rate is in the year they return. If the honest answer to question 12 in chapter 1 was "unsure", the right plan is the one for a founder who stays.

CHAPTER 6

06

Coming back, or coming for the first time: the FIG regime and the Temporary Repatriation Facility

The remittance basis ended on 5 April 2025. In its place FA 2025 created a four-year regime for qualifying new residents, a three-year facility for those who had used the remittance basis, and a rebasing rule for the same people. This chapter explains what they do for a founder and, as importantly, what they do not.

The four-year regime

Under ITTOIA 2005 s.845B(1) an individual is a qualifying new resident for a tax year if UK resident for that year, not UK resident for each of the ten preceding tax years, and at least ten years old at the start of the year; the age condition was added from 18 March 2026 by FA 2026 Sch 3. Under s.845B(2) the status continues for the next three tax years, giving four in all. Those who arrived in 2022/23, 2023/24 or 2024/25 and would have qualified had the section then been in force are brought in for the balance of their four years (s.845B(3)).

For gains, TCGA 1992 Sch D1 allows a qualifying new resident to make a foreign gain claim in a return, and relief is given for each qualifying foreign gain identified in the claim. The parallel foreign income claim under s.845A must be made within twelve months of the 31 January following the tax year, and the same deadline should be assumed for the gain claim. Only gains on foreign-situated assets qualify: a gain on shares in a company incorporated and registered outside the UK is a foreign gain; a gain on shares in a UK-registered company is not, and is taxed at 18 or 24 per cent like anyone else's. The claim costs the annual exempt amount for that year (s.1K(6)(b)), and a foreign income claim in the same year costs the personal allowance. HMRC's manual at RDRM76100 states the entry condition without qualification: ten consecutive tax years of non-UK residence.

Two consequences shape who this helps. A British founder who left five years ago and is coming back cannot use it. A founder who arrives, claims it, becomes temporarily non-resident within the four years and returns cannot claim it for the non-resident years and cannot roll the unused years forward; HS278 states that the only route back is another ten consecutive years abroad. But a founder who has lived in the Gulf, Singapore or the United States for ten years, holds shares in a non-UK company and is contemplating both a sale and a move to London can, on these rules, become UK resident before the sale and pay no UK tax on the gain. That is the case this chapter exists for. The sale should fall in a year for which the claim is made, the company must be foreign-situated and not property-rich, and the departure-state exit taxes in Part 2, chapter 9, should be checked before the move rather than after.

No step-up on arrival

There is no rebasing of assets to market value when you become UK resident. The base cost of shares you bring with you is what you paid for them (s.38), however long ago and in whatever country. The only rebasing in the 2025 package, FA 2025 Sch 9, rebases foreign assets to their value on 5 April 2017 for individuals who claimed the remittance basis before 6 April 2025 and meet its conditions; it is not available to a first-time arriver. A founder arriving with a low-basis holding in a UK company carries the whole historic gain into the UK charge on day one.

The Temporary Repatriation Facility

The facility, in FA 2025 Sch 10, allows an individual who was subject to the remittance basis to designate pre-6 April 2025 foreign income and gains, or overseas capital of uncertain source, and pay a charge on the amount designated: 12 per cent for amounts designated in a return for 2025/26 or 2026/27, and 15 per cent for 2027/28 (Sch 10 para 8). Designation is by election in a return for one of those three years, and only for a year of UK residence (paras 6 and 7). The latest dates for designation are 31 January 2028, 31 January 2029 and 31 January 2030 respectively (RDRM73320). No credit is given for foreign tax on the designated amount, and once the amendment window has closed a designation cannot be withdrawn.

The point for this guide is what the facility cannot do. HMRC's manual at RDRM76200 is explicit: foreign income and gains that arose during a period of non-residence and become chargeable on return under the temporary non-residence rules cannot be designated, because the remittance basis is not available in the year of return and the gain is taxed on the arising basis at the usual rates. A former remittance-basis founder who leaves, sells abroad and comes back within five years pays 18 or 24 per cent on the s.1M gain, not 12 or 15 per cent. The facility can be used, on return, for pre-departure foreign income and gains of a remittance-basis year, and only then. It is a clean-up tool for the past, not a shelter for the exit.

Who this chapter helps

The FIG regime helps the non-UK founder moving to the UK before a sale of a non-UK company, provided ten clean years of non-residence can be shown and the timing is right. The facility helps a former remittance-basis user with old unremitted money and nothing else. Neither helps the UK-resident founder who is the main reader of this guide, and neither helps anyone who has been UK resident in the last ten years. For that reader the choices are those in chapters 3, 5 and 7: cease residence before exchange, stay away for more than five years, or pay GBP 2,809,680 on GBP 12,000,000 and get on with life.

CHAPTER 7

07

The destinations

Eight jurisdictions account for nearly every serious enquiry we receive from a founder leaving the UK before a sale. Each is set out as a card with the same eleven rows, followed by counsel, and then a single comparison matrix. "Foreign-company shares" means shares in a company not resident in the destination, which for a UK founder is the UK company being sold. Government charges are exact and sourced; investment thresholds are investments, not costs; professional fees are given as ranges in Part 2, chapter 13. Every card assumes that UK residence has ceased before exchange and that the founder stays away for more than five years; otherwise chapter 5 governs.

United Arab Emirates

ITEM	POSITION
Legal basis	No federal personal income tax (UAE Government portal). Federal Decree-Law 47 of 2022 reaches individuals only for business activity above AED 1,000,000 turnover (Cabinet Decision 49 of 2023).
Annual cost of the regime	Nil.
One-off government cost	Golden Visa fee lines (GDRFA Dubai): permit AED 1,100; knowledge and innovation dirhams AED 10 each; inside-country fee AED 500; delivery AED 20; AED 100 per year of validity beyond two. Emirates ID and medical extra. Investment AED 2,000,000.
Gain on foreign-company shares	Nil.
Gain on domestic-company shares	Nil for a personal investment.
Step-up on arrival	Not needed.
Presence and residence test	No UAE test bears on the gain. For the UK treaty, art. 4(1)(a): domiciled, habitual abode or centre of vital interests in the UAE. The UK's SRT is the test that matters.
Duration	Golden Visa issued for ten years.

ITEM	POSITION
UK treaty and former-resident clause	2016 convention, MLI-modified; art. 13(5) gives the residence state the sole right; no former-resident clause; tie-breaker art. 4(3).
Exit tax on leaving	None.
What breaks it	A return to the UK within five years; UK ties under the SRT; property-rich shares; a UK home and a UK-resident spouse.

The UAE is the simplest card because there is nothing on the destination side to plan: no charge to avoid, no regime to elect, no holding period and no treaty condition. The whole of the work is UK-side, in chapters 3 and 5. A founder who goes on to run a business from Dubai should take corporate tax advice on the AED 1,000,000 threshold, which concerns the next venture, not the sale. The Golden Visa is an immigration status; it does not make you non-UK-resident, and it does not need to.

Italy

ITEM	POSITION
Legal basis	TUIR art. 24-bis (art. 246 from 1 January 2027 under D.Lgs 117/2026); art. 67(1)(c); art. 68(6); D.Lgs 461/1997 art. 5(2) with D.L. 66/2014 art. 3 for the 26 per cent rate.
Annual cost of the regime	EUR 300,000 plus EUR 50,000 per family member for residence transferred from 1 January 2026 (L. 199/2025 art. 1 comma 26); a lower charge applies only to the cohort that transferred residence between 10 August 2024 and 31 December 2025 (D.L. 113/2024).
One-off government cost	Investor visa (D.Lgs 286/1998 art. 26-bis): EUR 2,000,000 government bonds, EUR 500,000 company equity, EUR 250,000 innovative start-up, or EUR 1,000,000 donation. Visa charges modest, not verified from a primary source.
Gain on foreign-company shares	26 per cent ordinarily. Under art. 24-bis the lump sum covers foreign gains except those on qualified holdings realised in the first five tax periods, which stay at 26 per cent.
Gain on domestic-company shares	26 per cent; Italian-source, never covered by the lump sum.
Step-up on arrival	None (art. 68(6)). Optional paid step-up under L. 448/2001 art. 5 at 21 per cent of appraised net equity for holdings on 1 January 2026 (L. 199/2025 art. 1 comma 144); Part 2 works it through.
Presence and residence test	Tax residence under TUIR art. 2 for more than half the year; no split year. Regime requires non-residence in nine of the previous ten tax periods.
Duration	Fifteen years, not renewable; ends permanently on a missed payment.
UK treaty and former-resident clause	1988 convention; art. 13(4) residence-state rule; art. 13(5) lets the UK tax a former resident for five years where Italy does not tax the gain. Not MLI-modified.
Exit tax on leaving	None on a private individual's shares (art. 166 applies to enterprises).
What breaks it	Selling a qualified holding within five tax periods; late payment; Italian-source gains.

A qualified holding is more than 20 per cent of the votes or 25 per cent of the capital of an unlisted company (art. 67(1)(c)). A founder selling a controlling stake is the paradigm case, and for five tax periods the flat tax shelters nothing on that sale: 26 per cent on historic cost, with no step-up, while EUR 300,000 a year is paid for a regime that does not cover the one transaction that matters. The regime works only where the sale can wait for the sixth tax period, the holding is non-qualified, or other foreign income justifies the charge on its own. Part 2, chapter 8, works it through, including the treaty interplay: because Italy taxes the gain in years one to five, the UK's art. 13(5) right does not revive, and on a return within five years the Italian tax is credited against the s.1M charge. Every article number here expires on 31 December 2026.

CANDOUR

Italy is the destination most often proposed to founders by intermediaries, and it is the worst of the eight for a founder selling a controlling stake within five years. A EUR 300,000 flat tax that excludes the founder's own exit is not a founder's regime; it is a regime for people with large recurring foreign income who happen to own a company. If the sale cannot wait five tax periods, Italy should not be on the shortlist, and an adviser who has not raised the art. 24-bis carve-out unprompted has not read the article.

Portugal

ITEM	POSITION
Legal basis	CIRS art. 10(1)(b) and art. 72(1)(c) for the 28 per cent rate; art. 43(3) for small companies; IFICI in EBF art. 58.º-A with the exemption in CIRS art. 81(4); blacklist rate in art. 81(5).
Annual cost of the regime	IFICI: nil. Golden Visa renewal every two years: analysis EUR 842.80 plus renewal EUR 4,210.30 per person (AIMA table from 1 March 2026, standard channel; 25 per cent less digitally).
One-off government cost	Golden Visa: analysis EUR 842.80 plus grant EUR 8,418.90, EUR 9,261.70 per person; fund route EUR 500,000 (Lei 23/2007 art. 90.º-A). IFICI: no fee.
Gain on foreign-company shares	28 per cent flat; 14 per cent effective for an unlisted micro or small company. Under IFICI: exempt with progression (art. 81(4)), with no condition that the UK could tax.
Gain on domestic-company shares	28 per cent; not exempt under IFICI.
Step-up on arrival	None (CIRS art. 48).
Presence and residence test	CIRS art. 16: more than 183 days in twelve months, or a habitual home. Golden Visa presence seven days in year one, fourteen per two-year period. IFICI: not resident in the prior five years, never used NHR, eligible activity.
Duration	IFICI ten years. Golden Visa issued for two years and renewed for two-year periods. Naturalisation now ten years of legal residence for a UK national (seven for EU and Portuguese-speaking nationals), counted from the issue of the first residence title (Lei Orgânica n.º 1/2026 of 18 May, in force 19 May 2026).
UK treaty and former-resident clause	2025 convention, effective for UK capital gains tax from 6 April 2026; art. 13(5) residence-state rule; no former-resident clause; saving clause art. 1(2); principal purpose test art. 27.
Exit tax on leaving	None identified for a private shareholding in the sources for this edition; confirm locally.
What breaks it	Not qualifying for IFICI; a prior NHR claim; income from a blacklisted jurisdiction at 35 per cent; assets held under 365 days with top-bracket income (art. 72(14)).

Portugal is two destinations depending on one question: can you qualify for IFICI? It requires an eligible activity, and for a founder the realistic routes are a job or board seat in a certified Portuguese start-up, a highly qualified role in a qualifying company, or a recognised position with an AICEP or IAPMEI entity (EBF art. 58.º-A(1)). With IFICI, a gain on the UK company is exempt, and the exemption does not depend on the UK having a taxing right, which the old NHR regime did. Without it the rate is 28 per cent, worse than the UK. The Golden Visa has no bearing on either answer, and it no longer leads to citizenship in five years: the May 2026 nationality law doubled the period to ten for a UK national (seven for EU and Portuguese-speaking nationals) and starts the clock from the issue of the first residence title rather than from the application; applications lodged before 19 May 2026 keep the old rules. Founders with Gulf structures should note the blacklist rule; Part 2 covers it.

CONTESTED POINT

The Golden Visa fees above are the figures on AIMA's published fee table in force from 1 March 2026, footed as an update of Portaria n.º 307/2023. No new Portaria has been made; the 2026 amounts rest on the annual indexation mechanism in the 2023 Portaria, and no Diário da República act publishing them was found on 2 September 2026. The AIMA site also refused automated fetching on one of our two research passes. We treat the figures as current and expect them to move again on 1 March 2027, but a reader paying them should check the AIMA table on the day.

Greece

ITEM	POSITION
Legal basis	KFE (L. 4172/2013) art. 42 and art. 43(1) for the 15 per cent rate; art. 5A as amended by L. 5313/2026 art. 94; AADE Decision A.1147/2026.
Annual cost of the regime	EUR 100,000 plus EUR 20,000 per family member, in one instalment by the last working day of December.
One-off government cost	Art. 5A: no fee, but EUR 500,000 invested in Greece within three years, waived for investor-permit holders. Golden Visa: permit fee EUR 2,000 plus EUR 16 card; property EUR 800,000, EUR 400,000 or EUR 250,000 by zone (L. 5100/2024).
Gain on foreign-company shares	15 per cent ordinarily; under art. 5A, absorbed by the lump sum as foreign-source income, with no credit for foreign tax.
Gain on domestic-company shares	15 per cent (unlisted; listed only if the holding is at least 0.5 per cent).
Step-up on arrival	None; art. 42(4) uses the lower of net-equity value and contract price at acquisition.
Presence and residence test	Greek tax residence, ordinarily more than 183 days. Regime requires non-residence in seven of the previous eight years; application by 30 September of the arrival year or the next (A.1147/2026).
Duration	Fifteen tax years, not extendable.
UK treaty and former-resident clause	1953 convention; Article VII exempts a resident of one territory from tax on gains in the other absent a permanent establishment; no former-resident clause; no tie-breaker. Not MLI-modified.
Exit tax on leaving	None identified in the sources for this edition; confirm locally.
What breaks it	Missing the annual payment; failing to complete the investment within three years; a retained UK home, which under the 1953 treaty leaves you resident of neither country.

Greece is the cheapest lump-sum regime in Europe and, for a founder, one of the cleanest: the gain on the UK company is foreign-source, the EUR 100,000 exhausts Greek liability on it, there is no qualified-holding carve-out, and the three-year deadline allows the EUR 500,000 investment to be made from the proceeds. Two points need care. The source rule for a gain on foreign shares sold by a Greek resident has not been confirmed by a published ruling in our research and should be confirmed by a Greek adviser. And the treaty has no tie-breaker: a founder who keeps a home in England and is UK resident under the SRT in the year of sale is resident of neither country for treaty purposes, and the UK charge stands on its own terms.

CONTESTED POINT

L. 5313/2026 art. 94, in force from 25 June 2026, deleted the 31 March application deadline from both art. 5A and the pensioner regime in art. 5B and delegated the deadline to a decision of the Governor of AADE. Decision A.1147/2026 fixed 30 September for art. 5A only. No corresponding decision for art. 5B had been published on 2 September 2026, so the pensioner regime currently has no statutory or administrative deadline at all. Art. 5B is not a founder's regime, but a founder's parents may be looking at it, and any adviser stating a 5B deadline today is guessing.

Cyprus

ITEM	POSITION
Legal basis	Capital Gains Tax Law 52/1980, s.2 and s.4; Income Tax Law 118(I)/2002, s.2 residence and s.8(22) exemption for titles; Special Defence Contribution Law 117(I)/2002, s.2 and s.3.
Annual cost of the regime	Nil; non-domiciled status carries no charge or fee.
One-off government cost	Permanent residence by investment: EUR 500 on application plus EUR 70 per person; investment EUR 300,000 (plus VAT on a new-build); secured foreign income EUR 50,000, plus EUR 15,000 for a spouse and EUR 10,000 per child.
Gain on foreign-company shares	Nil: no capital gains tax on shares, and profits on titles are exempt from income tax.
Gain on domestic-company shares	Nil unless the company derives 20 per cent or more of its value from Cyprus real estate, when 20 per cent capital gains tax applies.
Step-up on arrival	Not needed.
Presence and residence test	183 days; or the 60-day rule: at least 60 days in Cyprus, not more than 183 in any other state, a business, employment or office in a Cyprus-resident entity, and a permanent home.
Duration	Non-domiciled until deemed domiciled after seventeen of the last twenty years.
UK treaty and former-resident clause	2018 convention; art. 13(5) residence-state rule; no former-resident clause; own principal purpose test art. 23; tie-breaker art. 4(3).
Exit tax on leaving	None identified in the sources for this edition.
What breaks it	The 20 per cent property test; losing the Cyprus role that the 60-day rule requires; a return to the UK within five years.

Cyprus charges nothing on the founder's exit, with or without non-domiciled status, because shares in a non-property company are outside both taxes. Non-domiciled status matters for what comes after: dividends and interest on the proceeds are exempt from the Special Defence Contribution, which since 1 January 2026 is 5 per cent on dividends rather than 17 per cent, with a transitional 17 per cent on pre-2026 profits for six years. The 60-day rule makes Cyprus practical for a founder who will not spend half the year there, and its Cyprus business, employment or office condition should be planned as a real role, not a nameplate.

Malta

ITEM	POSITION
Legal basis	Income Tax Act Cap. 123, art. 4(1) provisos (i) and (ii); art. 5(1)(a); art. 56(27); Global Residence Programme Rules S.L. 123.148; Residence Programme Rules S.L. 123.160; Permanent Residence Programme S.L. 217.26.
Annual cost of the regime	Non-domiciliary with unremitted foreign income of EUR 35,000 or more: minimum tax EUR 5,000. Global Residence Programme: minimum tax EUR 15,000, remitted foreign income at 15 per cent. Permanent Residence Programme: no annual charge.
One-off government cost	GRP: EUR 6,000 fee; property EUR 275,000 or rent EUR 9,600 a year. MPRP: EUR 60,000 fee, EUR 37,000 contribution, EUR 2,000 donation, EUR 99,000 in all, plus EUR 7,500 per non-exempt dependant; property EUR 375,000 or rent EUR 14,000.
Gain on foreign-company shares	Nil for a resident non-domiciliary, even if the proceeds are remitted (art. 4(1) proviso (ii)).

ITEM	POSITION
Gain on domestic-company shares	Progressive rates up to 35 per cent; non-residents exempt on non-property companies (art. 12(1)(c)(ii)); duty 2 per cent, or 5 per cent for a property company, unless exempt under DDTA art. 47.
Step-up on arrival	Not needed for foreign gains.
Presence and residence test	Ordinary residence without Maltese domicile. No minimum day count is prescribed by the programme rules.
Duration	Indefinite while non-domiciled; domicile is a common-law status, not a day count.
UK treaty and former-resident clause	1994 convention, MLI-modified; art. 13(5) residence-state rule with a subject-to-tax proviso that a non-domiciliary's untaxed gain fails; art. 13(6) lets the UK tax a former resident for five years with no subject-to-tax condition.
Exit tax on leaving	None identified in the sources for this edition.
What breaks it	Acquiring a Maltese domicile; a Maltese company in the structure; a return to the UK within five years.

Malta's rule is the most generous of the eight for the gain itself, because the exemption for foreign gains does not depend on keeping the money out of the country. The two routes are distinguished by price: EUR 6,000 and a EUR 15,000 minimum tax a year under the Global Residence Programme, or EUR 99,000 up front and nothing annually under the Permanent Residence Programme. Citizenship by investment no longer exists; it was replaced in 2025 by naturalisation on the basis of merit. The treaty's former-resident clause has no practical bite for a UK-company sale, because the UK still needs s.1M to charge.

Switzerland

ITEM	POSITION
Legal basis	LIFD art. 16(3): private capital gains not taxable, mirrored cantonally under LHID art. 7(4)(b); art. 14 lump-sum taxation; art. 20a indirect partial liquidation and transposition.
Annual cost of the regime	Ordinary income and wealth tax, or the forfait: a deemed base of at least CHF 435,000 federally from 1 January 2026 and CHF 415,000 to CHF 469,000 cantonally, at ordinary scales; roughly CHF 150,000 to CHF 250,000 a year (estimate).
One-off government cost	Cantonal permit fees only, modest and not verified from a primary source. No fee for the forfait ruling.
Gain on foreign-company shares	Nil on private assets.
Gain on domestic-company shares	Nil on private assets, subject to the art. 20a traps.
Step-up on arrival	Not needed.
Presence and residence test	Unlimited liability under LIFD art. 3 by residence. Forfait only for a non-Swiss national arriving for the first time or after ten years' absence, with no gainful activity; abolished in Zurich, Basel-Stadt, Basel-Landschaft, Schaffhausen and Appenzell Ausserrhoden (cantonal finance directors' survey, 7 June 2019).
Duration	Indefinite; the forfait is agreed by ruling with the canton.
UK treaty and former-resident clause	1977 convention as amended to 2017; art. 13(5) residence-state rule; art. 13(6) preserves the UK's right for six fiscal years, no subject-to-tax condition; art. 27A principal purpose test. A forfait taxpayer is a treaty resident.
Exit tax on leaving	None.

ITEM	POSITION
What breaks it	Professional securities dealer requalification; indirect partial liquidation where a corporate buyer strips pre-sale reserves within five years (art. 20a(1)(a)); gainful activity under a forfait; a return to the UK within five years.

Switzerland does not tax a private individual's gain on shares, whatever the size of the holding and however long it was held. The forfait is about the cost of living there afterwards, and its base is a deemed figure to which ordinary rates apply, so CHF 435,000 is not the tax. The trap that matters is art. 20a: a sale of at least 20 per cent of a company to a buyer holding it as a business asset, followed within five years by distributions of non-operating reserves that existed at the sale, recharacterises part of the price as taxable investment income; a covenant restricting post-sale distributions is standard Swiss practice. The six-year treaty reach exceeds the UK's own five and is therefore harmless.

Monaco

ITEM	POSITION
Legal basis	No personal income tax or capital gains tax on individuals; French nationals resident in Monaco remain subject to French income tax under the Franco-Monegasque convention of 18 May 1963.
Annual cost of the regime	Nil; permit renewal fees only.
One-off government cost	First residence permit EUR 80 (Monaco Government portal). Non-EEA nationals need a long-stay visa from the French consulate first. Sufficient means shown by a Monaco bank reference; no statutory amount.
Gain on foreign-company shares	Nil.
Gain on domestic-company shares	Nil.
Step-up on arrival	Not needed.
Presence and residence test	Residence permit: temporary card for one year, then ordinary three-year and privileged ten-year cards. No treaty residence test with the UK; the SRT alone decides the UK side.
Duration	Indefinite, through permit renewals.
UK treaty and former-resident clause	None. Only the 2014 Tax Information Exchange Agreement, in force 22 April 2015. No residual gains rule, no tie-breaker, no former-resident clause.
Exit tax on leaving	None.
What breaks it	French nationality; remaining UK resident under the SRT, with no tie-breaker to rescue you; a return within five years.

Monaco is the only destination here with no income tax treaty with the UK, and that cuts one way only: a founder who is non-resident under the SRT is protected by UK domestic law as well as anywhere else, and a founder who is dual resident has no treaty to tie-break in Monaco's favour. Everything rests on chapter 3. The residence process is inexpensive at government level; the cost sits in the accommodation, which must be real, and in the bank relationship, which is where the widely quoted minimum deposits come from.

> **CONTESTED POINT**
>
> The figure most often quoted for Monaco, a deposit of EUR 500,000 to EUR 1,000,000 with a Monaco bank, is not a government requirement. The Monaco Government portal requires "a bank reference in the approved format from a Monaco bank" confirming sufficient funds to live in Monaco and states that the sum judged sufficient depends on the bank giving the reference. The amounts in circulation are bank practice, vary between institutions and over time, and cannot be verified from any official source. We do not state a deposit figure, and a reader should treat any adviser's figure as that adviser's experience with one bank.

The comparison matrix

Assumptions: an individual seller; unlisted shares in a UK trading company held for eight years; a 100 per cent holding; cash consideration; UK residence ceased before exchange. The UK row is the benchmark.

JURISDICTION	ORDINARY RATE ON FOREIGN-COMPANY SHARES	BEST NEW-ARRIVAL REGIME AND RATE	KEY CONDITION	HOLDING-PERIOD OR TIMING TRAP	UK TREATY FORMER-RESIDENT REACH
United Kingdom (benchmark)	24 per cent; 18 per cent on the first GBP 1,000,000 under BADR	Four-year FIG regime: 0 per cent on foreign-situated shares; UK shares taxed normally	Ten consecutive years non-resident; claim in return; annual exempt amount forfeited	BADR two years; s.1M five years and a day	Not applicable
United Arab Emirates	0 per cent	0 per cent; no regime needed	None	None	None; s.1M(4) governs
Italy	26 per cent	Art. 24-bis, EUR 300,000 a year: 0 per cent on foreign gains, but 26 per cent on qualified holdings sold in the first five tax periods	Non-resident nine of ten prior periods; fifteen years	Five tax periods for holdings above 20 per cent of votes or 25 per cent of capital; no step-up	Art. 13(5): five years, only where Italy does not tax
Portugal	28 per cent; 14 per cent for a small unlisted company	IFICI: 0 per cent on foreign gains, exempt with progression	Eligible activity; not resident in prior five years; never used NHR; ten years	365-day rule with top-bracket income; no step-up	None; saving clause art. 1(2)
Greece	15 per cent	Art. 5A, EUR 100,000 a year: nothing further on foreign gains	Non-resident seven of eight prior years; EUR 500,000 invested within three years; fifteen years	Investment deadline; no foreign tax credit; no step-up	None; no tie-breaker at all
Cyprus	0 per cent	0 per cent; non-dom adds SDC exemption on dividends and interest	183 days or the 60-day rule with a Cyprus role and home	20 per cent Cyprus real-estate test	None
Malta	0 per cent for a non-domiciliary, remitted or not	0 per cent; GRP EUR 15,000 minimum tax or MPRP EUR 99,000 up front	Non-domiciled; qualifying property	None for foreign gains; Maltese shares up to 35 per cent	Art. 13(6): five years, no subject-to-tax condition
Switzerland	0 per cent on private assets	0 per cent; forfait base of at least CHF 435,000 for the ongoing cost	Non-Swiss national; no gainful activity; canton must offer it	Art. 20a within five years of sale	Art. 13(6): six fiscal years, UK only
Monaco	0 per cent (non-French nationals)	0 per cent; no regime needed	Residence permit; Monaco bank reference	None	No treaty; UK domestic law only

Read down the second column and the pattern is plain: five of the eight destinations charge nothing on the gain under their ordinary rules, two more charge nothing under a lump-sum or exemption regime, and one, Italy, charges more than the UK for the founder this guide is written for. Read across the last column and the point of chapter 5 returns: no treaty clause creates a UK charge, and no treaty clause prevents one under s.1M. The destination decides what you pay there. The UK decides what you pay on return, and the only variable it respects is time.

Every card in this chapter is a general statement of the law as verified on 2 September 2026, and none of it is advice on your facts. If you would like a personalised assessment of your own timing, residence history, holding structure and destination options, with government charges stated exactly and professional fees as ranges, get in touch with us and we will tell you honestly whether the window is open.

CHAPTER 8

08

Italy's five-year problem

Italy needs a chapter of its own because it is the destination most often recommended to founders and the one whose flat tax does the least for them. Chapter 7 gave the card; this chapter gives the mechanism, article by article, so that it can be checked against Normattiva. Every article number belongs to DPR 917/1986, the TUIR, and expires on 31 December 2026.

What the flat tax excludes

Art. 24-bis(1) allows an individual who transfers tax residence to Italy after at least nine of the ten preceding tax periods abroad to opt for a substitute tax of EUR 300,000 a year on foreign-source income, for up to fifteen years, with EUR 50,000 for each family member (L. 199/2025 art. 1 comma 26 for transfers from 1 January 2026). The second sentence of comma 1 is the one that matters: "L'imposta sostitutiva non si applica ai redditi di cui all'articolo 67, comma 1, lettera c), realizzati nei primi cinque periodi d'imposta di validità dell'opzione, che rimangono soggetti al regime ordinario di imposizione di cui all'articolo 68, comma 3."

Three things follow. The exclusion reaches only qualified holdings under art. 67(1)(c); non-qualified holdings under lettera c-bis) are inside the flat tax from the first day. It runs for the first five tax periods of validity of the option. And the excluded gains are sent to "the ordinary regime" by a cross-reference that no longer works.

A qualified holding is more than 2 per cent of the votes or 5 per cent of the capital of a listed company, and more than 20 per cent of the votes or 25 per cent of the capital of any other company, aggregating disposals within twelve months (art. 67(1)(c)). A founder selling a controlling stake is the paradigm case; a founder diluted to 15 per cent by venture rounds is outside it, and for that founder the flat tax works from year one.

The ordinary regime, and the dead cross-reference

Art. 68(3), to which art. 24-bis sends the excluded gains, brought a fraction of a qualified-holding gain into progressive income tax. Normattiva shows it as "COMMA ABROGATO DALLA L. 27 DICEMBRE 2017, N. 205". L. 205/2017 art. 1 comma 999 aligned qualified and non-qualified holdings from 1 January 2019 by extending the substitute tax in D.Lgs 461/1997 art. 5(2) to gains under art. 67(1)(c), and D.L. 66/2014 art. 3(1) fixed substitute taxes on financial income at 26 per cent, superseding the 12.5 per cent still printed in art. 5(2). The operative result is 26 per cent on the whole gain, with no partial inclusion, and nothing in art. 24-bis reduces it.

CONTESTED POINT

Art. 24-bis(1) still routes excluded gains to art. 68(3), repealed by L. 205/2017 comma 999. Every source we consulted applies the 26 per cent substitute tax to those gains and we do the same; the dead reference is a drafting relic, not a gap in the charge. The second limb is the re-enactment: D.Lgs 117/2026 of 19 June 2026 (Gazzetta Ufficiale n. 152 of 3 July 2026, in force 4 July 2026, applying from 1 January 2027) repeals DPR 917/1986 and carries the regime into a new code. The Normattiva index of the new code places the options for individuals transferring tax residence to Italy in Capo XXIV at arts. 246 and 247, which is why we cite art. 246; we could not read the article text itself on Normattiva, so we do not assert that the re-enactment is word for word or that the art. 68(3) reference has been repaired. The arithmetic does not change on any reading we can support; the citation does.

No step-up on arrival, and the paid alternative

Art. 68(6) computes the gain as consideration received less documented cost. There is no rebasing when an individual becomes resident; the entry-value rule in art. 166-bis is for enterprises. A founder who subscribed at par arrives with the whole gain.

The paid step-up in L. 448/2001 art. 5, made permanent by L. 207/2024, lets the holder of shares on 1 January substitute their "valore normale" at that date, for unlisted shares the pro-rata net equity under a sworn appraisal, on payment of a substitute tax by 30 November, in up to three annual instalments with 3 per cent interest. The appraisal is a fraction of net equity, not of the price: on the Scenario A facts, a step-up at 21 per cent on an assumed appraisal of GBP 4,000,000 costs GBP 840,000 and cuts the later charge to GBP 2,080,000: GBP 2,920,000 in all against GBP 3,109,600, a saving of GBP 189,600 on a GBP 11,960,000 gain. Worth doing if the sale cannot wait; not a reason to choose Italy.

Two dates bound the step-up. The 21 per cent rate is the text of art. 5(2) in force from 1 January 2026 to 31 December 2026 on Normattiva; it was 18 per cent for 2025 under L. 207/2024, and the increase was made by L. 199/2025 art. 1 comma 144 for holdings on 1 January 2026, with payment by 30 November 2026. From 1 January 2027 Normattiva shows art. 5 of L. 448/2001 itself as repealed by D.Lgs 117/2026, which carries the substitute-tax options into the new code, so a founder planning a step-up for 2027 should have the new article and rate confirmed by an Italian adviser before commissioning the appraisal.

Italian companies, earn-outs and the treaty

Art. 23(1)(f) makes gains on holdings in Italian-resident companies Italian-source income, and the flat tax covers foreign-source income only, so a founder whose target is an Italian S.r.l. gets nothing from art. 24-bis in year one or year fifteen. Art. 68(6) taxes on the cash principle, "corrispettivi percepiti", so an earn-out on a qualified holding received in the fourth period is a qualified-holding gain of that period, charged at 26 per cent, even if the shares were sold in the first.

The 1988 UK/Italy convention gives Italy the exclusive right under art. 13(4). Art. 13(5) preserves the UK's right for five years after departure, but only where the individual "is not subject to tax on those gains in the other Contracting State"; for a qualified holding sold in the first five periods Italy taxes at 26 per cent, so the condition fails. The UK does not need it: a return within five years is charged under s.1M regardless of treaty (s.1M(4)), with credit for the Italian tax, and a founder who stays away has no UK charge at all. The treaty never improves the founder's position and never worsens it (chapter 11).

Timing, residence and the ruling

Italy has no split year. Under art. 2 TUIR you are resident for the whole calendar year if resident for more than half of it, so a founder who arrives in May is resident from 1 January and a gain realised in March is inside the Italian net; a founder who arrives in September cannot begin the option until the following January. A founder who elects for 2027 has the exclusion for 2027 to 2031 and can sell inside the lump sum from 1 January 2032.

Art. 24-bis(3) as enacted said the option "deve" be exercised after a favourable ruling; the Agenzia now describes the interpello as optional. Whichever is right, the ruling is close to mandatory in substance for anyone whose nine-of-ten history has a complication, and it is the place to record the size of the holding, the intended timing of the sale and the reading of the five-period rule. It is free.

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Italy arrives in our enquiries as a settled decision rather than a question. The founder has been told, usually by someone who will be paid when the move happens, that EUR 300,000 a year buys freedom from tax on foreign income, and that the sale of the business is foreign income, so the sale is covered. We ask two questions: what percentage of the company do you own, and when do you expect to sell? The answers are almost always "most of it" and "within three years", and at that point the recommendation is dead, because the one gain that matters is the one gain the regime excludes. The founders for whom Italy works can put the sale in period six and want to live there anyway. Everyone else is paying a premium for a policy that does not cover the claim.

CHAPTER 9

09

Anti-avoidance and departure-state exit taxes

Ceasing residence, selling and staying away are events, not schemes. But a founder's disposal is surrounded by provisions that reach the transactions around it, and a founder who is not British starts from a different place, because most European states charge tax on the way out. The first part of this chapter is the map an adviser checks before signing off a pre-sale reorganisation; the second is what a founder leaving nine European states owes on departure.

The UK provisions around a sale

ITA 2007 Part 13 Chapter 1, ss.682 to 713, lets HMRC counteract an income tax advantage from a transaction in securities where obtaining it was a main purpose: a pre-sale holding company, a buy-back, or a sale to a company under the seller's control followed by extraction from reserves. A sale to an unconnected buyer is outside it, and s.686 excepts a fundamental change of ownership, broadly where the seller and connected persons keep no more than 25 per cent. Clearance under s.701 is sought routinely before any pre-sale restructuring, and a plan that avoids it should be treated with suspicion.

ITTOIA 2005 s.396B treats a capital distribution in a winding-up as income where the individual held at least 5 per cent, carries on a similar trade within two years, and a main purpose was a tax advantage; it is irrelevant to a share sale and decisive after an asset sale.

ITA 2007 Part 13 Chapter 2, from s.714, charges a UK resident on income arising to a person abroad after a transfer of assets where the individual can enjoy the income (s.720), receives capital sums (s.727) or benefits as a non-transferor (s.731). It reaches a founder who moves shares into an offshore company or trust before leaving. The exemption for genuine transactions in ITA 2007 s.742A was repealed by FA 2025 Sch 12; the motive defence in ss.736 to 742 remains, and the charge sleeps while the founder is non-resident and revives on return.

FA 2013 Part 5 gives HMRC a general anti-abuse rule for arrangements that cannot reasonably be regarded as a reasonable course of action, with an advisory panel opinion before counteraction and a 60 per cent penalty (s.212A). Emigrating before a sale is not abusive within that test; it is the course Parliament contemplated when it wrote s.1M. The disclosure regime in FA 2004 Part 7 requires promoters to notify hallmarked schemes and users to report the reference number; from 18 March 2026 the penalty provisions moved from TMA 1970 s.98C to FA 2004 ss.315 to 315E. A founder offered a numbered scheme should ask why it needs a number.

Advisers in EU member states remain within DAC6, and hallmark D, covering arrangements that undermine Common Reporting Standard reporting or obscure beneficial ownership, is not gated by the main benefit test, so a Maltese or Italian adviser may have a reporting duty where a UK adviser, under the Mandatory Disclosure Rules that replaced DAC6 in the UK in 2023, would not. The Professional Conduct in Relation to Taxation, in the edition in force from 1 January 2026, binds UK professional-body members not to promote planning contrary to the clear intention of Parliament. Behind all of it sits WT Ramsay Ltd v IRC [1982] AC 300: provisions are construed purposively and applied to the transaction viewed realistically, which a real absence survives and a pre-arranged sequence of steps ending in a return does not. And the Requirement to Correct in F(No 2)A 2017 Sch 18 is the reason any undeclared offshore income from earlier years should be settled before a residence change puts the founder's affairs in front of HMRC.

Departure-state exit taxes

A founder leaving Germany, France or another European state faces something the UK does not have: a charge on the unrealised gain at departure. The state deems the shares sold at market value on the day residence ends, and either collects the tax or defers it against security until a sale, a return or the expiry of a period. A later sale in the UAE produces no foreign tax to credit. None of this is required by EU law for individuals: Council Directive (EU) 2016/1164 art. 5 applies, by art. 1, only to taxpayers subject to corporate tax.

STATE AND PROVISION	TRIGGER AND THRESHOLD	DEFERRAL AND EXPIRY	SALE IN THE UAE
Germany, AStG § 6 with EStG § 17	Resident seven of the last twelve years; holdings of at least 1 per cent in the last five years	Seven annual instalments on request against security, interest-free; lapses on return within seven years (extendable to twelve) if unsold	Instalments due within a month of sale
France, CGI art. 167 bis	Resident six of the last ten years; holdings worth at least EUR 800,000 or at least 50 per cent of a company; covers earn-out receivables too	Automatic sursis for states with fraud and recovery assistance conventions, otherwise on request with guarantees 90 days before departure; relief after two years (under EUR 2,570,000) or five	Sale within the window ends the sursis; tax payable, capped at the actual gain
Netherlands, Wet IB 2001 art. 4.16(1)(h); Invorderingswet 1990 art. 25(8)	Ceasing residence, including by treaty tie-break, with a substantial interest of at least 5 per cent	Protective assessment at 24.5 per cent to EUR 68,843 and 31 per cent above (2026); open-ended deferral, security outside the EU	Sale ends the deferral
Spain, LIRPF art. 95 bis	Resident ten of the last fifteen years; holdings over EUR 4,000,000, or over 25 per cent of a company worth over EUR 1,000,000	Deferral on request for temporary moves to treaty states, with guarantees; extinguished on return within five years without a sale	Due with the final Spanish return unless deferred
Belgium, CIR 92 art. 92 § 2 and art. 413/1 § 6 (Law of 6 April 2026)	Transfer of domicile or seat of wealth from 1 January 2026 is a deemed disposal; holdings of at least 20 per cent taxed in tranches above EUR 1,000,000	Automatic deferral for EU, EEA and recovery-assistance treaty states, otherwise on request with a guarantee; ends after 24 months abroad or on return within 24 months	Sale within 24 months ends the deferral; after, nothing
Ireland, TCA 1997 s.29A	Not an exit tax: Irish-domiciled, holding of 5 per cent or more or worth over EUR 500,000, absent five years or less	Charged in the year of return as if sold at the exit-date value	Charged on return within five years

Denmark (ABL § 38, after seven of the last ten years resident, portfolio of DKK 100,000 or more) and Norway (skatteloven § 10-70, gains above NOK 3,000,000, twelve years' deferral against security) follow the same pattern: a deemed sale at departure, deferral against security outside the EEA, and payment when the shares are sold. Sweden charges nothing at departure but taxes an actual sale of Swedish shares, and of foreign shares acquired while resident, within ten calendar years of leaving (IL 3 kap. 19 §). Italy has no exit charge on a private individual's shares: art. 166 TUIR applies to persons carrying on a commercial enterprise. Portugal, Greece, Cyprus, Malta, Switzerland and Monaco have none identified in the sources for this edition. The UK's equivalent is s.1M, which assesses nothing on departure and asks only for time.

CONTESTED POINT

The French row is taken from the DGFiP's official page on the exit tax, last modified 10 March 2026, because Legifrance could not be reached by our research tools on 2 September 2026. The page is a government source and its thresholds, windows and the 90-day filing rule are in its own words, but the statutory text of CGI art. 167 bis was not read, the rates in art. 200 A are not quoted, and whether a move to the UAE qualifies for the automatic sursis depends on whether the France/UAE instruments cover assistance in recovery, which we could not confirm. A founder leaving France should have art. 167 bis read on Legifrance before the 90-day deadline.

The instruction for a non-UK founder is short: the saving from any destination in chapter 7 is measured against the departure state's exit charge, not against zero. A German founder who moves to Dubai and sells in year two pays the German exit tax in full. That is why Scenario B begins in Dubai, where there is no exit tax, rather than in Munich.

CHAPTER 10

10

US citizens and green card holders

Question 7 of the self-assessment gives no points for a US person in the household. The United States taxes its citizens and lawful permanent residents on worldwide income wherever they live (IRC s.1, s.7701(a)(30) and s.7701(b)(1)(A)(i)). A US person who moves to Dubai, Lugano or Valletta still files a Form 1040 and pays federal tax on the gain. None of the eight destination regimes changes that.

The floor

For a US person the destination decides only whether the founder pays its rate or the US rate, whichever is higher. A long-term capital gain is taxed federally at 20 per cent in the top bracket (s.1(h)) and the net investment income tax adds 3.8 per cent (s.1411), 23.8 per cent before any state tax. Foreign tax on the same gain is creditable under s.901 against the regular tax, so a US person in Italy at 26 per cent or Portugal without IFICI at 28 per cent owes no further federal income tax; one in the UAE, Monaco, Cyprus, Malta, Switzerland, Greece under the lump sum or Portugal under IFICI pays nothing locally and 23.8 per cent to the Treasury. The foreign earned income exclusion in s.911 does nothing for a gain. Whether a fixed lump sum such as Italy's EUR 300,000 is creditable at all is doubtful, because it is not attributable to identifiable income.

US treaties characteristically contain a saving clause letting the United States tax its citizens and residents as if the treaty did not exist, and the UAE and Monaco have no US income tax treaty at all. For a US person who is UK resident the arithmetic is nearly a wash: the UK's 24 per cent absorbs the 20 per cent regular tax by credit, and whether the 3.8 per cent can also be credited is a treaty argument that has been litigated and should be taken from a US adviser. Leaving the UK saves at most the difference between 24 and 23.8 per cent unless the US charge itself can be removed.

Removing the US charge: expatriation

The only structural fix is to stop being a US person, and s.877A is built for the founder who tries. A citizen who renounces, or a long-term resident who gives up a green card held in at least eight of the last fifteen tax years (s.877(e)(2)), is a covered expatriate if any of three tests is met (s.877(a)(2)): net worth of USD 2,000,000 or more, not indexed; average annual net income tax liability over the five preceding years above an indexed threshold; or failure to certify on Form 8854 five years of full compliance. A founder with a company worth USD 10,000,000 fails the first test.

A covered expatriate is treated as having sold all property at fair market value on the day before expatriation (s.877A(a)), above an exclusion amount that is indexed annually and not stated here, with an election to defer the tax on any asset until sale against security and with interest (s.877A(b)). For a founder that means a valuation of the private company and tax on the deemed gain. Expatriating a year before the sale substitutes one 23.8 per cent charge for another, less the exclusion, and adds a valuation dispute; only expatriating long before the company is valuable saves money. Gifts and bequests from a covered expatriate to US persons are taxed in the recipient's hands under s.2801.

The green card trap deserves its own sentence. A long-term resident who moves to a treaty country, commences to be treated as a resident there under the treaty tie-breaker, does not waive the treaty benefits and notifies the IRS of that treatment, which a treaty-position disclosure on the US return does, ceases to be a lawful permanent resident for tax purposes and is treated as having expatriated on that date (s.7701(b)(6) and s.877A(g)(2)). A green card holder whose Italian adviser claims treaty residence under the US/Italy treaty on the US return has triggered the exit tax without visiting a consulate.

Qualified small business stock

The one provision that reduces a founder's federal tax on a sale is s.1202, which excludes gain on qualified small business stock held for more than five years, subject to a per-issuer cap of the greater of USD 10,000,000 or ten times basis for stock issued before the 2025 amendments (s.1202(b)(1)). The issuer must be a domestic C corporation whose aggregate gross assets did not exceed USD 50,000,000 at issuance (USD 75,000,000, indexed, for stock issued after 4 July 2025; s.1202(d)(1)), at least 80 per cent of its assets must be used in a qualified trade or business (s.1202(e)(1)), and the stock must have been acquired at original issuance (s.1202(c)(1)). The redemption rules in s.1202(c)(3) strip the status where the company redeems stock from the holder or related persons around issuance, or makes significant redemptions exceeding 5 per cent of the value of its stock; a founder tidying the cap table before a round should know that.

For the reader of this guide the first condition is usually fatal: a UK Limited company, an Italian S.r.l. or a DIFC entity is not a domestic C corporation. The relief matters to a US founder who built a Delaware corporation; for that founder it is worth more than any destination regime and survives a move abroad, which is why a US-founder plan begins with the corporate history.

Public Law 119-21, enacted on 4 July 2025, amended s.1202 for stock acquired after that date (s.70431 of the Act). The amended Code, as read on 2 September 2026, applies an "applicable percentage" to post-enactment stock held for at least three years: 50 per cent after three years, 75 per cent after four and 100 per cent after five (s.1202(a)(1)(B) and (a)(5)); sets the per-issuer dollar limit for that stock at USD 15,000,000, indexed for taxable years after 2026 and reduced by eligible gain already taken on the same issuer's stock (s.1202(b)(4) and (b)(5)); and raises the gross-assets ceiling to USD 75,000,000, indexed (s.1202(d)(1) and (d)(4)). Stock acquired on or before 4 July 2025 keeps the more-than-five-years test, the USD 10,000,000 limit and the USD 50,000,000 ceiling. The acquisition date is the first day the holder held the stock after applying the holding-period tacking rules (s.1202(a)(6)(B)), so stock received in a reorganisation may carry an earlier date. Take US advice before relying on any of these figures for a particular issuance.

What a US person should do

The order of work is the reverse of everyone else's. First, establish the US position: status of each family member, filing history, whether s.1202 can apply, and any expatriation exposure. Second, decide whether expatriation is on the table at all; for most founders it is not. Third, run chapters 3 to 5 and the cards in chapter 7 knowing that the federal floor of 23.8 per cent sits under every result. The ceiling on the saving is fixed in Washington.

CHAPTER 11

11

Treaties

A double taxation convention restricts a charge; it never creates one. The UK's charge on a non-resident founder's shares is nil under domestic law (s.1A(3)), so no treaty is needed to protect a founder who has genuinely left. The UK's charge on a founder who returns within five years arises under s.1M, and s.1M(4) provides that "Nothing in any double taxation arrangements prevents a charge to capital gains tax arising as a result of this section". Between those two rules the treaties matter in three places: where the founder is resident in both states at once, where a clause preserves a right the UK could not otherwise assert, and where a subject-to-tax condition changes which exemption survives.

The Model rules

The OECD Model art. 13(5) gives the residual rule: "Gains from the alienation of any property, other than that referred to in paragraphs 1, 2, 3 and 4, shall be taxable only in the Contracting State of which the alienator is a resident." Shares in a trading company fall within it in every UK treaty here except the Greek one. Art. 4(2) resolves dual residence in a fixed order: permanent home; centre of vital interests; habitual abode; nationality; mutual agreement. A founder who keeps a house in England and takes one in Dubai has a permanent home in both, and the case turns on centre of vital interests, which a spouse and children still in England decide against him. The tie-breaker rescues a founder who has genuinely moved and tripped the Statutory Residence Test on days; it is not a device for living in both places.

Where the tie-breaker does go the founder's way, FA 2013 Sch 45 para 112(3) treats him as "Treaty non-resident" for that period, which is not sole UK residence and counts towards the temporary period of non-residence rather than as a period of return (chapter 5). The claim is made in the return and HMRC tests the facts: the overseas home must be real and the centre of vital interests must have moved. Under the UAE convention a UAE resident is defined by domicile, habitual abode or centre of vital interests (art. 4(1)(a)), without a liability-to-tax test, so the absence of UAE income tax does not defeat the claim.

The eight treaties

TREATY	CAPITAL GAINS ARTICLE AND RESIDUAL RULE	FORMER-RESIDENT CLAUSE AND REACH	MLI AND PPT	TIE-BREAKER	NOTE
UK/UAE 2016	Art. 13(5), residence state only; protocol confirms shares are within para 5	None	MLI-modified; PPT via MLI art. 7(1), effective for UK CGT from 6 April 2020	Art. 4(3); UAE resident defined without a liability-to-tax test	s.1M(4) governs a return within five years
UK/Italy 1988	Art. 13(4), residence state only; no land-rich paragraph	Art. 13(5): five years, only where the gain is not subject to tax in Italy	Not a covered agreement; no PPT	Art. 4(2)	Subject-to-tax condition fails for a qualified holding sold in periods one to five
UK/Portugal 2025	Art. 13(5); art. 13(2) land-rich shares, over 50 per cent within 365 days	None	Not needed: preamble, art. 27 PPT and arbitration built in	Art. 4(2)	Effective for UK CGT from 6 April 2026; art. 1(2) saving clause

TREATY	CAPITAL GAINS ARTICLE AND RESIDUAL RULE	FORMER-RESIDENT CLAUSE AND REACH	MLI AND PPT	TIE-BREAKER	NOTE
UK/Greece 1953	Article VII, exemption form: a resident of one territory without a permanent establishment in the other is exempt there; no residual rule	None	Not covered; no PPT	None: a dual resident is a resident of neither territory (art. II(1)(g))	A retained UK home in the year of sale removes all treaty protection
UK/Cyprus 2018	Art. 13(5); art. 13(2) land-rich over 50 per cent	None	Not covered; own PPT in art. 23	Art. 4(3)	s.1M(4) governs
UK/Malta 1994	Art. 13(5), residence state only, provided the gain is subject to tax there	Art. 13(6): five years, no subject-to-tax condition	MLI-modified; PPT via MLI art. 7(1) from 6 April 2020	Art. 4(2)	Proviso fails for a non-domiciliary's untaxed foreign gain; art. 23 limits relief to remitted amounts
UK/Switzerland 1977, 2017 Protocol	Art. 13(5); art. 13(4) property-rich companies	Art. 13(6): six fiscal years, UK only, no subject-to-tax condition	Not covered; own PPT in art. 27A	Art. 4(2); a forfait taxpayer is a treaty resident	Six years exceeds the domestic five, so s.1M is the binding rule
UK/Monaco	No income tax convention; TIEA of 2014, in force 22 April 2015	None	None	None	UK domestic law alone: SRT, s.1A(3), s.1M

Reading the table

Three rows deserve a sentence each. Greece: Article VII exempts a Greek resident from UK tax on gains, which a non-resident founder does not need, and the treaty has no tie-breaker, so a founder who is UK resident under the Statutory Residence Test in the year of sale is a resident of neither territory and has no treaty at all. Malta: the residual rule is conditional on the gain being subject to tax in the residence state, which a non-domiciliary's foreign gain is not, and art. 13(6) lets the UK tax a former resident for five years; neither matters while the UK has no domestic charge, and both fall away against s.1M(4) when it does. Italy: the subject-to-tax condition in art. 13(5) is the one that interacts with art. 24-bis, and chapter 8 works it through.

The former-resident clauses are the point on which founders are most often misled. A preserved right is not a charge. The UK's only charge on a non-resident's trading-company shares is s.1M, and it applies in all eight destinations, clause or no clause, by force of s.1M(4). Whether the founder returns after five years and a day, or never, is the only question that decides the UK tax.

CHAPTER 12

12

Two worked scenarios

Scenario A is the UK founder whose numbers have appeared since chapter 4; Scenario B is the Dubai-based founder for whom Italy is being proposed. The assumptions are stated so that they can be changed. Each country computes the gain in its own currency at its own dates, which can itself create or remove a gain.

Scenario A: a UK founder, GBP 12,000,000

The founder is UK resident throughout the eight years before disposal, sole shareholder and working director of an unlisted UK trading company that is not property-rich, with a full Business Asset Disposal Relief lifetime limit and employment income taxed at higher rates. The company is sold for GBP 12,000,000 cash in 2026/27; base cost is GBP 40,000; incidental costs are ignored. The gain is GBP 11,960,000.

Resident, with the relief: the first GBP 1,000,000 is charged at 18 per cent under s.169N(3), GBP 180,000; the balance of GBP 10,960,000 less the GBP 3,000 exemption is GBP 10,957,000 at 24 per cent under s.1I(1), GBP 2,629,680; total GBP 2,809,680, payable by 31 January 2028. Without the relief, GBP 11,957,000 at 24 per cent is GBP 2,869,680. Non-resident at exchange and away for more than five years: nil. Back within five years: s.1M(1) repeats the computation in the period of return, less credit for any destination tax. Italy under art. 24-bis with the sale in periods one to five: 26 per cent of GBP 11,960,000 is GBP 3,109,600, plus the EUR 300,000 charge.

VARIANT	TAX	EFFECTIVE RATE	BASIS
A1. UK resident, relief claimed	GBP 2,809,680	23.5 per cent	18 per cent on GBP 1,000,000 (s.169N); 24 per cent on GBP 10,957,000 (s.1I(1))
A2. Non-resident at exchange, away more than five years (UAE, Cyprus, Malta, Monaco)	Nil	0 per cent	s.1A(3); Sch 45 para 110(1)(d) not met
A3. Non-resident at exchange, return within five years, no destination tax	GBP 2,809,680	23.5 per cent	s.1M(1) in the period of return; s.1M(4)
A4. Italy, art. 24-bis, sale in periods one to five	GBP 3,109,600 plus EUR 300,000	26.0 per cent plus the charge	26 per cent on the whole gain; credit against s.1M on a return
A5. Italy, art. 24-bis, sale in period six	Nil on the gain; EUR 300,000 a year	0 per cent plus the charge	Lump sum covers the gain; a return within five years pays A3
A6. Switzerland, private asset	Nil	0 per cent	LIFD art. 16(3); forfait cost separate
A7. Portugal with IFICI	Nil	0 per cent	CIRS art. 81(4), exemption with progression
A8. Portugal without IFICI	GBP 3,348,800	28.0 per cent	Art. 72(1)(c); GBP 1,674,400 if a small enterprise under art. 43(3)

The earn-out sub-variant changes the shape. Suppose GBP 10,000,000 cash plus up to GBP 2,000,000 in year three depending on profits, the right valued at GBP 1,400,000 on completion. Resident throughout: the share consideration is GBP 11,400,000 and the gain GBP 11,360,000; relief on GBP 1,000,000 gives GBP 180,000, and GBP 10,357,000 at 24 per cent gives GBP 2,485,680, so GBP 2,665,680 in year one. In year three the GBP 2,000,000 receipt is a disposal of the right with a base cost of GBP 1,400,000, a gain of GBP 600,000 without relief (s.169I(2)(c)), taxed at 24 per cent after a second GBP 3,000 exemption, GBP 143,280; total GBP 2,808,960. A founder who emigrates after completion and stays away pays nothing on the year-three receipt; one who returns within five years pays the GBP 143,280 on return, because the right was held at departure. A founder who sells after leaving and returns within five years is charged on the share gain under s.1M, GBP 2,665,680, but the cash earn-out right was acquired in the temporary period and, on the reading of s.1N(1) in chapter 5, the GBP 600,000 escapes; a paper earn-out under s.138A would not. The sub-variant is worth GBP 143,280 on these numbers and much more on a larger earn-out, and it is the one piece of planning that survives signed heads of terms.

Scenario B: a Dubai-based founder, EUR 8,000,000

The founder is in his forties, resident in the UAE, majority shareholder in a company incorporated outside Italy, expecting a sale within three to five years for EUR 8,000,000 with a negligible base cost, and considering Italy for the family. The holding is qualified under art. 67(1)(c). Five outcomes are compared on the gain alone; permits and the family's other income are left out.

As an ordinary Italian resident the gain is charged at 26 per cent: EUR 2,080,000. Under art. 24-bis with the sale in periods one to five, the gain is excluded from the lump sum and charged at the same 26 per cent, with the EUR 300,000 for the year of sale on top: EUR 2,380,000, 29.75 per cent. With the sale in period six or later the gain is inside the lump sum: EUR 300,000 if only that year's charge is attributed to the event, EUR 1,800,000 if the six annual charges needed to reach the sixth period are. Staying in the UAE, nil.

VARIANT	TAX	EFFECTIVE RATE	BASIS
B1. Italy, ordinary resident, no option	EUR 2,080,000	26.00 per cent	D.Lgs 461/1997 art. 5(2) with D.L. 66/2014 art. 3; no step-up (art. 68(6))
B2. Italy, art. 24-bis, sale in periods one to five	EUR 2,380,000	29.75 per cent	26 per cent on the excluded gain plus the EUR 300,000 charge for the year
B3. Italy, art. 24-bis, sale in period six or later, one year's charge attributed	EUR 300,000	3.75 per cent	Gain covered by the lump sum
B4. Italy, art. 24-bis, sale in period six or later, six years' charges attributed	EUR 1,800,000	22.50 per cent	Six annual charges to reach the sixth period
B5. Remain in the UAE	Nil	0 per cent	No personal income tax

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If the founder sells within five years, art. 24-bis is the worst of the five outcomes: worse than being an ordinary Italian resident by exactly the EUR 300,000 paid for the regime, and worse than staying in Dubai by EUR 2,380,000. The regime is only competitive if the sale can be held to the sixth period, and even then the honest cost is B4, not B3, because the six years of charges were the price of getting there. A founder who has been shown B3 alone has been shown a number, not an analysis.

Four warnings travel with that table. First, departure-state exit taxes are not modelled. Scenario B starts in the UAE, which has none; a founder starting in any of the states in chapter 9 must set the exit charge against every line, and it can erase the saving entirely. Second, if the same founder chose Portugal under IFICI rather than Italy and the company sold is a UAE entity, the exemption in CIRS art. 81.º(4) does not apply, because the UAE is on the Portuguese list in Portaria n.º 150/2004 and art. 81.º(5) routes blacklisted-source income to the 35 per cent rate in art. 72.º(18); a Gulf structure and IFICI do not mix on a sale. Third, art. 24-bis does nothing if the company sold is Italian: art. 23(1)(f) makes the gain Italian-source in every period. Fourth, the carve-out cross-refers to art. 68(3), repealed by L. 205/2017 comma 999, and the whole code is re-enacted on 1 January 2027; the 26 per cent result rests on the substitute-tax provisions and should be confirmed by interpello before the option is exercised.

CHAPTER 13

13

What it costs, and how advisers are paid

This chapter separates three things usually run together in a quotation: what governments charge, fixed by law and stated exactly; what professionals charge, which depends on the file and is stated only as a range; and how the people advising you are paid, which decides whose interests the advice serves.

Government charges

JURISDICTION	ONE-OFF GOVERNMENT COST	ANNUAL REGIME COST	SOURCE
United Arab Emirates, Golden Visa	Permit AED 1,100; knowledge and innovation dirhams AED 10 each; inside-country fee AED 500; delivery AED 20; AED 100 per year beyond two. Emirates ID and medical extra. Investment AED 2,000,000	Nil	GDRFA Dubai
Italy, art. 24-bis with investor visa	Visa and permit charges modest, not verified from a primary source. Investment EUR 250,000, 500,000, 1,000,000 or 2,000,000 by route	EUR 300,000 plus EUR 50,000 per family member	TUIR art. 24-bis; D.Lgs 286/1998 art. 26-bis
Portugal, IFICI	Nil	Nil	EBF art. 58.º-A
Portugal, Golden Visa fund route	Analysis EUR 842.80 plus grant EUR 8,418.90, EUR 9,261.70 per person; investment EUR 500,000	Renewal every two years: EUR 842.80 plus EUR 4,210.30 per person	AIMA fee table from 1 March 2026 under Portaria n.º 307/2023
Greece, art. 5A	Nil; EUR 500,000 invested within three years. Golden Visa permit EUR 2,000 plus EUR 16 card if taken	EUR 100,000 plus EUR 20,000 per family member	KFE art. 5A; AADE guide; migration.gov.gr
Cyprus, non-domiciled status and permanent residence	EUR 500 on application plus EUR 70 per person; investment EUR 300,000 plus VAT on a new build	Nil	gov.cy Migration Department
Malta, Global Residence Programme	EUR 6,000 (EUR 5,500 for Gozo or the south); property EUR 275,000 or rent EUR 9,600 a year	Minimum tax EUR 15,000	S.L. 123.148
Malta, Permanent Residence Programme	EUR 99,000 (EUR 60,000 fee, EUR 37,000 contribution, EUR 2,000 donation) plus EUR 7,500 per non-exempt dependant; property EUR 375,000 or rent EUR 14,000	Nil	S.L. 217.26
Switzerland, forfait	Cantonal permit fees only, modest and not verified from a primary source	Tax at ordinary scales on a base of at least CHF 435,000 federally and CHF 415,000 to CHF 469,000 cantonally; roughly CHF 150,000 to CHF 250,000 (estimate)	LIFD art. 14; cantonal sheets

JURISDICTION	ONE-OFF GOVERNMENT COST	ANNUAL REGIME COST	SOURCE
Monaco	First residence permit EUR 80; Monaco bank reference, no statutory amount	Nil	Monaco Government portal

Investment thresholds are investments, not costs. The annual charges in Italy and Greece are costs: EUR 4,500,000 and EUR 1,500,000 respectively over a full fifteen years.

Professional fees, as ranges

We do not publish fee levels, because a published number is either meaningless or misleading. What we can say is the shape. UK tax counsel's opinion on residence, s.1M and the disposal, with a review of the share purchase agreement, is usually a low to mid five-figure sum in sterling. Departure planning, covering the Statutory Residence Test, the household, the split year and the record-keeping, sits in the same range. Destination work varies: a UAE Golden Visa is at the low end, an Italian interpello and investor visa or a Swiss forfait ruling at the high end, in the low to mid five figures each. Ongoing compliance, with returns in two countries for five years and the eventual return, runs at four to low five figures a year. A complex plan across three jurisdictions with a US person, an earn-out and a trust can run from the low tens of thousands to well over GBP 100,000 over its life. A founder saving GBP 2,809,680 should expect to spend a small fraction of that, and should be wary of anyone who proposes to spend none of it.

How intermediaries are paid

The money in this industry does not all come from the client. On fund and property routes, the Portuguese fund, the Greek property, the Maltese qualifying property and the Italian investor-visa targets, it is common for the intermediary to receive a placement fee or a retrocession from the product provider, paid when your money arrives and sometimes for as long as it stays. Success fees are charged on the grant of a permit. Referral commissions pass between immigration advisers, tax advisers, banks and lawyers. Hourly and fixed fees are the only model in which the adviser is paid the same whatever you decide.

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"Free" advice is paid for by someone, and if it is not you it is the provider of the product you end up in. An adviser who selects your qualifying investment and is paid by the fund that receives it has an interest in the fund, not in whether you needed the investment at all. That is not an allegation about any firm. It is a structural fact you are entitled to interrogate, in writing, before you sign: who pays you, how much, and for which of the things you are recommending to me.

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Citizenship360 is an advisory business paid by its clients. On some investment routes we are also paid by product providers, and where that is so we tell the client which routes carry a provider payment and which do not, before the client chooses. We do not earn the same on every route, and an adviser who is paid more for one answer has an interest in that answer; that is true of us. So ask us, in writing, how we are remunerated on the route we recommend, whether we receive anything from any third party involved in it, and what we would earn if you chose a different route. Then ask every other adviser the same three questions and compare the answers rather than the brochures. This guide names no fund and states no commission rate for any product.

For a personalised quote on your own facts, with government charges stated exactly and professional fees as a range for your file, get in touch.

CHAPTER 14

14

The evidence

This chapter is what the official series say about how many people the law reaches, how much they pay, and what the government expects them to do next. It uses HMRC, the OBR, the ONS and the destination states' own authorities, and nothing else. Where an official series does not exist, it says so.

GBP 24,169 million from 584,000 taxpayers, both records

Capital gains tax liabilities
HMRC CGT statistics, Table 1, 27 August 2026 (2024/25)

45 per cent, from fewer than 1 per cent of taxpayers

Share of CGT from gains of GBP 5,000,000 or more
HMRC CGT statistics, Table 2 and commentary (2024/25)

48 per cent: GBP 33,315 million of GBP 69,861 million

Gains on unlisted shares as a share of all gains
HMRC CGT statistics, Table 7 (2023/24)

61,000 individuals, on GBP 18,443 million of qualifying gains

Business Asset Disposal Relief claimants
HMRC CGT statistics, Table 4 (2024/25)

8,600 arrivals; about 9,000 outflow

Non-domiciled taxpayers arriving and leaving the population
HMRC non-domiciled statistics, Table 13, 30 July 2026 (year ending 2025)

12 per cent without trusts; 25 per cent with trusts

OBR migration assumption for those ineligible for the new regime
OBR EFO October 2024 para 3.28; reaffirmed November 2025 para 3.60

The capital gains tax base is the founder

HMRC's release of 27 August 2026 covers disposals in 2024/25 and records the largest figures in the series: GBP 127,316 million of gains and GBP 24,169 million of tax, up 82 and 89 per cent on the prior year, from 584,000 taxpayers. HMRC attributes the jump to forestalling ahead of the 30 October 2024 rate rise, the cuts in the annual exempt amount and the pre-announced relief-rate increases, and says that 72 per cent of the GBP 57 billion increase in gains came from about 19,000 taxpayers with gains over GBP 1,000,000. Individuals with gains of GBP 5,000,000 or more numbered about 3,000 and paid GBP 9,939 million; with trusts, that band produced 45 per cent of all CGT, while the half of taxpayers with gains under GBP 25,000 contributed less than 2 per cent.

The asset-level sample in Table 7, a year in arrears, shows where the gains come from. In 2023/24, 290,000 disposals of unlisted shares produced GBP 33,315 million of gains on GBP 49,111 million of proceeds, 48 per cent of all gains in the year. Where the holding period is known, gains as a share of proceeds rise from 51 per cent for shares held under six months to 83 per cent for shares held eight years or more; the period is unknown for disposals carrying GBP 19,461 million of gains, so that finding carries a caveat. Table 4 gives the relief: 61,000 individuals claimed Business Asset Disposal Relief or Investors' Relief in 2024/25, which HMRC combines, on GBP 18,443 million of qualifying gains, paying GBP 1,821 million at the relieved rate, roughly 8 per cent of all CGT; the 45 per cent rise in claimants from 42,000 was, in HMRC's words, forestalling.

Receipts and the forecast

Cash receipts lag liabilities by about ten months. HMRC's receipts bulletin of 21 August 2026 shows CGT of GBP 13,687 million in 2024/25 and GBP 24,310 million in 2025/26, GBP 18,948 million of it in January 2026. The OBR's March 2026 forecast had put 2025/26 at GBP 21.8 billion, revised up for "higher-than-expected forestalling which we expect to unwind from 2026-27 onwards", and projects GBP 34.9 billion by 2030/31, on the assumption that 1 per cent growth in equity prices produces 2.7 per cent growth in CGT on financial assets.

The non-domiciled population, and what nobody knows yet

HMRC's release of 30 July 2026 is the last of its kind, covering the tax year ending 2025, the final year of the remittance basis. It records 81,900 non-domiciled and deemed-domiciled taxpayers, down 1 per cent, paying GBP 13,592 million in tax and national insurance, up 9 per cent. Table 13 counts 8,600 newly arrived non-domiciled taxpayers, against 10,000 the year before, offset by about 9,000 flowing out of the population, against 11,200. HMRC's outflow means leaving the non-domiciled taxpayer population, including those who stopped claiming the status or became deemed domiciled; it is not a count of emigrants. No official statistic on take-up of the four-year regime or the Temporary Repatriation Facility, or on who left after 6 April 2025, exists, and none can until 2025/26 returns are filed by 31 January 2027.

The OBR's assumptions are the only official view of the future. In March 2024 it assumed that between 10 and 20 per cent of non-domiciles ineligible for the new regime would leave, noting that after the 2017 reforms "the numbers that exited post-reform were very low". In October 2024 it raised the assumption to 12 per cent of those without trusts and 25 per cent of those with trusts, citing the inheritance tax changes and the wider capital-tax package.

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> The OBR's most recent statement, in the November 2025 Economic and fiscal outlook at paragraph 3.60, is the honest one, and we quote it rather than paraphrase it: "We judge that there is currently no firm evidence to change the estimated impact of the reforms on migration made in October 2024. Policies in this Budget which increase taxation on wealthy individuals could further increase the incentive for those ineligible for the new regime to migrate. However, we have not made an adjustment for this as we judge any effects are unlikely to be material. The costings remain highly uncertain and contingent on the behaviour of a small number of wealthy individuals. Initial information on the yield from the new regime will not be available until early 2027, via self-assessed tax receipts accruing to the 2025-26 tax year." The government's own forecaster does not know how many people have left. Neither does anyone else.

The outflow figures that are quoted, and why we do not quote them

Readers will have seen figures for the number of millionaires leaving the UK in a given year, and for the net inflow to the UAE, Italy or Switzerland. No official source supports those figures. Neither HMRC, the ONS nor any destination-country statistical office publishes a count of migrating millionaires. What the official series actually show is set out above: HMRC's arrivals and departures from the non-domiciled population in the last pre-reform year, roughly in balance; the OBR's assumption, which is an assumption; and a CGT base in which record receipts were driven by people selling before the rates went up, not by people leaving. An adviser who uses the private figures to sell a destination is using a number that cannot be checked.

What the destinations publish

Italy's Ministry of Economy and Finance counts persons completing the quadro NR under art. 24-bis: 94 in 2017, 690 in 2021, 1,242 in 2023 and 1,631 in 2024, of whom 27 revoked; the count includes family members. Portugal's AIMA reports 2,081 investment residence permits granted in 2024; no IFICI uptake figure exists. Greece reported 34,278 investor permits in force in July 2026, 846 of the initial grants to UK nationals; no count of art. 5A applicants is published. Switzerland's cantonal finance directors last surveyed lump-sum taxpayers at 31 December 2018: 4,557 persons paying CHF 821 million, with no later national count. Cyprus publishes no count of non-domiciled individuals and the UAE no series of Golden Visas. The ONS records the other side of the table: 807 inward acquisitions of UK companies worth GBP 69,802 million in 2025, and 651 domestic acquisitions of independent companies worth GBP 14,253 million, up from 484 worth GBP 4,438 million in 2023.

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Glossary

Annual exempt amount. GBP 3,000 of gains exempt each year (TCGA 1992 s.1K); forfeited in a year of a foreign gain claim.

Art. 5A. Greece's alternative taxation regime: EUR 100,000 a year on all foreign-source income for fifteen years.

Art. 24-bis. Italy's EUR 300,000 substitute tax for new residents, with a five-period exclusion for qualified-holding gains; art. 246 of the new code from 1 January 2027.

Blacklist. Portugal's list of privileged tax jurisdictions in Portaria n.º 150/2004, including the UAE; income from a listed jurisdiction is taxed at 35 per cent and excluded from IFICI.

Business Asset Disposal Relief. TCGA 1992 ss.169H to 169S: 18 per cent on the first GBP 1,000,000 of lifetime gains on a personal trading company held two years by an officer or employee.

Centre of vital interests. The treaty tie-breaker's second limb: the state with which personal and economic relations are closer.

Covered expatriate. A US citizen or long-term resident meeting the net worth, tax liability or certification test in IRC s.877(a)(2) on giving up status; subject to the s.877A charge.

DAC6. The EU directive requiring intermediaries to report hallmarked cross-border arrangements; hallmark D is not subject to the main benefit test.

DOTAS. The UK disclosure of tax avoidance schemes regime in FA 2004 Part 7.

Earn-out. Deferred consideration contingent on future performance; taxed under Marren v Ingles.

Exit tax. A charge on unrealised gains when an individual ceases to be resident; levied by Germany, France, the Netherlands, Spain, Belgium, Denmark and Norway, not the UK.

FIG regime. Four-year relief for qualifying new residents on foreign income and gains (ITTOIA 2005 s.845B; TCGA 1992 Sch D1); needs ten consecutive years of non-residence.

Forfait. Swiss lump-sum taxation under LIFD art. 14 on a deemed expenditure base of at least CHF 435,000 federally from 2026.

Former-resident clause. A treaty provision preserving a state's right to tax a former resident for a stated period; five years in the Italian and Maltese treaties, six in the Swiss.

Four-of-seven condition. FA 2013 Sch 45 para 110(1)(c): sole UK residence in at least four of the seven tax years before departure, without which s.1M does not apply.

GAAR. The general anti-abuse rule in FA 2013 Part 5, with a 60 per cent penalty on counteracted advantages.

Golden Visa. An investment-linked residence permit; an immigration status with no bearing on tax residence.

IFICI. Portugal's incentive for scientific research and innovation, EBF art. 58.º-A, exempting foreign-source gains with progression for ten years for those in an eligible activity.

Interpello. A free advance ruling from the Agenzia delle Entrate, used to confirm eligibility for art. 24-bis.

Investors' Relief. TCGA 1992 ss.169VB to 169VW: 18 per cent on the first GBP 1,000,000 of gains on subscribed shares held three years by a non-employee.

Marren v Ingles. [1980] 1 WLR 983: an unascertainable earn-out right is a separate asset, valued at completion and disposed of when paid.

MLI. The OECD Multilateral Instrument, inserting a principal purpose test into covered treaties; covers the UAE and Malta treaties, not the Italian, Greek, Cypriot or Swiss.

Non-domiciled. In Malta and Cyprus, a resident without domicile there, exempt on foreign gains (Malta) or from the Special Defence Contribution (Cyprus).

Period of return. FA 2013 Sch 45 para 115: the first period of sole UK residence after the absence, in which a s.1M gain is charged.

Property-rich. Deriving at least 75 per cent of value from UK land; such shares stay chargeable for a non-resident (TCGA 1992 s.1A(3)(c)).

Qualified holding. In Italy, more than 20 per cent of votes or 25 per cent of capital of an unlisted company (2 and 5 per cent if listed), TUIR art. 67(1)(c).

QSBS. Qualified small business stock under IRC s.1202: gain on shares in a US C corporation excluded after five years, subject to caps.

Ramsay. WT Ramsay Ltd v IRC [1982] AC 300: tax statutes are construed purposively and applied to transactions viewed realistically.

Retrocession. A payment from a product provider to an intermediary out of fees earned on the client's investment.

Saving clause. A treaty provision preserving a state's right to tax its own residents or citizens regardless of the treaty; in every US treaty and UK/Portugal 2025 art. 1(2).

Sole UK residence. FA 2013 Sch 45 para 112: UK resident and at no time Treaty non-resident.

Split year. A tax year divided into a UK part and an overseas part (FA 2013 Sch 45 Part 3); a disposal in the UK part is fully chargeable.

Statutory Residence Test. FA 2013 Sch 45: the automatic overseas tests, automatic UK tests and sufficient ties test that decide UK residence.

Step-up. A rebasing of cost to market value; given on arrival by no destination here, though Italy sells one under L. 448/2001 art. 5.

Subject-to-tax condition. A treaty condition that a benefit applies only if the gain is actually taxed in the residence state; in the Italian former-resident clause and the Maltese residual rule.

Temporary non-residence. FA 2013 Sch 45 para 110: an absence of five years or less after four of seven years of sole UK residence; gains on assets held at departure are charged on return under s.1M.

Temporary Repatriation Facility. FA 2025 Sch 10: 12 per cent for 2025/26 and 2026/27, 15 per cent for 2027/28, on designated pre-2025 foreign income and gains of former remittance-basis users.

Tie-breaker. The treaty cascade in art. 4(2) of the OECD Model for individuals resident in both states; absent from the 1953 Greek treaty.

Treaty non-resident. FA 2013 Sch 45 para 112(3): regarded as resident in another country under a treaty in force, so not in sole UK residence.

Unconditional contract. A contract not subject to conditions; the disposal is made when the contract is made or becomes unconditional (TCGA 1992 s.28), whatever the completion date.

REFERENCE

Frequently asked questions

I have signed heads of terms. Is it too late to leave before the sale? Not necessarily, but the window is closing. Heads of terms are usually non-binding; exchange of the share purchase agreement fixes the disposal date (TCGA 1992 s.28). If you can cease UK residence before exchange, with the household and the home dealt with, the disposal falls outside s.1A(3). If exchange is weeks away, plan the earn-out instead.

If I move to Dubai, sell, and come back in year four, does the UK/UAE treaty protect me? No. Section 1M(4) provides that nothing in any double taxation arrangements prevents the charge, and the gain is taxed in the year you return at the rates then in force. Only an absence of more than five years takes it outside the rule.

Does the Italian flat tax cover the sale of my company? Not if you hold a qualified stake and sell within the first five tax periods of the option. Art. 24-bis(1) excludes gains on holdings above 20 per cent of votes or 25 per cent of capital of an unlisted company for those periods, charged at 26 per cent on historic cost. From the sixth period the gain is inside the lump sum, unless the company is Italian.

Can I get a step-up in base cost when I arrive in Italy, Portugal or the UK? No. None of the three rebases a private shareholding on arrival. Italy sells an optional step-up to appraised net equity under L. 448/2001 art. 5, at 21 per cent for holdings on 1 January 2026 (L. 199/2025 art. 1 comma 144), worked through in chapter 8; it is worth a fraction of the gain.

I am a US citizen. Which destination is best? None of them removes the US charge, 23.8 per cent federal on a long-term gain wherever you live, with credit for foreign tax. A destination that charges nothing saves UK tax and leaves the US tax; one that charges more replaces it. The only structural fixes are s.1202 stock and expatriation, each with its own conditions and costs.

What happens to my earn-out if I leave after completion? The right was held at departure, so a return within five years brings the later gain into charge under s.1M; an absence of more than five years takes it out. If the sale happens after you leave, a cash earn-out right created then is, on the reading of s.1N(1) in chapter 5, outside the rule even if you return; a paper earn-out is not.

Does keeping my UK house matter? More than any other single fact. It is an accommodation tie, it can make you resident under the second automatic UK test, and it gives you a permanent home in the UK for every treaty tie-breaker. Under the Greek treaty, which has no tie-breaker, it leaves you a resident of neither state.

Is Business Asset Disposal Relief still worth claiming? Yes, and it is worth at most GBP 60,000: 18 per cent on the first GBP 1,000,000 against 24 per cent otherwise. Claim it by the deadline in s.169M(3), but do not let it decide anything.

My company is German, Dutch or Belgian. Can I move to Dubai and sell tax-free? Only once the departure state's exit tax is paid or has expired. Germany deems a sale at departure with seven-year instalments, the Netherlands raises an open-ended protective assessment, and Belgium's 2026 charge lapses only after 24 months abroad. The saving is measured against the exit charge, not against zero.

Does Portugal's IFICI work with a UAE company? No. The exemption in CIRS art. 81.º(4) does not apply to income from a jurisdiction on the Portaria n.º 150/2004 list, which includes the UAE; art. 81.º(5) routes it to the 35 per cent rate in art. 72.º(18). It works for a UK company, provided you qualify through an eligible activity and never used NHR.

How long must I stay away, exactly? More than five years, measured in days from the day sole UK residence ends, which with a split year is the departure date, to the day it resumes. Five years to the day is caught; five years and a day is not.

Can the Temporary Repatriation Facility settle the gain at 12 per cent if I come back? No. HMRC's manual at RDRM76200 states that gains brought into charge on return under the temporary non-residence rules cannot be designated. The facility is for pre-April 2025 foreign income and gains of former remittance-basis users only.

How much will this cost in professional fees? We give ranges only, because a fixed quote before reading the file is a quote for someone else. UK counsel, departure planning and destination work each sit in the low to mid five figures in sterling; ongoing compliance is four to low five figures a year; a complex multi-jurisdiction plan can run from the low tens of thousands to well over GBP 100,000.

How are you paid? By our clients, and on some investment routes by product providers as well. We tell each client which routes carry a provider payment before the client chooses, and we will put in writing what we earn on the route we recommend and what we would earn if you chose another. Ask every adviser the same question.

How many founders are actually leaving the UK? Nobody knows officially. HMRC's last non-domiciled release shows 8,600 arrivals and about 9,000 leaving the population in the final pre-reform year, the OBR says there is no firm evidence yet, and no official source supports the millionaire-outflow figures in circulation. The first real data arrive with 2025/26 returns in 2027.

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Edition and change log

Edition 1.0, 2 September 2026: first edition; all figures verified on 2 September 2026. Next scheduled refresh March 2027, to incorporate the re-enacted Italian code (art. 246 read in full), the AIMA fee table from 1 March 2027, any AADE decision on an art. 5B deadline, and the first HMRC data on the four-year regime.

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Important notice

This guide is general information, not legal or tax advice, and is not a substitute for advice on your own facts from a regulated adviser in each country concerned. Every figure was verified on 2 September 2026 against the source named; law and fee tables change, and the passages marked as contested identify where a primary source could not be reached or a point is unsettled. Government charges are stated exactly. Professional fees are given only as ranges, because they depend on your structure, your family and the countries involved. For a personalised quote on your own facts, get in touch with Citizenship360.