

To: [REDACTED]

From: [REDACTED]

Date: 13th May 2005

## **FINDINGS FROM THE SURVEY OF PAPER FILE RECORDS FOR NDRs AND R/NORs HELD IN THE CPR AND EXPAT UNITS**

### **SUMMARY OF THE KEY POINTS/FINDINGS**

#### ***Coverage Of The Survey***

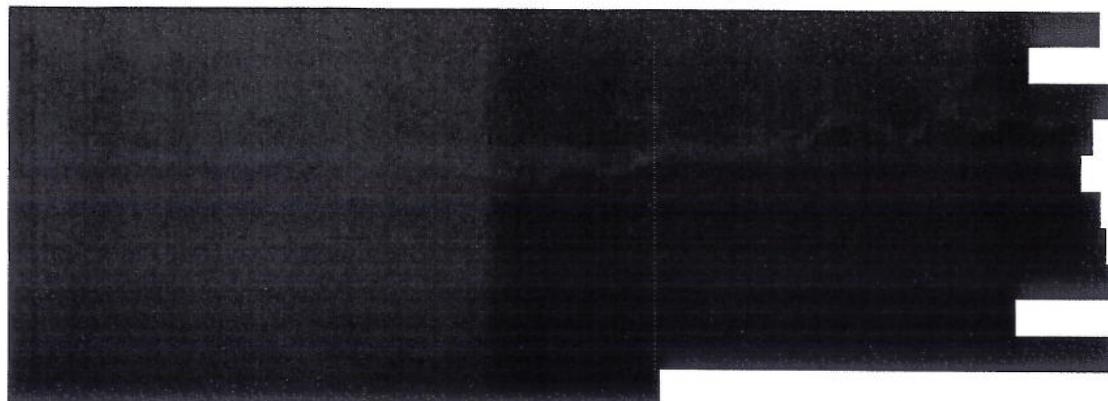
1. The survey looks at the characteristics of some of the key people claiming to be Non-Domiciled(ND) in the UK for tax purposes and/or Not Ordinarily Resident(NOR) in the UK for tax purposes.
2. The survey looks at the characteristics of two groups of people who are claiming ND and/or NOR status. Firstly, some of the wealthiest such individuals who are dealt with by the Revenue's Complex Personal Returns(CPR) teams. Secondly expatriate employees of employers with significant numbers of expatriate employees in the UK who are dealt with by our Expat teams. Whilst the survey findings should provide a good picture of the characteristics of these groups it is important to note that they will not necessarily be representative of all people who claim ND and/or NOR.

#### ***Nationalities Of NDs And NORs Covered By The Survey***

3. ND and NOR claimants dealt with by the Expat and CPR teams generally claim to be domiciled in, and are nationals of, Western countries such as the USA, Japan, other Western European countries and Australia.
4. The large majority of claims to be non-domiciled in the UK are on the grounds of having a domicile of origin in another country.

#### ***Industrial Sectors NDs And NORs Covered By The Survey Work In***

5. The industrial sector that ND and NOR claimants dealt with by the CPR and Expat teams are most likely to work in is financial services. [REDACTED]  
[REDACTED]  
[REDACTED]  
For Expat team cases the next most common industrial sectors for them to work in are manufacturing and oil/gas. For the CPR team cases, all other sectors than financial services individually account for a relatively small proportion of ND and NOR cases as CPR cases earn livings for themselves [REDACTED] in a wide variety of different ways.  
[REDACTED]  
[REDACTED]



### ***People On Secondments To The UK***

8. Not surprisingly, the large majority of ND and NOR claimants covered by the Expat teams started working for their current employers before they came to the UK (ie. they have been seconded here), but for the CPR team cases this only applies for a minority. The large majority of the secondees covered by the Expat teams stay in the UK for less than 5 years.



## WHY WAS THE SURVEY DONE?

9. This survey was done to help us to gather evidence to inform the Government's current review of the residence and domicile rules that affect the taxation of individuals' incomes and gains.

(i) Non-Domicile Claimants(NDs) – These are people who claim income tax and capital gains tax privileges associated with being not domiciled in the UK despite being deemed as being resident here for tax purposes in a particular tax year.

(ii) People who are claiming to be Not Ordinarily Resident in the UK for tax purposes in a tax year(NORs).

10. It is within the scope of the residence and domicile review to consider possible changes to the current tax rules associated with being able to claim to be Non-Domiciled and Not Ordinarily Resident in the UK. It was decided that gathering information about the characteristics of people claiming ND and/or NOR would help us to better assess what effects changing these rules might have.

## WHICH GROUPS OF NDs AND NORs ARE COVERED BY THE SURVEY?

12. People who are claiming ND and/or NOR status are dealt with by one of three different types of teams in the HMRC:

(i) Complex Personal Returns(CPR) teams – HMRC has 7 such teams that have been set up around Britain. These teams specialise in individuals who have relatively complex tax affairs(eg.they notify us about relatively large numbers of things on their SA returns) and/or who declare relatively large amounts of income.

(ii) Expat teams – HMRC has 5 Expat teams. They deal with the tax affairs of expatriates working for employers in the UK who have significant numbers of expatriate employees. If an individual working for an employer covered by one of the Expat teams would have also met the criteria to be covered by a CPR team(as for example an expatriate working in a top management job for a multinational company in the UK might), he/she will be covered by the appropriate Expat team rather than by a CPR team.

(iii) General Network Offices – These are the many general tax offices HMRC has around the UK who will deal with people claiming ND and/or NOR who have not been allocated to be dealt with by one of the CPR or Expat teams.

The survey was designed to look at the characteristics of the people claiming ND and/or NOR who are dealt with by the CPR and Expat teams. It does not look at the

characteristics of people claiming NDR and/or R/NOR who are covered by standard Network offices. It is therefore important to note that the individuals who claim ND and/or NOR covered by the survey won't be representative of all people claiming ND and/or NOR. However the weighted survey results should be fairly closely representative of all of the people claiming ND and/or NOR in the UK who are dealt with by the CPR and Expat teams.

13. It was decided to only cover records of individuals who are dealt with in the CPR and Expat teams for two reasons.

Secondly, it is logically much simpler to do a survey of just the CPR and Expat teams rather than of a much larger number of Network teams in HMRC who deal with NDs and NORs. It is also worth noting that cases are sometimes referred to CNR or SCO. CPR and Expat team files that were referred to CNR or SCO at the time of the survey could not therefore be used for gathering information for the individuals concerned for the survey.

14. The people covered in the CPR teams are likely to have some of the highest levels of incomes and wealth amongst the whole ND and NOR claiming populations.

The people covered by the Expat teams are also a relatively important group for us to consider.

15. However individuals claiming ND and/or NOR not covered by a CPR or Expat team may sometimes (but not always) be of rather less significance for the review. For example, someone who has lived in the UK for many years and just claims ND so that he/she can avoid tax on less than £100 per year of interest from a foreign bank account in a country he/she used to live in not remitted to the UK.

16. As there are only 12 different CPR and Expat teams in total, the survey could be done by only asking 12 offices to gather information for us. This is logically a lot simpler than trying to co-ordinate the survey amongst a much larger number of offices, as could have been needed if general Network offices were also included. It also had the advantage of the staff in the CPR and Expat teams often being generally better informed about residence and domicile issues related to the survey than perhaps some staff in the Network might have been.

#### **METHODS USED IN THE SURVEY TO GATHER INFORMATION ABOUT NDs AND NORs**

17. The CPR and Expat teams primarily use paper files rather than electronic files to store information about the individuals that they deal with. Some information about NDs and NORs provided on SA returns is held centrally on the Department's computer systems but other information provided on SA returns isn't. The idea of the survey was to gather information about the NDs and NORs dealt with by the CPR and Expat teams that could not be obtained from the Revenue's central databases. The areas covered were:

- Year of latest SA return on file
- Whether a P86 form was held on file
- Whether a DOM1 form was held on file
- Whether the individual was claiming to be Non-Domiciled in the UK for tax purposes
- Whether the individual was claiming to be Not Ordinarily Resident in the UK for tax purposes
- Stated reason for claiming to be Non-Domiciled in the UK
- Claimed country of domicile if claiming to be not UK domiciled
- Nationality/Nationalities
- Country of birth
- Other country/countries in which the individual was resident for tax purposes
- Year of arrival in the UK
- The length of time the individual originally said that he/she would be living in the UK for
- Whether the file records show that the individual is no longer living in the UK and if so when he/she left
- Occupation of the individual and industrial sector worked in
- Name of the individual's employer
- Year the individual started working for his/her current employer and whether this was before he/she came to live in the UK
- Any useful information contained in the "big white spaces" on the SA returns.
- Other relevant information to be found in the paper files for the individuals covered in the survey.

18.The survey work was done in the CPR and Expat teams between June and September 2004. However it is important to note that the information obtained from the files does not apply to individuals who were necessarily claiming to be NDs and/or NORs in Summer 2004. This is because SA returns are not normally filed for individuals until after the tax year they refer to has ended and so the latest returns on file for them would have been virtually always for earlier years than 2004/5. They were also usually for earlier years than 2003/4(given that the deadline for submitting a tax return if you want the Revenue to work out your tax liabilities for you is the 30<sup>th</sup> September after the tax year ended).

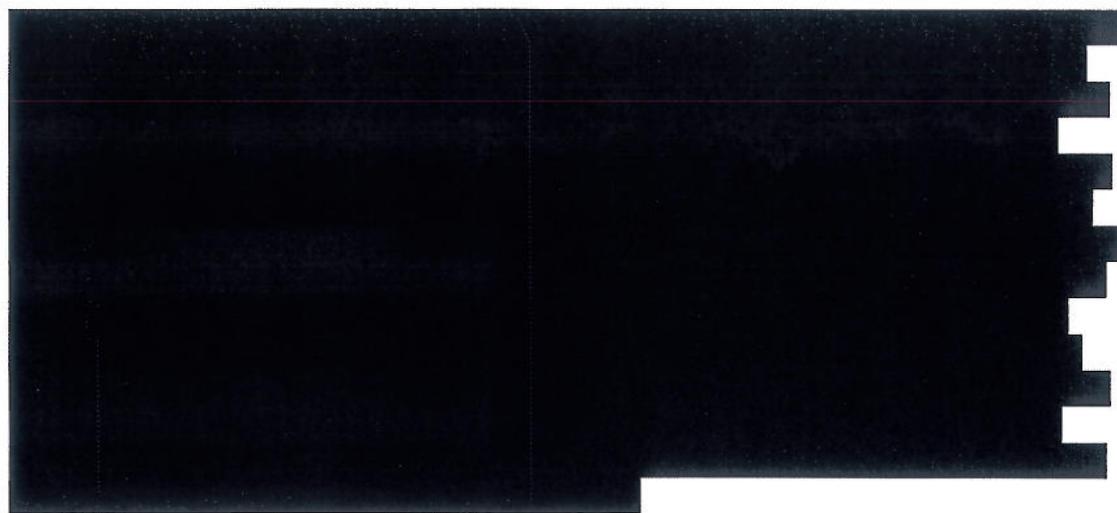
19.The samples from the CPR teams for the survey were selected from individuals recorded as claiming to be non-domiciled in box 9.5 of their 2001/2 SA return and/or reporting foreign earnings not taxable in the UK in box 1.31 of their SA return in 2001/2. The Expat team cases were selected from all those who filed SA returns for 2001/2 as all Expat team cases may well be affected by the residence and domicile rules. However the latest SA return on the file(and hence the information from the paper SA returns recorded for the survey) may have turned out to be for a later or earlier tax year than this.

20.Investigations showed that in May 2004 there were around 32,000 individuals covered by the Expat units were recorded centrally as having completed SA returns for 2001/2. There were around a further 2,800 individuals covered by the CPR units who were recorded centrally as having filled in a SA return for 2001/2 who had ticked box 9.5 and/or declared an amount of foreign earnings said not to be taxable in the UK in box 1.31. It is worth noting therefore that the CPR teams only deal with a relatively small proportion of all individuals who claim ND and/or NOR. However those they deal with will be of disproportionate importance as they are generally the wealthiest individuals who could be affected by changes to the rules.

21.The amount and quality of the information held on the paper files varied significantly from case to case

This could have been due to the relevant information not yet having been submitted by the individuals

22.We were also generally limited to only being able to gather the types of information that the Revenue asks NDs and NORs. This meant that we weren't able to systematically gather information about things that we would ideally like to know about like the levels of income and gains they have that they don't remit to the UK and how(if at all) they might change their behaviour in response to any changes to the residence and domicile rules.



## **HELP RECEIVED TO GATHER THE INFORMATION FOR THE SURVEY AND TO ANALYSE THE RESULTS**

24. Although I've been co-ordinating this survey it was very far from being all my own work and I'd like to acknowledge all the help that has been received. It simply wouldn't have been possible without the help of many different members of staff in the CPR and Expat teams who have gathered information from the samples of NDs and NORs selected for the survey. The large majority of the work they've done for us has been of a high-standard and timely and I've been impressed by their willingness to help us with the survey.

25. I'd also like to thank [REDACTED] who provided a lot of help in securing the agreement of the CPR and Expat teams to help with the survey, selecting samples for the survey and co-ordinating the work of the teams that helped us. Finally I'd like to thank my [REDACTED] [REDACTED] who have all done significant amounts of work to help with the analysis the results.

## **COVERAGE OF THE SURVEY**

26. Records for a total of 3391 different HMRC customers were looked at as part of the survey. Of these 1936 were cases dealt with by the CPR teams and 1455 were cases dealt with by the Expat teams. Weighting factors were calculated for each case according to which team they were in to take account of different proportions of the Expat cases and box 9.5 and/or box 1.31 cases in the CPR cases being sampled from team to team. It was judged appropriate to do this as the characteristics of the cases dealt with can vary significantly between different Expat and CPR teams. For example employees of City employers claiming ND and/or NOR are disproportionately dealt with by the [REDACTED]. All the results given in this paper are appropriately weighted according to the levels of cases in the different IRCPTT teams in May 2004. The results are based on the cases for whom the staff were able to report back all of the required information needed to do the analysis in question. Some of the individual figures in the tables will not sum to 100% due to rounding effects. If a proportion is given as <1% in a table in this paper it means that

the proportion would be estimated to round down to 0% when rounded to the nearest 1%.

27. Table 1 below shows the weighted proportions of the cases looked at for the survey who were confirmed as claiming ND and/or NOR:

**Table 1: Levels Of Confirmed ND and/or NOR Cases Covered In The Survey**

	Expat Teams	CPR Teams
<b>ND</b>	80%	90%
<b>NOR</b>	39%	8%
<b>Both ND and NOR</b>	38%	6%

As table 1 shows, the large majority of the cases covered by the survey were confirmed as being ND cases. Just under 40% of the Expat team cases were claiming NOR, although only around 8% of the CPR team cases were. [REDACTED] most of the cases claiming NOR were also claiming ND.

#### **LATEST SA RETURNS ON FILE FOR THE INDIVIDUALS**

28. Table 2 below shows the latest year of SA return on file for the individuals claiming ND and NOR in the CPR and Expat teams at the time of the survey last Summer:

**Table 2: Years Of Latest SA Returns On File For The Cases Covered By The Survey**

Year Of Latest SA Return On File	Expat Team ND Cases	Expat Team NOR Cases	CPR Team ND Cases	CPR Team NOR Cases
<b>2003/4</b>	1%	2%	3%	3%
<b>2002/3</b>	44%	42%	83%	76%
<b>2001/2</b>	20%	25%	13%	20%
<b>2000/1</b>	4%	5%	1%	<1%
<b>1999/2000</b>	19%	18%	<1%	1%
<b>1998/9</b>	3%	4%	<1%	<1%
<b>1997/8</b>	<1%	<1%	<1%	<1%
<b>1996/7</b>	<1%	<1%	<1%	<1%
<b>No SA Return On File</b>	9%	5%	<1%	1%

As table 2 shows, for most of the cases of interest to us looked at in the survey, the latest SA return on file at the time of the survey last Summer was for either 2002/3 or 2001/2. This suggests that the information gleaned from SA returns for the survey work, including in many cases details of whether the individual was claiming to be ND and/or NOR for the tax year concerned, should have been at least fairly up-to-date.

## LEVELS OF CASES FOR WHOM THERE WAS A P86 AND/OR DOM1 FORM ON FILE

29. Table 3 below shows the estimated levels of cases confirmed as claiming ND and/or NOR in the CPR and Expat teams for whom there was a P86 and/or DOM1 form on file. This is significant as these forms are often a good source of information for many of the things we wanted to look at in the survey such as countries of claimed domicile, nationality and birth, claimed anticipated length of stay in the UK at the time of arriving here, stated reason for not being domiciled in the UK and whether they worked for their current employer before coming to the UK. Without them the staff in IRCPTT helping us with the survey were often unable to obtain the requested information about these things.

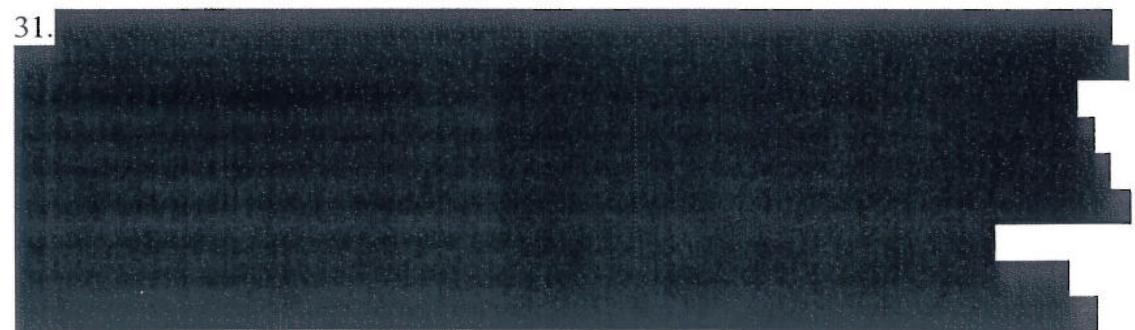
**Table 3: Extent To Which P86 And DOM1 Forms Were Held On File For The Cases Covered By The Survey**

	Expat Team ND Cases	Expat Team NOR Cases	CPR Team ND Cases	CPR Team NOR Cases
<b>P86 On File</b>	52%	56%	35%	33%
<b>DOM1 On File</b>	7%	2%	33%	14%
<b>Both P86 And DOM1 On File</b>	5%	2%	17%	11%
<b>One Or Both Forms On File</b>	54%	56%	51%	37%

As table 3 shows, it was much more common to find P86s than DOM1s on file for the NOR and ND cases in the Expat teams, although in the CPR teams DOM1s were somewhat more frequently found in the files, particularly for cases claiming ND. Overall the survey results suggest that just over half of all Expat team cases claiming ND and/or NOR and CPR team cases claiming ND had either a P86 or DOM1 or both on file at the time of the survey. For the Expat team cases claiming NOR the estimated proportion was lower at around 37%.

30. The absence of either a P86 or a DOM1 in the paper files for many of the IRCPTT ND and/or NOR cases unfortunately limited the extent to which we were able to gather the types of information about them that is often found on these forms but not other sources in the files. However these forms were sufficiently common for us to be able to gather sufficiently large amounts of information about these things to be able to get meaningful results for the survey.

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## CLAIMED COUNTRIES OF DOMICILE

32. Table 4 below provides details of the twenty most frequently claimed countries of domicile for the ND cases in the Expat teams at the time of the survey:

**Table 4: Most Frequently Claimed Countries Of Domicile For Expat Team ND Cases**

Claimed Country Of Domicile	Expat Team ND Cases
USA	29%
Japan	17%
France	8%
Germany	8%
Canada	4%
Australia	3%
Netherlands	3%
Sweden	3%
Italy	3%
South Africa	2%
Spain	2%
Belgium	1%
Austria	1%
New Zealand	1%
Switzerland	1%
Lebanon	1%
Greece	1%
India	1%
Brazil	1%
Ireland	1%

Table 5 below provides details of the twenty most frequently claimed countries of domicile for the ND cases in the CPR teams at the time of the survey:

**Table 5: Most Frequently Claimed Countries Of Domicile For Expat Team ND Cases**

Claimed Country Of Domicile	CPR Team ND Cases
USA	27%
France	6%
Ireland	6%
South Africa	6%
Australia	5%

<b>Italy</b>	4%
<b>Germany</b>	4%
<b>India</b>	4%
<b>Netherlands</b>	4%
<b>Canada</b>	3%
<b>Sweden</b>	2%
<b>Switzerland</b>	2%
<b>Israel</b>	2%
<b>Norway</b>	1%
<b>New Zealand</b>	1%
<b>Cyprus</b>	1%
<b>Iran</b>	1%
<b>Jersey</b>	1%
<b>Denmark</b>	1%
<b>Pakistan</b>	1%

Tables 4 and 5 show that the most frequently claimed country of domicile for ND claimants dealt with by both the CPR and Expat teams is the USA with an estimated 29% of all ND claims dealt with by the Expat teams being for individuals claiming to be domiciled in the USA and an estimated 27% of all ND claims dealt with by the CPR teams being for individuals claiming to be domiciled there.

33. For the Expat team cases the only other countries estimated to account for more than 5% of the total are Japan (probably because many Japanese owned companies with operations in the UK second Japanese staff over here), France and Germany. The overall picture for the Expat unit ND cases is that they are mostly claiming to be domiciled in relatively wealthy Western countries in North America, Western Europe, Japan and Australasia.

34. For the CPR team cases the USA is estimated as being by a long-distance the most frequently claimed country of domicile, accounting for more than four times as many cases as any other country. No one other country is estimated to account for more than 6% of all of the ND cases dealt with by the CPR teams. The next most commonly claimed countries of domicile are primarily other Western European countries and Commonwealth countries with substantial expatriate communities in the UK such as Australia, South Africa and India.

35. In all 88 different countries of domicile were found amongst the CPR and Expat teams' cases covered in the survey, although as tables 4 and 5 suggest, the large majority of them account for very small proportions of the total. As well as the more predictable countries of claimed domicile cases were found of people claiming to be domiciled in relatively obscure countries such as El Salvador, Greenland and Azerbaijan.

#### **STATED REASONS FOR CLAIMING TO BE NON-DOMICILED IN THE UK**

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## NATIONALITIES OF NOR CLAIMANTS

38. Table 6 below shows the twenty most common nationalities for NOR claimants in the Expat teams where information was available from the survey for this:

**Table 6: Nationalities Of NOR Claimants In The Expat Units**

Nationality Country	Expat Team NOR Cases
USA	28%
Japan	14%
France	11%
Germany	8%
Australia	5%
Canada	4%
Sweden	4%
Netherlands	3%
Spain	2%
Italy	2%
UK	2%
Belgium	2%
Ireland	1%
Finland	1%

<b>Brazil</b>	1%
<b>Dual(exc.UK)</b>	1%
<b>Switzerland</b>	1%
<b>Austria</b>	1%
<b>Dual(inc.UK)</b>	1%
<b>Denmark</b>	1%

Table 7 below provides information about the 10 most common nationalities for NOR claimants in the CPR teams:

**Table 7: Nationalities Of NOR Claimants In The CPR Teams**

<b>Nationality Country</b>	<b>CPR Team NOR Cases</b>
<b>UK</b>	26%
<b>USA</b>	26%
<b>France</b>	9%
<b>Germany</b>	5%
<b>Canada</b>	5%
<b>Ireland</b>	3%
<b>Australia</b>	3%
<b>Switzerland</b>	2%
<b>India</b>	2%
<b>Dual(exc.UK)</b>	2%

As table 6 shows, there was a much higher level of US nationals claiming NOR amongst the Expat team cases than nationals of any other country, with Japanese, French and German nationals being the next most likely to be claiming NOR amongst the Expat team cases. The results suggest that most NOR claimants dealt with by the Expat teams are nationals of other Western countries, and they will often be in the UK on secondments. Around 3% of the Expat team cases claiming NOR were estimated as being UK nationals, who perhaps might be able to claim it if they have spent substantial amounts of time abroad in earlier years.

39. Table 7 shows that much the most likely nationalities claiming NOR amongst the CPR team cases are US and, interestingly, UK nationals with each group estimated to account for just over a quarter of the total. This suggests that there are significant numbers of relatively wealthy UK nationals who claim NOR, perhaps because they have spent substantial amounts of time overseas in recent years. However we need to remember that, as shown in table 1, only around 8% of all the box 9.5 and box 1.31 CPR team cases are estimated to be claiming NOR. So the proportion of all of this group estimated to be UK nationals claiming NOR is only around 2% (amounting to a total of perhaps roughly around 50-70 individuals). As table 7 shows, the remainder of the relatively few CPR team cases claiming NOR were primarily found to be from various other Western countries.

#### **INDUSTRIAL SECTORS THE ND AND NOR CLAIMANTS WORKED IN**

40. The staff in the Expat and CPR teams were asked to choose which of a specified range of industrial sector descriptions best fitted the industrial sector the individuals whose records were surveyed worked in, if this information was available from the

files. Table 8 below shows the distribution of different industrial sectors the ND and NOR claimants were thought to work in for the cases where information about this was available from the files:

**Table 8: Industrial Sectors The ND And NOR Claimants Work In**

	Expat Team ND Cases	Expat Team NOR Cases	CPR Team ND Cases	CPR Team NOR Cases
<b>Agriculture</b>	<1%	<1%	<1%	<1%
<b>Construction</b>	1%	1%	1%	1%
<b>Consulting</b>	3%	2%	4%	4%
<b>Defence</b>	<1%	<1%	<1%	<1%
<b>Education</b>	1%	1%	<1%	<1%
<b>Electricity</b>	1%	1%	<1%	1%
<b>Financial Services</b>	37%	39%	36%	27%
<b>Health</b>	1%	1%	2%	<1%
<b>Hotels &amp; Catering</b>	<1%	<1%	1%	<1%
<b>IT</b>	4%	4%	3%	5%
<b>Legal</b>	1%	1%	6%	8%
<b>Manufacturing</b>	17%	18%	3%	4%
<b>Not Working</b>	1%	1%	14%	19%
<b>Oil/Gas</b>	11%	12%	1%	1%
<b>Other</b>	12%	12%	22%	25%
<b>Personal Services</b>	<1%	<1%	1%	<1%
<b>Property</b>	1%	<1%	2%	<1%
<b>Religious</b>	<1%	<1%	<1%	<1%
<b>Retail</b>	1%	<1%	3%	3%
<b>Telecommunications</b>	3%	3%	1%	3%
<b>Transport</b>	3%	2%	1%	1%
<b>Water</b>	<1%	<1%	<1%	<1%

As table 8 shows, the industrial sector it was most common for both the ND and NOR claimants in both the Expat and CPR teams to work in is financial services. This is consistent with evidence we saw when we visited some of the CPR and Expat teams of the HR sections of some large financial sector employers [REDACTED]

[REDACTED] appearing to be helping to arrange for some of their employees to get benefits from claiming ND and NOR [REDACTED]

41. For the ND and NOR claimants covered by the Expat teams, the next most common sectors for them to work in after the financial services sector are the manufacturing and oil/gas sectors. For ND and NOR claimants covered by the CPR teams the individuals not in the financial services sector were spread over a wide range of other sectors with no one other sector having that many in it. The next most common sector was the legal sector accounting for an estimated 6% of all the ND claimants dealt with by the CPR teams and an estimated 8% of all the NOR claimants

they deal with. Its worth noting that around 14% of the ND claimants dealt with by the CPR teams and around 19% of the NOR claimants they deal with are estimated to not be working at all. It is likely that some of these individuals will be sufficiently wealthy to not to have to work if they do not wish to do so.

### **OCCUPATIONS OF THE NDs AND NORs SURVEYED**

42. The staff in the CPR and Expat teams who helped us with the survey were asked to record details of the occupations that the NDs and NORs covered in the survey were in if they were working. For most of the cases information about this was not available on the files and so I think that the information about the industrial sectors their employers are in given above is generally more useful for giving us a feel for the types of occupations that they have. Where occupational information was available many were believed to be in relatively senior positions(eg.directors) and/or in financial services occupations(eg.bankers). However the occupations they had varied quite widely and some quite unusual ones came up such as an antique dealer, an underwear retailer, a website designer, a concert pianist, a tropical fruit importer and a cheese planning manager [REDACTED].

43. Quite a lot of the ND cases(12%) and NOR cases(30%) dealt with by the CPR teams where occupational information was known were either professional footballers or professional football coaches/managers. I'm told that the affairs of the top earning employees of many of the biggest football clubs in the UK are dealt with by the CPR teams as top football players and managers earn large amounts of money and so may well have relatively complex tax affairs. Also many top footballer players and managers in the UK are foreign and so they may be able to benefit from the ND and NOR rules. [REDACTED]

44. [REDACTED]

The survey results suggest that less than 1% of them work in education and only around 1-2% work in the health sector(eg.as doctors and surgeons). However its worth bearing in mind that health and education sector workers are not generally the sorts of people who are that likely to be dealt with by the CPR and Expat teams. [REDACTED]

### **STATED LENGTHS OF TIME THEY SAID THEY WOULD BE IN THE UK FOR**

45. Table 9 below shows the stated lengths of time that the individuals claimed they would be in the UK for on P86 and DOM1 forms where this information was available from the paper file records:

**Table 9: Stated Intended Lengths Of Time To Stay In The UK**

	Expat Team ND Cases		CPR Team ND Cases	
<b>Under 1 Year</b>	2%		1%	
<b>1 Year</b>	1%		1%	
<b>1-2 Years</b>	13%		3%	
<b>2 Years</b>	17%		8%	
<b>2-3 Years</b>	46%		29%	
<b>3 Years</b>	9%		10%	
<b>3-4 Years</b>	5%		11%	
<b>4 Years</b>	3%		3%	
<b>5 Years</b>	3%		11%	
<b>6-9 Years</b>	<1%		3%	
<b>10 Or More Years</b>	<1%		15%	
<b>Permanently</b>	<1%		6%	

As table 9 shows, the survey results suggest that the majority of the Expat teams' ND and NOR cases stated that they would be in the UK for no more than 3 years. This is likely to be because many secondments to the UK [REDACTED] will be for less than 3 years [REDACTED]

46. As far as the CPR ND claimant team cases are concerned, many said they intended to stay in the UK for no more than a few years. [REDACTED]

47.

[REDACTED] This is because:(a)We need to bear in mind that the survey covers people claiming ND and NOR and not all of these claims will actually be allowed by HMRC staff (b)Many of the paper file records had only been transferred to the CPR and Expat teams from Network offices not long before the time of the survey [REDACTED]

## **TOTAL AMOUNTS OF TIME SPENT IN THE UK BY NDs AND NORs WHO HAVE NOW LEFT**

48. Table 10 below shows the estimated distributions of the amounts of time that ND and NOR claimants who had left the UK by the time of the survey had spent here:

**Table 10: Amounts Of Time ND And NOR Claimants Who Have Now Left Spent In UK**

	Expat Team ND Cases		CPR Team ND Cases	
<b>0-1 Years</b>	20%		2%	
<b>2-3 Years</b>	49%		18%	
<b>4-5 Years</b>	22%		34%	
<b>6-9 Years</b>	7%		28%	
<b>10 Or More Years</b>	1%		19%	

As table 10 shows most of the Expat teams' ND and NOR cases who have now left the UK stayed here for no more than 5 years.

However for the CPR teams' ND claimant cases, it is noticeable that even amongst those who have now left the UK, almost half had stayed here for over 5 years.

## **TOTAL AMOUNTS OF TIME SPENT IN THE UK BY ND AND NOR CLAIMANTS WHO ARE STILL HERE**

49. Table 11 shows the estimated distribution of the lengths of time spent in the UK so far by the ND and NOR claimants dealt with by the CPR and Expat teams who were believed to be still in the UK at the time of the survey. As they are still here, the lengths of time in the table just refer to the amounts of time they have been here so far in terms of their tax records rather than the amounts of time they will spend in the UK before they leave:

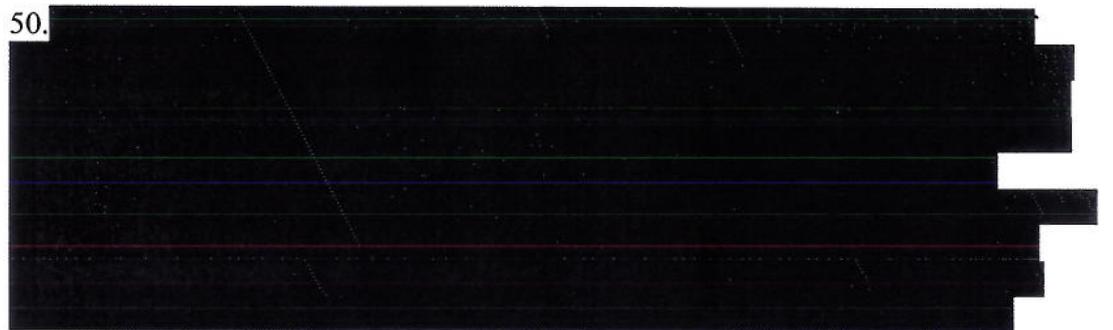
**Table 11: Lengths Of Time Spent In The UK So Far By ND And NOR Claimants Who Are Still Here**

	Expat Team ND Cases		CPR Team ND Cases	

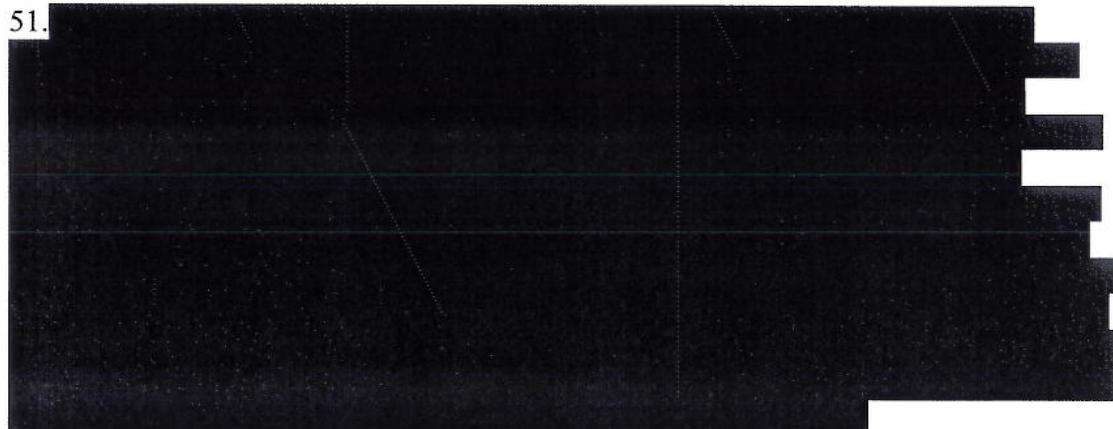
<b>0-1 Years</b>	21%		1%	
<b>2-3 Years</b>	42%		6%	
<b>4-5 Years</b>	18%		12%	
<b>6-9 Years</b>	9%		24%	
<b>10-19 Years</b>	8%		33%	
<b>20-29 Years</b>	1%		15%	
<b>30 Or More Years</b>	<1%		9%	

Table 11 shows that most of the Expat teams' ND and NOR claimants who are still here have so far been here for no more than 5 years.

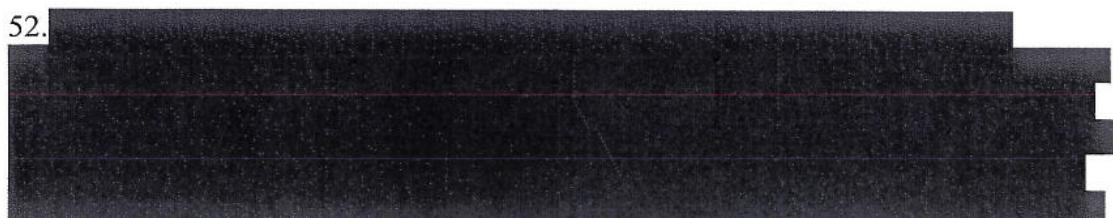
50.

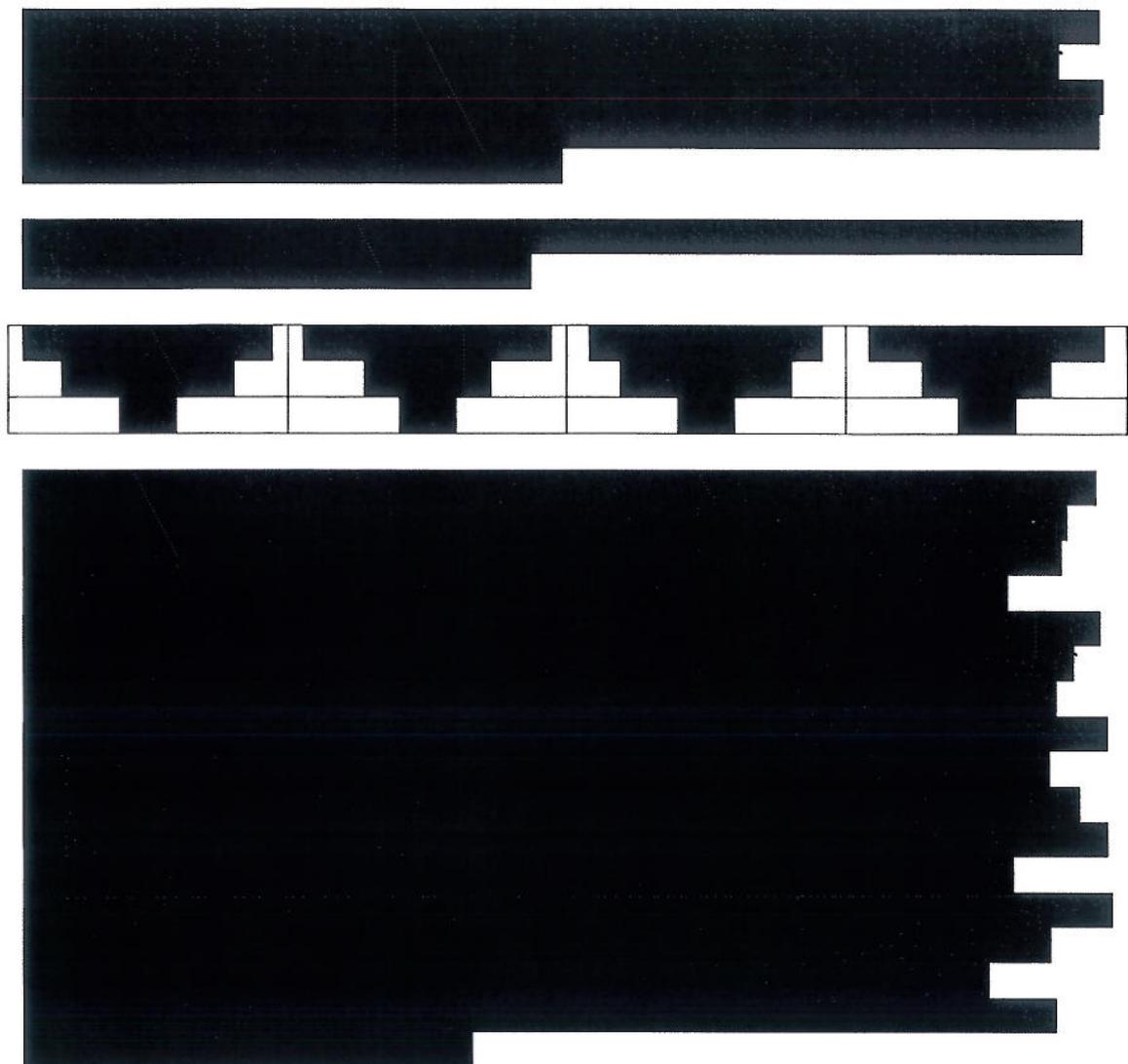


51.



52.





#### **LEVELS OF ND AND NOR CLAIMANTS WHO WORKED FOR THEIR CURRENT EMPLOYERS BEFORE COMING TO THE UK**

53. Table 13 below shows the estimated proportions of ND and NOR claimants in the CPR and Expat teams who worked for their current employers before coming to the UK (ie. the estimated proportions who were seconded here by their employers and still work for the employer who seconded them here):

**Table 13: Levels Of NDs And NORs Who Worked For Their Current Employers Before Coming To The UK**

Expat Team ND Cases	Expat Team NOR Cases	CPR Team ND Cases	CPR Team NOR Cases
84%	90%	12%	19%

As table 13 shows, the large majority of the Expat teams' cases who claim ND and NOR are, not surprisingly, people who were seconded to the UK by their current employers. However for the ND and NOR claimants dealt with by the CPR teams it is

a different story with only fairly small proportions of them being people who were seconded here by the employers they are currently working for.

### **HOW LONG HAVE ND AND NOR CLAIMANT SECONDEES WORKED FOR THEIR EMPLOYERS BEFORE COMING TO THE UK?**

54. Table 14 below shows the estimated lengths of time that ND and NOR claimant secondees dealt with by the CPR and Expat teams had worked for their employers before they were seconded to the UK. This is not done for the NOR claimants covered by the CPR teams as there were sufficiently few cases where data was available for it to be considered to be reliable to do this:

**Table 14: Lengths Of Time ND And NOR Claimant Secondees Had Worked For Their Employers Before Coming To The UK**

	Expat Team ND Cases	Expat Team NOR Cases	CPR Team ND Cases
<b>0-1 Years</b>	16%	20%	30%
<b>2-3 Years</b>	22%	23%	25%
<b>4-5 Years</b>	17%	18%	15%
<b>6-9 Years</b>	15%	15%	15%
<b>10-19 Years</b>	21%	18%	10%
<b>20 Or More Years</b>	8%	7%	6%

As table 14 shows, there is a significant amount of variation in the lengths of time ND and NOR claimant secondees had already been working for their employers before they came to the UK. The majority were employees who had only been working for their employers for less than 5 years, but a significant minority were relatively long serving employees who had been working for their employers for at least 10 years. This latter group would probably include relatively senior staff who are sent over to take up relatively senior positions within the companies concerned in the UK.

### **HOW LONG HAVE THE SECONDMENTS BEEN FOR?**

55. Table 15 below shows how long the secondees dealt with by the Expat teams who have now left the UK and who are still here have been here for. In the cases of those who have left the lengths of time refer to the total amounts of time they were here for, whilst in the cases of those who are still here they refer to the total amounts of time they have been here for so far (of course many of them will stay here for longer before they leave the UK if they do leave):

**Table 15: Lengths Of Time Secondees Have Been In The UK For**

	Expat Team ND Cases Left	Expat Team ND Cases Not Left
<b>0-1 Years</b>	22%	22%
<b>2-3 Years</b>	49%	44%
<b>4-5 Years</b>	20%	18%
<b>6-9 Years</b>	8%	9%
<b>10-19 Years</b>	<1%	7%

<b>20 Or More Years</b>	<1%	[REDACTED]	<1%	[REDACTED]
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As table 15 shows, the evidence from the survey suggests that the majority of secondees claiming ND [REDACTED] dealt with by the Expat teams stay in the UK for less than 3 years and the large majority stay in the UK for less than 5 years. [REDACTED]

## FINAL REMARKS

56. I hope that some of these survey results turn out to be useful. Please feel free to get in touch if you have any questions or comments about the survey or any of the results we got from it.



