

2026 guide

WHAT TO THINK ABOUT WHEN MOVING ABROAD FROM THE UK

A Comprehensive Guide to
Pensions, Transfers,
Investments, Taxation & Estate
Planning

PLANNING YOUR MOVE OVERSEAS

The 2026 Strategic Guide to UK Exit Planning & Global Wealth Restructuring

Relocating from the UK is an exciting new chapter, but from a financial perspective, it has become significantly more complex. In 2026, simply "moving away" is no longer enough to settle your tax affairs. Following the recent shift to a residence-based tax system, your transition requires a structured strategy to protect your wealth and ensure you don't face unexpected costs.

Relocating from the UK in 2026 demands a sophisticated financial strategy due to the UK's move to a strict, residence-based tax regime. This guide outlines a comprehensive roadmap, focusing on critical planning areas from tax residency and IHT to pensions and investments, ensuring you understand the steps needed to achieve a "clean break".

The four phases:

- 1 12–18 Months Before Departure – Defining Your Strategy**
- 2 6 Months Before Departure – Action & Restructuring**
- 3 At Departure – Formal Execution**
- 4 Post-Departure – Ongoing Compliance & The 5-Year Trap**

PHASE 1:

12–18 MONTHS BEFORE DEPARTURE – *DEFINING YOUR STRATEGY*

The initial phase involves a thorough assessment of your current status and future goals to build a robust foundation for your exit plan.

1 Establishing a Target Departure Date

- **Tax Year Alignment:**

The UK tax year runs from April 6 to April 5. Coordinating your departure date with the start or end of the tax year can simplify matters. Relocating mid-year may qualify you for "Split-Year Treatment," a crucial provision that prevents you from being fully taxed in the UK for the entire year you leave.

2 Auditing Your Inheritance Tax (IHT) Status

The IHT landscape changed significantly from April 2025. You are now a "Long-Term Resident" (LTR) if you have been a UK resident for 10 of the last 20 tax years.

- **Worldwide Liability:**

If you meet the LTR test, your worldwide assets remain subject to 40% UK IHT.

- **The 3- to 10-Year "Tail":** Leaving the UK does not offer an immediate escape from IHT. A "tail" period applies, during which you may remain within the IHT net for 3 to 10 years after departure, depending on your total years of UK residence.

- **Business Relief Caps (2026):**

From April 6, 2026, valuable reliefs like Business Property Relief (BPR) and Agricultural Property Relief (APR) will be capped. The 100% relief rate applies only to the first £1 million of value, with 50% relief thereafter. This requires specific planning for business and farm owners.

3 Understanding Your Destination's Rules

Moving is an opportunity to structure wealth efficiently. We work with local experts to explore options like:

- **Greece:**

Offers a flat annual tax of €100,000 on foreign-sourced income for qualifying high-net-worth individuals, or a 7% flat tax rate for pensioners on foreign income.

- **Cyprus & Malta:**

Both are "non-dom" havens where interest and dividends are often exempt for new residents.

- **Double Taxation Agreements (DTAs):**

The UK has DTAs with most countries. These "tie-breaker" rules determine which country has primary taxing rights if you meet both countries' residency tests.

PHASE 2:

6 MONTHS BEFORE DEPARTURE – *ACTION & RESTRUCTURING*

This phase focuses on creating clear evidence of your non-resident status and restructuring your assets.

1

Managing UK "Ties" (The Sufficient Ties Test)

HMRC looks closely at your remaining connections:

- **Accommodation Tie:**
Having a UK home available to you can trigger residency, even if you spend minimal days there.
- **Family Tie:**
Do you have a spouse or minor children who remain resident in the UK?
- **Work Tie:**
Do you work more than 40 days in the UK in the tax year?
- **Action:**
To satisfy the test, you must formally dispose of your UK home, ensure you have a primary home overseas, and meticulously track your day count (present at midnight).

2

Investment and Asset Restructuring

- **ISAs and International Tax:**
Your UK ISA wrappers are rarely recognized overseas. In the EU, income and gains within an ISA are often subject to local income or wealth taxes. We help transition these assets into internationally compliant investment wrappers before you become a tax resident in your new location.
- **UK Property Disposals:**
As a non-resident, you still pay UK Capital Gains Tax (NRCGT) on the sale of UK property. You must report and pay any tax due within 60 days of completion.

3

Navigating Pension Access and Transfers

- **Provider Reluctance:**
Some UK SIPP providers make it difficult to continue flexible drawdown from overseas, often due to regulatory complexities, sometimes defaulting to a lump sum option which can be highly inefficient for tax purposes.
- **QROPS Transfers & The 25% Charge:**
Transferring a pension to a Qualifying Recognised Overseas Pension Scheme (QROPS) is an option but can incur a 25% Overseas Transfer Charge unless you are resident in the same country as the QROPS is established. Transfers are also tested against the Overseas Transfer Allowance (OTA) of £1,073,100.

PHASE 3: AT DEPARTURE – *FORMAL EXECUTION*

This phase focuses on creating clear evidence of your non-resident status and restructuring your assets.

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Formal HMRC Notification:

You must officially notify HMRC by submitting Form P85.

PHASE 4: POST-DEPARTURE – *ONGOING COMPLIANCE & THE 5-YEAR TRAP*

The first five years abroad are critical due to the Temporary Non-Residence (TNR) rules.

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To note:

- **The 5-Year Window:**

If you return to the UK within five tax years of leaving (and were resident for 4 of the previous 7 years), certain income and gains that arose while abroad will be taxed upon your return.

- **Dividend Traps (2026):**

From April 6, 2026, TNR rules apply to all dividends from close companies, removing a previous loophole for post-departure profits.

- **National Insurance Changes:**

From April 2026, the low-cost Class 2 NI contributions for expats are abolished. You will have to use the more expensive Class 3 route to maintain your State Pension record.

HOW WE FACILITATE YOUR SEAMLESS MOVE

We understand that managing these complex, interacting deadlines and rules is challenging. As wealth managers, our primary role is to manage the investment and liquidity aspects of your move.

But we act as your central Relationship Manager and coordinator, building a professional hub to ensure a cohesive strategy. We coordinate with:

- **Independent Tax Lawyers:** For formal legal opinions on your residency status and the re-entry rules.
- **Cross-Border Estate Planners:** To manage international Wills and avoid "forced heirship" laws common in the EU.
- **International Accountants:** For complex dual-country tax filings and compliance, including the new Making Tax Digital requirements for landlords with UK property income over £50,000 from April 2026

Every client's financial footprint is unique. In light of the 2026 residency and inheritance tax changes, a bespoke consultation is essential to identify potential gaps in your strategy and ensure a seamless departure.

Request your initial exit planning consultation today.



FOR TOP-TIER ADVICE AND EXPERTISE, REACH OUT TO US TODAY.

Our team of specialised advisors is ready to assist you on your journey to financial freedom.

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