

# Non-Resident Landlords

We are proud to work with Landlords from all over the world. From Hong Kong to Seattle, you can sleep easy knowing that your property is in safe hands!

There are some added tax considerations that you must be aware of, however, when renting out your Scottish property from abroad.



## What is a Non-Resident Landlord?

HMRC deems someone to be a Non-Resident Landlord (NRL) if they have their usual place of abode outside the UK. This could mean that you live outside the UK:

- Permanently (i.e. as a foreign national or as an emigrant), or
- Temporarily, but for a period of more than 6 months.

Companies, partnerships and trusts can also be NRLs. This will be the case if your company or trust owns your rental property and it:

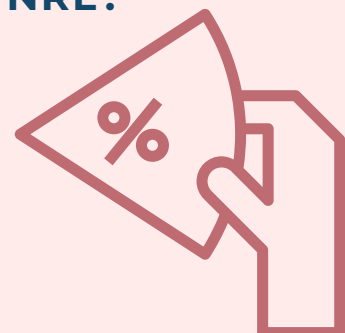
- Was incorporated outside the UK; or
- Has its main office and place of business outside the UK.

Note that there are certain exemptions for those serving in the British armed forces and diplomatic services overseas.

## What are the implications of being an NRL?

If you are an NRL, we have a legal duty to deduct tax from your rental income after expenses before remitting it to you. This will be at 20%.

We can only pay your rental income gross if we receive a notice of approval from HMRC confirming the same.



## How do I receive my rental income gross?

To receive your rental income gross, you will need to apply to HMRC. They require you to fill out a form for them to approve. You must complete this form yourself or through your financial advisor, we cannot complete this for you. You must also inform them that Chapmans PM Ltd is your Letting Agent as they will then write directly to us authorising us to remit your rent gross. You will need our NA number when you do this which is NA050023.

If you own your rental property jointly, even as spouses, all owners who are non-residents must apply separately to HMRC for approval.

If HMRC are satisfied with your application, they will issue you a notice of approval. HMRC will write to us directly to confirm we can pay your rental income gross.



## What if I don't register with HMRC?

If you fail to register with HMRC, we will proceed to pay your rental income after deducting tax.

Please contact the team to discuss any implications of being a Non-Resident Landlord. There is also comprehensive advice available for free on the HMRC website. Please also note that HMRC may change their guidelines and criteria and this Advice sheet does not constitute tax advice. We always recommend you employ the services of a qualified accountant.

Information correct as of May 2024.

**We hope you have found this helpful. If you have any questions or would like to speak to a member of our team, please don't hesitate to get in touch.**

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