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# UK NRIs seek asset separation, Dubai residency to evade new tax measures

*The UK government's plan to significantly alter its tax system for non-residents has sparked a surge in client inquiries, particularly from NRIs residing in the UK.*



Additionally, the proposed tax changes impact succession planning due to the estate tax applicable in the UK. While India currently exempts such activities from taxation, the UK levies a 40 percent estate tax, which would also apply to Indian properties owned by NRIs.

The shifting tax landscape in the UK may diminish its appeal among prospective residents.

“The recent tax reforms in the UK, particularly the shift towards taxing global income, may potentially erode the attractiveness of the country for prospective residents.” said Sandeep Jhunjunwala, a partner at Nangia Andersen LLP. “Notably, Dubai currently boasts a tax environment characterised by the absence of personal income taxes and lower corporate tax rates. In light of these considerations, Dubai is poised to emerge as a prominent destination for the Indian diaspora seeking favourable tax conditions and financial opportunities.”

The UK has been a popular destination for wealthy Indians looking for global citizenship. According to various reports, as many as 254 Indian millionaires became tax residents of the UK under the ‘golden visa’ route before the scheme was discontinued by the UK government in 2022.