



The UK is home to perhaps the oldest non-dom scheme in the world. Photo: Scanpix

London's non-dom shipowners mull options as UK tax rules tighten

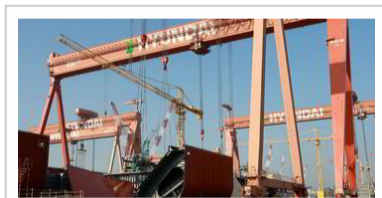
Family trusts are now probably more important for the UK capital's maritime cluster

14 March 2024 10:31 GMT *UPDATED* 14 March 2024 12:18 GMT

By [Gary Dixon](#)  in [London](#)

The UK government has tightened the tax net on wealthy foreign shipowners living in London.

But will this necessarily spark a rush to the airport departure gates?



**Greek newbuilding
hunger holds strong
with tankers in high
demand**

[Read more](#)

Non-domiciled or non-dom status has often been used by billionaires who live in London but do not consider Britain their permanent home, with foreign income and gains exempted from UK taxation.

From April next year, the tax treatment will change.

The last big shake-up was in 2017, when a 15-year “cap” was introduced, limiting the number of years a non-dom could benefit under the rules.

Now this regime will only be available for four years.

After this, individuals will be taxed on their worldwide income and gains in line with the normal tax rules for UK residents.

It is a sensitive subject, with shipping players unwilling to speak on the record.

But TradeWinds is told London-based shipowners now tend to use family trusts more than their non-dom status to shield wealth from the tax man.

This means any effects of this month's UK budget would be limited.

Still attractive?

One shipping source told TradeWinds the UK will remain attractive for new arrivals in the first four years, particularly if they dispose of assets within that period.

The UK may have the oldest non-dom regime in the world, dating from 1799, but there has been increased competition in this space, TradeWinds is told.

Wealthy individuals may look to Ireland, Italy, Greece, France and Spain as alternatives, the source added.



John Hayes talks Brexit, non-doms and London's calling to Greeks

[Read more](#)

“This type of tax regime encourages a fiscal nomadism where individuals move through these jurisdictions every few years, perhaps inclined to invest less than they would have if settled for a decade or more,” the source said.

Nevertheless, the UK’s private client advisors will be very busy in the next year.

Swift action could be beneficial if owners need to set up a trust, redomicile a business or make any other new plans to pass on generational wealth.

UK shipping accountants BDO said the changes are “significant”.

Although there is a suggestion that the regime has been simplified, the rules will still produce a variety of scenarios with several layers of complexity, the firm added.



Greece wants to lure UK firms facing Brexit

[Read more](#)

“The transitional provisions provide time for some individuals to arrange their affairs before the new rules take effect,” BDO said.

But the company is recommending current non-doms speak to an advisor without delay.

The status applies most typically to the London-based Greek shipping community, but tycoon John Fredriksen is also a resident.

Although the Greek presence has faded over the past two decades, it is still considered vibrant.

Big names

The cluster has included high-profile names such as AM Nomikos, the Samonas brothers, Lykiardopulo, George Logothetis and Seven Seas Maritime.

TradeWinds reported that the previous change in 2017 prompted some companies to move out.



What is coming down the line for shipping in 2024?

[Read more](#)

It was commonly known that the Greek community in London tried to lobby the UK government both before and after the 2016 budget announcement.

Back then, a leading UK-based Greek shipowner, who asked not to be named, told TradeWinds: “Long-term residents of the UK have no other choice rather than say goodbye.”

It remains to be seen what effects the new rules will have but an exodus is considered unlikely in the short term.

As one Greek executive said of the attractions of London: “You can go to the restaurant without being recognised.” [\(Copyright\)](#)

Download the TradeWinds News app

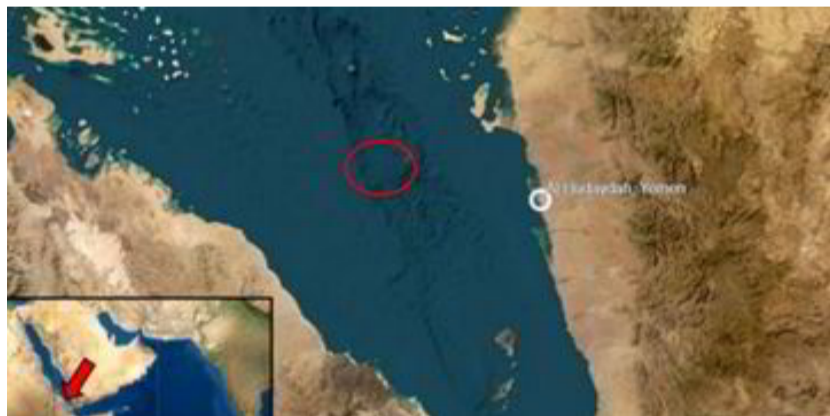
The News app offers you more control over your TradeWinds reading experience than any other platform.

Download now

UK Taxation

TRENDING TODAY

Casualties



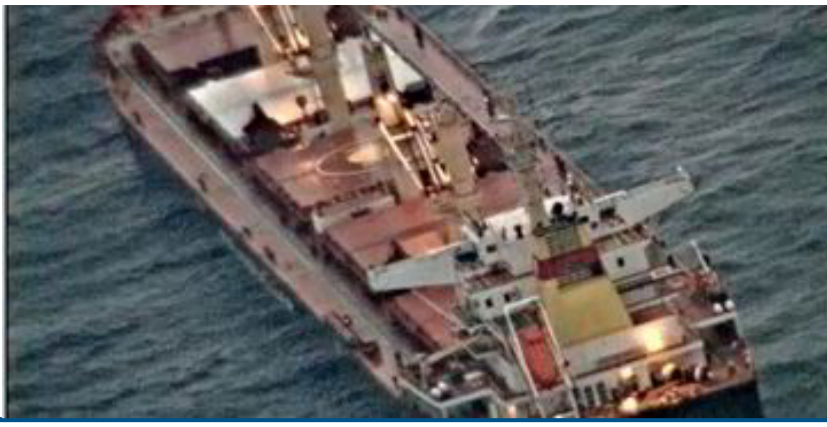
Houthi missile strikes cargo ship as militia steps up Red Sea attacks

People



Tributes paid to ‘formidable broker’ and ‘selfless’ charity champion Tim Webb

Insurance



From pirate
victim to
pirate vessel?
Navibulgar
ship on the
prowl in
Indian Ocean