



# Autumn Statement 2015

25 November 2015

George Osborne delivered his 6th Autumn Statement on 25 November, in conjunction with his widely-publicised Spending Review.

A number of proposals directly impact the Channel Islands.

## Taxation of UK residential property

### *Stamp Duty Land Tax ("SDLT")*

SDLT will be charged at 3% higher than the current standard rates where "additional" residential properties are purchased, such as buy-to-let properties and second homes, with effect from 1 April 2016.

These measures are not targeted at corporates or funds making significant investment in UK residential property. What constitutes significant investment is yet to be defined and consultation will commence on how this will work in practice and how it will interact with the higher 15% rate of SDLT already paid where a residential property is bought by a corporate entity.

### *SDLT Payment window*

A consultation will be issued on changes to the SDLT filing and payment process, including the possibility to reduce the payment and filing window from 30 days to 14 days.

### *CGT Payment window ("CGT")*

From April 2019 CGT on all UK residential property will be payable 30 days after completion of sale rather than via an annual tax return. There will be a consultation on the details of digital tax accounts in 2016, with a view to introducing these for some individual taxpayers from 2016/17.

## Changes to the taxation of non-UK domiciled individuals

As expected there have been no significant developments in this area as the consultation period regarding changes to the non-UK domiciled regime announced in the Summer Budget has only recently closed. Further details regarding these changes are not likely to be announced until the 2016 Budget.

Consultation regarding the proposed expansion of Inheritance Tax to UK properties held by non-domiciled individuals via offshore structures has been delayed, but is expected to open shortly.

It is increasingly likely that the final legislation for both these measures, to take effect from April 2017, will only be confirmed in the 2017 Finance Bill.

---

## Avoidance and evasion

Following recent consultation papers the Government has confirmed their intent to introduce new civil and criminal penalties for offshore tax evaders and those organisations who facilitate or enable offshore tax evasion such as professional advisers, banks and trust companies. Further sanctions will include the public naming of entities and individuals responsible for enabling tax evasion.

A new penalty of 60% of the tax due will be introduced that will apply in all cases that are successfully tackled by the General Anti-Abuse Rule ("GAAR").

---

## BEPS

There are indications that the UK is moving forward with some of the OECD's recommendations in the area of BEPS, including the introduction from 1 January 2017 of rules to address hybrid mismatch arrangements.

---

## Taxation of asset manager's performance based rewards

The government will introduce legislation to determine when performance awards received by asset managers will be taxed as income or capital gains. An award will be subject to income tax, unless the underlying fund undertakes long term investment activity.

---

## Simplification of employee share schemes

The government will legislate in Finance Bill 2016 to simplify the rules for taxation of employee share schemes, with particular reference to internationally mobile employees.

Please contact your usual KPMG contact if you would like to discuss any of these measures.

---

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

---

For more information please contact:



**Tony Mancini**  
Executive Director, Tax  
+44 (0)1481 741845  
[amancini@kpmg.com](mailto:amancini@kpmg.com)



**Paul Beale**  
Tax Senior Manager  
+44 (0)1481 755978  
[paulbeale@kpmg.com](mailto:paulbeale@kpmg.com)



**Alison Hill**  
Tax Associate Manager  
+44 (0)1481 741856  
[alisonhill1@kpmg.com](mailto:alisonhill1@kpmg.com)



[www.kpmg.com/channelislands](http://www.kpmg.com/channelislands)

[Unsubscribe](#) | [Privacy](#) | [Legal](#)

© 2015 KPMG Channel Islands Limited, a Jersey Company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. The KPMG name and logo are registered trademarks of KPMG International.

KPMG Channel Islands Limited, 37 Esplanade, St Helier, Jersey JE4 8WQ

