



### The wealthy are leaving the UK

Millionaire businessmen and women and wealthy families are leaving the UK due to higher taxes, reduced reliefs and stricter reporting requirements.

According to recent data from investment migration consultancies and private banking reports, the UK is seeing fewer high net worth individuals choose to reside in the United Kingdom. In 2024 over 10,000 millionaires are estimated to have left the country due to the UK Government's tougher stance on wealth, inheritance and non-dom taxation.

The UK has long enjoyed a reputation as a prime destination for wealth creation, business growth and financial stability. London, in particular, has attracted high net-worth individuals from around the globe, drawn in part to the world-class financial services, rule of law and international connectivity. But today there is no doubt that the UK's wealthiest residents are now heading for the exits. The primary catalyst for this exodus is the overhaul of the UK's tax regime, particularly the changes to the non-domiciled ('non-dom') status. Historically, the non-dom system allowed UK residents with foreign domiciles to avoid paying UK tax on overseas income and gains unless remitted to the UK. However, the government's decision to abolish this regime from this month means that all UK residents will be taxed on their worldwide income and gains as they arise.

Significant reforms to inheritance tax (IHT) are another factor contributing to the migration. Individuals who have been UK tax residents for at least 10 out of the past 20 years will be subject to IHT on their worldwide assets. Those leaving the UK may remain liable for IHT on non-UK assets for up to 10 years, depending on their length of residence prior to departure.

For families looking to preserve wealth across generations, this is increasingly unacceptable.

**Compliance and Regulatory Burdens** - Recent changes have meant that the UK's regulations are becoming more complex and there is going to be heightened scrutiny on an individual's wealth. There will be enhanced reporting requirements with the Trust Registration Service and the Common Reporting Standard.

Two of the top relocation destinations -

**Portugal** Despite recent changes to its Non-Habitual Resident (NHR) regime, Portugal remains attractive for those seeking a warm climate, favourable tax treatment on foreign income for a fixed term.

**Dubai** With zero personal income tax, political neutrality and a growing reputation as a financial hub, Dubai is a top destination. The UAE's residency by investment programmes, high quality of life and business-friendly environment are particularly appealing to wealthy individuals.

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