

# Non-domicile reforms: temporary repatriation facility

Personal tax



26 November 2025

To ensure take-up of the temporary repatriation facility, introduced as part of the 2025 non-domicile taxation reforms, the CIOT suggests an optional clearance facility so that taxpayers can agree figures with HMRC in advance of filing tax returns or making remittances to the UK.

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The CIOT anticipates that there will be enquiries into a significant number of tax returns containing temporary repatriation facility designations. The provision of a clearance facility would therefore save time and ensure that HMRC is considering designations at the time they are made, rather than through later lengthy enquiries.

Under the temporary repatriation facility (TRF), which runs for three years from 6 April 2025, UK resident individuals who were previously taxed on the remittance basis can elect to pay a reduced rate of tax on remittances of pre-April 2025 foreign income and gains via the TRF. The reduced rates are set at 12% for the 2025/26 and 2026/27 tax years and 15% for 2027/28. After making the election, taxpayers must

designate the amounts to which the TRF will apply.

A clearance facility would enable taxpayers and HMRC to agree the treatment of designated funds upfront – for example, confirming that a specific sum in a given account represents foreign income and gains that would be taxable on remittance. Once the agreed tax payment has made (12% or 15%), the remainder of the funds could be remitted to the UK tax-free.

The CIOT suggests a clearance facility would be beneficial to taxpayers, HMRC and the government by:

- increasing take-up of the TRF, as taxpayers are more likely to use it if they can obtain certainty in advance;
- providing early information for the government on TRF usage; and
- reducing the number of enquiries, resulting in efficiency savings.

Consideration could be given to charging a fee for taxpayers to use the TRF clearance facility, though there are advantages and challenges to this. The government is already considering charging for advance clearances relating to major projects and research and development tax reliefs. A TRF clearance facility would be in line with the government's approach elsewhere.

If HMRC wish to manage demand and time spent on the TRF facility, consideration could be given to eligibility, such as a minimum tax threshold for clearance applications. However, charging a fee for clearance applications might naturally limit usage, depending on whether the benefit outweighs the cost of the fee.

The CIOT submission is available here: [www.tax.org.uk/ref1542](http://www.tax.org.uk/ref1542)

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