

# Are 'dual contracts' still in use in hedge funds?

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Dual contracts were often used by the City for their non-UK domiciled individuals. These people had two contracts issued to them: one in the UK subject to UK PAYE for their UK duties and another paid offshore for their 'non-UK' duties (which had to be found to ensure excuse could be offered for the arrangement). This second contract was paid tax free and if the cash was not remitted to the UK then it was hoped it would remain that way. Rumour has it that much of the cash was remitted to the UK but not declared, or it was used to buy property in the UK through sham offshore trust and companies, which had much the same effect.

I believed that this practice had largely died in the City. But now [Accountancy Age](#) reports that it's alive and well in hedge funds.

What a surprise.

It's another reason why the domicile rules have to go.