



Syllabus



STEP Advanced Certificate in UK Tax for International Clients



Introduction

This document contains the detailed syllabus for the **STEP Advanced Certificate in UK Tax for International Clients**.

For more information about the course and how to apply, please visit the [course page](#) on the CLTI website.



Module 1:

TERRITORIAL CONNECTING FACTORS (I) – RESIDENCE OF INDIVIDUALS

The purpose of this module is to:

- define the UK and state the types and operation of territorial connecting factors
- explain the Statutory Residence Test for individuals (comprising the automatic residence test and the sufficient ties test)
- discuss the implications of split-year treatment
- explain 'treaty residence'.

By the end of this module you should be able to:

- understand and apply the SRT and advise an individual whether they are UK resident or non-UK resident
- understand and apply the SRT rules for split-year treatment
- understand the circumstances where an individual is dual resident and the importance of a double tax treaty in such a case
- explain the record keeping requirements so that the SRT may be accurately applied.

Module 2:

TERRITORIAL CONNECTING FACTORS (II): RESIDENCE OF TRUSTS AND COMPANIES

The purpose of this module is to:

- explain how to identify where a trust is UK resident
- outline the position of trustees acting as such through a branch, agency or permanent establishment
- explain how to identify where a company is resident
- discuss the 'incorporation test' for company residence
- discuss the 'central management and control test' for company residence
- outline the consequences of double taxation treaties and the situation where companies have dual residence.

By the end of this module you should be able to:

- identify the factors that determine whether a trust is UK-resident or non-UK resident
- be aware of how acting as a trustee through a branch, agency or permanent establishment can affect the residence of a trust and of HMRC guidance on this issue
- identify the circumstances in which a trustee who is an individual is non-UK resident in a tax year that is a split year as regards them
- determine the circumstances in which a company will be UK-resident and know how this affects individuals using companies for tax planning reasons
- identify whether foreign-resident companies may be considered UK-resident under the central management and control test and know the factors relevant to this test
- appreciate the importance of case law in determining the residence status of foreign incorporated companies
- describe what happens where a company is dual-resident and the relevance of double taxation treaties.

Module 3:

TERRITORIAL CONNECTING FACTS (III): INHERITANCE TAX

The purpose of this module is to:

- identify how an individual is linked with the UK for IHT purposes
- discuss the basic rule that makes an individual a long-term UK resident (LTR)
- explain three sets of rules that override the basic rules so that an individual is not LTR (NLTR)
- explain when an individual who is not UK domiciled/NLTR may elect to be UK domiciled.

By the end of this module you should be able to:

- identify the scheme of rules that apply to link an individual with the UK for IHT purposes
- describe and apply the basic rule that makes an individual a long-term UK resident (LTR)
- describe and apply the LTR tail rule, the LTR clock reset rules and the transitional rule, each of which results in an individual not being LTR (NLTR)
- describe how an individual may elect to be UK domiciled or LTR and apply those rules accordingly.

Module 4:

TERRITORIAL CONNECTING FACTORS (IV) – SITUS AND DOMICILE

The purpose of this module is to:

- explain the role of situs as a connecting factor for UK tax purposes
- explain the rules on situs for income tax, capital gains tax and inheritance tax
- explain the continuing importance of domicile as a connecting factor for UK tax purposes
- outline the different types of domicile in the common law and how to prove a change of domicile
- explain the concept of and types of deemed domicile.

By the end of this module you should be able to:

- describe the rules relating to situs as a territorial connecting factor
- describe what domicile means under English law and particularly what is meant by so-called 'UK domicile'
- distinguish between domicile of origin, of dependency, and of choice, and understand the concept of 'deemed domicile'
- assess a person's likely domicile position
- apply the deemed domiciled rules
- appreciate the role of HMRC in determining a person's domicile and explain why domicile is still part of the UK fiscal landscape after 2024/25.

Module 5:

TAXATION OF INDIVIDUALS – INCOME TAX

The purpose of this module is to:

- outline the nature of and charge to income tax
- give an overview of the circumstances in which income tax is charged on UK residents
- give an overview of the circumstances in which income tax is charged on non-UK residents
- discuss the ways in which double tax relief is obtained.

By the end of this module you should be able to:

- explain the territorial scope of the charge to income tax individuals and the bases of assessment of income tax
- describe and understand the calculation of a UK-resident individual's basic liability to UK income tax
- describe and understand the calculation of a non-UK resident's liability to UK income tax
- understand the basics of how double tax relief may be given – whether unilaterally, under the terms of a double tax treaty, or by credit relief.

Module 6:

TAXATION OF INDIVIDUALS – CAPITAL GAINS TAX

The purpose of this module is to:

- explain in outline the charge to capital gains tax
- explain the territorial scope of capital gains tax
- give an overview of the circumstances in which CGT can be charged on UK residents
- give an overview of the circumstances in which CGT (known as NRCGT) can be charged on non-UK residents
- explain the calculation of CGT distinguishing between the disposal of assets and the annual calculation of CGT
- discuss relief for the annual exempt amount and losses
- explain the computational rules in relation to specific assets, namely gains in a foreign currency, NRCGT assets and private residences
- explain double tax relief and certain compliance rules.

By the end of this module you should be able to:

- describe and understand the scope of a UK resident's liability to CGT
- describe and understand the scope of a non-UK resident's exposure to CGT
- understand in detail how to calculate CGT
- understand in principle how double tax relief may be given – whether unilaterally, under the terms of a double tax treaty or by deduction relief.

Module 7:

INHERITANCE TAX

The purpose of this module is to:

- give an overview of the charge to and nature of inheritance tax (IHT)
- discuss the key rules identifying when a charge to IHT arises and how it is calculated, including the rates, exemptions and reliefs
- identify excluded property and discuss its treatment
- identify the types of overseas property that are not excluded property
- explain the IHT treatment of spouses/civil partners
- explain how double tax relief can be obtained
- discuss some IHT planning points.

By the end of this module you should be able to:

- determine the circumstances in which an individual may be liable for UK IHT by reference to their LTR status, the rates applicable in different cases, the effects of cumulation and the various exemptions and reliefs
- understand which assets are excluded property and the position of UK residential property
- describe and understand the IHT treatment of spouses/civil partners who are NLTR, including the limited spouse exemption and the transferable general nil-rate band and residential nil-rate band
- understand in principle how double tax relief may be given, whether under double tax treaties or unilaterally
- advise on basic IHT planning techniques available to NLTRs, bearing in mind the need to keep track of assets and the possibility that the client may eventually become LTR.

Module 8:

TAXATION OF TRUSTS – INCOME TAX AND CAPITAL GAINS TAX

The purpose of this module is to:

- explain the circumstances in which income tax is charged on trusts, both UK-resident and non-UK-resident
- explain the circumstances in which capital gains is charged on UK-resident and non-UK-resident trusts
- discuss the ways in which double tax relief is obtained.

By the end of this module you should be able to:

- describe and understand the scope of a UK-resident individual's basic liability to UK income tax
- describe and understand the scope of a UK-resident trust's basic liability to UK income tax and capital gains tax
- describe and understand the scope of a non-UK-resident trust's liability to UK income tax and capital gains tax
- explain the exit charge to capital gains tax when a UK-resident trust becomes non-UK-resident
- understand the basics of how double tax relief may be given to trusts.

Module 9:

INHERITANCE TAX AND TRUSTS

The purpose of this module is to:

- recap the basic IHT treatment of trusts
- discuss the circumstances in which a trust is an excluded property trusts
- outline what is meant by reversionary interests
- outline some compliance issues.

By the end of this module you should be able to:

- recognise when and how trusts are subject to IHT, particularly where there is a 'foreign element', and the differences between relevant property trusts and interest in possession (IIP) trusts
- understand how to identify when a trust is an excluded property trust, taking account of qualifying classes of property and the qualifying statuses of settlors and beneficiaries
- explain the IHT treatment of excluded property trusts, including the cases where property becomes or ceases to be excluded property
- recognise the need to keep foreign-situs assets separate from UK-situs assets
- understand when foreign currency bank accounts are excluded property and how the GWR rules apply to excluded property trusts
- explain the effect of s.80 of the IHTA 1984 (initial interest of settlor or spouse/civil partner) and s.81 of the IHTA 1984 (property moving between settlements) on the IHT treatment of trusts
- explain the tax treatment of reversionary interests
- understand IHT compliance issues for trusts, and know which forms have to be submitted to HMRC and when to do this.

Module 10:

CORPORATION TAX

The purpose of this module is to:

- outline the nature of and charge to corporation tax
- give an overview of the circumstances in which corporation tax is charged on the profits of UK-resident companies
- give an overview of the circumstances in which income tax is charged on the profits of non UK-resident companies
- discuss the requirement for non-UK incorporated companies that own UK land to be included on the Register of Overseas Entities.

By the end of this module you should be able to:

- explain the territorial scope of the charge to corporation tax on companies and the bases of assessment of income tax
- describe and understand the calculation of a company's liability to corporation tax.

Module 11:

THE FOREIGN INCOME AND GAINS REGIME

The purpose of this module is to:

- set out the purpose and nature of the foreign income and gains (FIG) regime
- compare and contrast the FIG regime with the former remittance basis (RB) regime
- explain the non-employment foreign income (QFI) component of the FIG regime
- explain the employment foreign income (QFEI) component of the FIG regime
- explain the chargeable gains (QFG) component of the FIG regime.

By the end of this module you should be able to:

- be able to identify an individual who is a qualifying new resident (QNR)
- be able to identify the types of income within each of the three components of the FIG regime
- be able to describe the claims that need to be made in relation to each of those components
- be able to explain the effect of the application of each component on income, gains, allowances and losses
- be able to compute the maximum amount of OWR.

Module 12:

INCOME TAX AND CAPITAL GAINS TAX: TEMPORARY REPATRIATION REGIME AND ASSET REBASING

The purpose of this module is to:

- identify who can benefit from the new rules introduced to deal with the effects of the abolition of the remittance basis from 2025/26
- discuss how the temporary repatriation facility applies in 2025/26 to 2027/28 in relation to unremitted income and gains (known as qualifying overseas capital)
- explain how to identify the various types of qualifying overseas capital, how it is designated, how it is charged to tax and the due date of payment of the tax arising
- discuss how a rebasing claim may be made by a former user of the remittance basis in relation to overseas assets owned on 6 April 2017.

By the end of this module you should be able to:

- explain the temporary repatriation facility, who may claim it, which income and gains it applies to, and the amount of tax charged under the facility
- explain which of a taxpayer's overseas assets may be rebased to 6 April 2017.

Module 13:

INCOME TAX AND CAPITAL GAINS TAX: REMITTANCES

The purpose of this module is to:

- identify what constitutes a 'remittance'
- explain what is not a remittance
- outline the relief available for investing in UK companies
- enable you to quantify remittances
- explain remittances from mixed funds and mixed fund cleansing
- outline the anti-avoidance rules applicable to temporary non-UK-residents
- outline some practical considerations and analyse a case study.

By the end of this module you should be able to:

- determine which transactions are likely to constitute a remittance
- understand and apply the 'relevant person' and 'gift recipient' rules, and be able to explain the ramifications of these to a client
- identify the circumstances in which payments for the provision of services and repayments of debt can constitute a remittance
- identify the exclusions from the general remittance rules, understanding in particular what assets are exempt under the de minimis, personal use, public access, repair, temporary import and existing assets rules, and the rules on business investment relief
- quantify the value of remittances, including being able to apply the mixed fund
- rules, the overseas transfer rules and the rules affecting foreign currency gains, where appropriate
- understand the purpose and use of mixed fund cleansing
- understand the anti-avoidance rules applicable to temporary non-residents in the context of remittances
- apply the remittance rules to practical situations, including the payment of your own charges for professional services.

Module 14:

INCOME TAX – ANTI-AVOIDANCE REGIMES (I)

The purpose of this module is to:

- explain the temporary non-residence anti-avoidance rules as they apply for income tax
- explain the settlements code.

By the end of this module you should be able to:

- understand how a temporarily non-resident individual is charged to tax on income that arises in their period of non-residence
- identify the income tax anti-avoidance regimes for trusts
- state and apply the conditions for the application of the settlements code to trusts and explain the tax treatment of the settlor
- understand the effect of the rules of the SC as introduced from 6 April 2025 on income arising in a non-UK-resident trust before that date where the trust has been settled by a non-UK domiciled settlor, applying the matching rules as required and identifying the charge to tax on the settlor, a close family member and under the onward gift rules
- outline the reporting requirements for trustees and settlors.

Module 15:

INCOME TAX – ANTI-AVOIDANCE REGIMES (II)

The purpose of this module is to:

- explain the income tax anti-avoidance regime known as the Transfer of Assets Abroad (ToAA) regime
- discuss the gateway provisions into the regime and when the regime does not apply
- explain ToAA settlor charge
- explain the ToAA benefits regime and its interaction with s.87 of the TCGA 1992.

By the end of this module you should be able to:

- explain the gateway to the ToAA regime requiring income to arise to a person abroad as a result of a transfer of assets
- explain the exemptions from the application of the ToAA regime for commercial transfers and transfers that have not tax avoidance motive
- explain the conditions for and the application of the ToAA settlor charge and its interaction with the settlor charge under the settlements code
- explain the conditions for and the application of the ToAA benefits charge which taxes benefits made to resident beneficiaries matched to relevant income
- explain the special charges to the ToAA benefits charge in relation to historic untaxed transitional protected income and protected foreign-source income
- set out record keeping requirements.

Module 16:

CAPITAL GAINS TAX – ANTI-AVOIDANCE REGIMES

The purpose of this module is to:

- explain the temporary non-residence rules for CGT
- discuss the rule in s.86 of the TCGA 1992 under which the settlor of a non-UK-resident trust is charged on its gains
- discuss the rule in s.87 of the TCGA 1992 under which a beneficiary of a non-UK-resident trust is charged to tax on its gains
- outline the corporate gains charge in s.3 of the TCGA 1992 under which the gains of a non-UK-resident company are charged to tax on its shareholders.
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By the end of this module you should be able to:

- understand the temporary non-resident rules in so far as they apply to capital gains made on the disposal of assets
- understand the circumstances in which settlors of offshore trusts can be liable to UK CGT and how a charge is calculated
- understand the circumstances in which beneficiaries of offshore trusts can be liable to UK CGT and how a charge is calculated
- identify trust gains and capital payments
- apply the matching rules
- advise upon what records an offshore trust should keep.

Module 17:

OTHER TAXES AND THE GENERAL ANTI-ABUSE RULE

The purpose of this module is to:

- give an overview of Stamp Duty
- give an overview of Stamp Duty Land Tax
- give an overview of Annual Tax on Enveloped Dwellings.
- give a brief overview of the General Anti-Abuse Rule in UK tax.

By the end of this module you should be able to:

- explain the charges to SD, SDLT and ATED and identify the reliefs and exclusions that apply
- explain how to calculate each tax and identify who is responsible for paying it and by when state in broad terms, the cases in which the GAAR will be invoked and its consequences.

Module 18:

TAX STRUCTURES AND TRANSACTIONS

The purpose of this module is to:

- outline the circumstances in which owners of offshore companies can be liable to IHT, income tax, and CGT
- explain the rules on 'benefits in kind' for shadow directors
- discuss specific taxation issues arising from the use of company trust structures
- explain tax efficient methods of funding the purchase of UK home
- discuss exposure to UK tax where:
 - the UK home is owned directly
 - the UK home is owned by an offshore trust
 - the UK home is owned by an offshore company
 - the UK home is owned by an offshore trust/company structure
- set out some key observations in the context of the Finance Act 2025 reform.

Module 18:

TAX STRUCTURES AND TRANSACTIONS CONTINUED

By the end of this module you should be able to:

- understand and advise upon the potential IHT benefits of owning UK assets through an offshore company
- advise upon the circumstances in which shareholders of offshore holding companies can be liable for income tax
- advise upon the circumstances in which shareholders of offshore holding companies can be liable for CGT and the significance of the corporate gains charge
- advise on how to structure payments from offshore companies to individuals
- identify specific taxation issues that arise when a company trust structure is used, relating to IHT, income tax and CGT
- advise on the structuring of payment from underlying companies to trusts and the problems of potential double taxation
- understand the potential impact of the benefits-in-kind legislation and the shadow director rules.
- understand and advise upon tax-efficient methods of funding a UK house purchase for RNDs, taking into account potential liabilities to income tax, IHT, CGT and SDLT
- advise upon the advantages and disadvantages of various different methods of owning the family home, whether outright, through a trust or company, or through a trust/company structure.