

The *12%* Window

The Temporary Repatriation Facility: what it is,
who it applies to, and why the current tax year matters.

The 12% Window

AUGUST 2026

On 6 April 2025, the remittance basis ended. What replaced it was not simply a tighter regime but a structural reset: UK-resident individuals are now taxed on worldwide income and gains as they arise, regardless of whether those funds ever touch British soil. For the cohort of long-standing non-doms who spent years carefully managing the boundary between offshore accumulation and UK remittance, the position changed overnight.

HMRC recognised that this represented a significant shift and introduced a transitional measure: the Temporary Repatriation Facility. It is, in essence, a settlement mechanism. Former remittance-basis users may designate pre-April 2025 foreign income and gains to the facility and bring them within the UK tax net at a reduced flat rate, without those funds being treated as a remittance. The facility runs for three tax years only, closing on 5 April 2028.

12%

CURRENT YEAR 2026 / 27

The rate available now. Applies to all eligible pre-April 2025 foreign income and gains designated to the facility.

15%

FINAL YEAR 2027 / 28

The facility closes on 5 April 2028. There is no further extension and no fourth year at any rate.

Why This Matters Now

The practical consequence is that individuals sitting on significant pools of offshore pre-2025 accumulations face a timed decision. The facility is not automatic; it requires an election made through the self-assessment return. For 2026/27, the deadline falls in January 2028, but the planning work, the identification of qualifying funds, the analysis of mixed fund ordering, the consideration of trust-held assets, cannot sensibly be left to January 2028.

Offshore portfolios built over years of remittance-basis planning rarely sit in clean, segregated accounts. Mixed funds, the layered interaction of income, capital gains, and clean capital from different tax years, require careful disaggregation before any TRF designation can be made. Getting this wrong can create an unintended remittance charge at full rates. Trust structures add a further layer under the anti-avoidance provisions: the apparent simplicity of a flat 12% can obscure a considerably more involved analysis.

The Population This Affects

The TRF is of direct relevance to any individual who used the remittance basis at any point before 6 April 2025 and retains unremitted foreign income or gains; who holds offshore investments, business interests, or cash pools accumulated during a period of non-dom status; who is the settlor of or has a beneficial interest in an offshore trust; or who relocated to the UK with an offshore position built in anticipation of eventual repatriation. This cohort includes entrepreneurs who established UK residence after relocating from a principal business jurisdiction, and internationally mobile professionals whose wealth spans multiple jurisdictions and currencies.

The Question to Ask

The facility is not a tax planning scheme. It is a legislative instrument, introduced precisely to allow former remittance-basis users to regularise their position on acceptable terms. The question is not whether to consider it but whether the conditions, the quantum, the fund structure, and the interaction with ongoing UK tax obligations, have been properly assessed before the 12% window closes. The 2026/27 tax year runs until 5 April 2027. Preparation, where offshore pools are complex or substantial, should begin now.

"The most cost-efficient moment to regularise accumulated offshore wealth. The window is open now. It will not reopen."

This note is published for general information purposes only and does not constitute formal tax advice. Individual circumstances vary significantly, and the TRF analysis depends on the specific composition, history, and structure of offshore holdings. Any action in reliance on this material should be taken only on the basis of advice specific to your position.



Oscar Ip

FCA · CPA · JP

MANAGING PARTNER, LOXLEY ADVISORY

Request a Private Briefing

CONTACT

info@loxleyadvisory.co.uk loxleyadvisory.co.uk

LOXLEY
Advisory

INS/202608/001 · Structured for generations. ·
A member of the Oscar Ip & Co Group

IMPORTANT NOTICE

Loxley Advisory is a trading name of Loxley Advisory Ltd, a member of the Oscar Ip & Co Group. This publication is provided for general information only and does not constitute legal, tax, investment, or financial advice. Tax rules are subject to change and individual circumstances vary. No reliance should be placed on the contents of this note without first obtaining advice specific to your position. Loxley Advisory accepts no liability for any loss arising from reliance on this material. © Loxley Advisory 2026. All rights reserved.