

AUTUMN BUDGET 2017

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Legal Briefings

The Chancellor of the Exchequer, Philip Hammond, yesterday presented his second Budget of 2017.

It contained important changes for the real estate sector, perhaps the most far reaching ones for a number of decades, as well as a good number of detailed anti-avoidance rules (with a focus on offshore structures) and confirmation of the UK's commitment to the Base Erosion and Profit Shifting (BEPS) project. There was also real help for the UK oil and gas industry and headline grabbing measures aimed at assisting first time buyers.

A link to our full briefing can be found [here](#).

New tax measures announced included:

- publication of a consultation on the taxing of non-residents' gains (accruing from April 2019) on immovable property, broadening the current rules (targeting residential property) to cover all UK property and also extending those rules to indirect disposals (ie disposals of "property rich" entities) by non-residents. There will be targeted exemption for "institutional investors such as pension funds". This change, alongside the anticipated move to bring non-resident landlords within the scope of corporation tax, represent fundamental changes to the taxation of UK real estate;
- good news for the oil and gas sector, with the introduction of transferable tax history for UK oil producers, providing support for the transfer of late-life oil and gas assets. This will be welcomed by the North Sea oil and gas industry, which requested the measure and engaged with the government throughout the consultation process;
- new tax avoidance rules relating to the taxation of income and gains accruing to offshore trusts, requiring a notification to HMRC on the creation or promotion of certain complex offshore financial arrangements and extending the time limits for HMRC to assess "all offshore cases". There will also be consultation on rules expanding the circumstances in which royalty payments to non-resident persons are liable to UK income tax;

- a freezing of indexation allowance on corporate capital gains, meaning no relief will be available for inflation accruing after 1 January 2018 when calculating chargeable gains made by companies; and
- abolition of SDLT on the first £300,000 of a residential purchase for first-time buyers.

Further detail on many of the measures will be available on 1 December 2017 when Finance Bill 2018 will be published, along with a number of consultation documents mentioned in the Budget.

The above measures, along with other key changes, are dealt with in our full briefing which can be found [here](#).

A link to the government's Autumn Budget 2017 website and full documentation can be found [here](#).

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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