

Welcome to Phoenix

EDITION 11

As you all know we like to be a little bit different. In this vein we have re-branded our 11th Observation newsletter as the tax planning phoenix rising from the legislative ashes. All comments are welcome as ever.

Domicile changes – New opportunities

Gordon and Alastair really don't like the UK economy do they? We are not going to analyse the changes, which have already been picked apart by people far more qualified than us, however we would like to mention 3 examples of planning techniques that are still effective post 5th April:

Non-UK resident settlor trust – with a class of beneficiaries that may include UK residents this will provide effective deferral for UK CGT, income tax and IHT providing cash is not received in the UK. Not as good as the old regime but still something that is straightforward and we all know about. Funds can be lent in on commercial terms from the UK.

PCC – Our non-close, offshore fund PCC is an effective deferral vehicle for CGT and income tax that is applicable to UK residents whether domiciled or not. Another advantage is that there is no requirement for a family member who is non-UK resident.

Very Private Unit Trusts – Only works for income tax but useful for certain income producing investments. It is generally less expensive than the PCC route.

QROPS

For those of you who are thinking about leaving the UK or have clients who are going to very soon, then maybe you or your adviser should be thinking about pension options.

Marlborough Pension Trustees Limited along with a pensions adviser will shortly be launching a new Qualified Recognised Overseas Pension Scheme which will allow individuals who are going to leave the UK or who have already left transfer their pension benefits to a far more flexible environment. More details to follow upon launch.





Madeira is the new black

We have now established an operation in Madeira. Although in the EU it has very preferential tax rates and no withholding tax when transferring outside of the EU. This is obviously a distinct advantage. In addition we can take advantage of Portuguese double tax treaties, including the UK treaty, that has a 12 month permanent establishment clause for building sites. Client contact will continue to be maintained via the Guernsey office but we have gone to considerable lengths to ensure that the management and control will be absolutely maintained in Madeira. Further details and uses of Madeiran companies through Marlborough Madeira Management Lda will be in future newsletters or can be obtained by contacting us.

This month the directors have mainly been drinking...

Ben has been in Madeira so therefore mainly drinking the wine and a marvellous cocktail called Pacha which consists of firewater, lemon juice and honey. Probably very good for a cold but good for anything really (and good for nothing afterwards).

Adrian has been diving in Egypt and highly recommends the Egyptian beer that has resulted in him involuntarily losing a substantial amount of weight since his return.

Nick has mainly been drinking water and raspberry tea as he is back in the gym getting fit for February but is managing to fit in a few bottles of 2005 Meursault.