

TaxKiln, Temporary non-residence, 5-year planning worksheet (TCGA 1992 s.10A)

Statute basis: TCGA 1992 s.10A, temporary non-residence provisions.

Key rule: if you return to UK residence within 5 FULL UK TAX YEARS of departure AND you were UK-resident for 4 of the 7 tax years before departure, capital gains and certain income realised on pre-departure assets during non-residence are deemed to arise in the year of return + taxed at UK rates applicable to that return year.

Entry test, start here:

Were you UK-resident in 4 of the 7 tax years before departure?

YES, continue with this worksheet.

NO, s.10A does not apply.

Departure clock, start point:

Year of departure: [YYYY/YY]

Date became non-UK-resident: [DATE]

SRT basis: [AOT 1 / AOT 3 / split-year Case 1 / Case 3 / other]

5-year clock:

UK tax year runs 6 April to 5 April. Calendar years do not count.

Year of departure (last UK-resident year): [YYYY/YY]

First full tax year of non-residence: [YYYY/YY]

Need 5 full tax years of non-residence: [YYYY/YY] through [YYYY/YY]

Earliest UK return year for clean exit: [YYYY/YY]

Split-year does NOT count toward the 5 years.

Becoming UK-resident again mid-period RESETS the clock.

What is caught by s.10A if you return within 5 full tax years:

- Gains on assets HELD BEFORE departure + disposed during non-residence.
- Gains on stand-in-shoes assets (share-for-share exchange replacements).
- Gains under deferral / hold-over relief from pre-departure transactions.
- Pension lump sum payments above the 30k cap during non-residence.
- Close company dividend distributions (post-April 2026 expanded scope).

What is NOT caught:

- Gains on assets ACQUIRED entirely during non-residence.
- Foreign-source income during non-residence.
- UK land + property (already in NRCGT scope separately).

Year-by-year tracking:

Year 1: [YYYY/YY]

- Date became non-resident: [DATE]

- UK days: [N]

- SRT confirmation: [test]

- Pre-departure assets disposed: [list]

- Gains realised: GBP [X]

- Status: in clock / broken clock

Year 2: [YYYY/YY]

- UK days: [N] - SRT: [confirmed] - Assets disposed: [list] - Gains: GBP [X] - Status: [in/broken]

Year 3: [YYYY/YY]

- UK days: [N] - SRT: [confirmed] - Assets disposed: [list] - Gains: GBP [X] - Status: [in/broken]

Year 4: [YYYY/YY]

- UK days: [N] - SRT: [confirmed] - Assets disposed: [list] - Gains: GBP [X] - Status: [in/broken]

Year 5: [YYYY/YY]

- UK days: [N] - SRT: [confirmed] - Assets disposed: [list] - Gains: GBP [X] - Status: [in/broken]

Year 6 onwards: clean territory.

If 5 full tax years of non-residence completed + remained non-resident throughout, Year 6+ gains on pre-departure assets are NOT caught.

Pre-return verification:

5 full UK tax years of non-residence completed.

No mid-period UK residence reset.

SRT non-residence confirmed each year.

Evidence retained (travel logs, accommodation, employment).

Total gains realised on pre-departure assets during non-residence: GBP [X].

Common pitfalls:

- Confusing calendar years with UK tax years.
- Counting departure year as one of the 5 (it is split-year).
- Assuming split-year treatment helps the clock.
- Forgetting mid-period UK residence resets the clock.
- Ignoring the stand-in-shoes rule for share-for-share exchanges.
- Not realising UK land + property are NRCGT-scope regardless.
- Mistiming a return by a few months.

Statute: TCGA 1992 s.10A; HMRC HS278; HMRC Capital Gains Manual CG26100+.