

Osborne's crack down on non-doms is a sham

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The [FT's reported this morning](#) that (and I make no apology for quoting at length):

George Osborne's plans to tighten tax rules for wealthy foreigners living in Britain will leave many offshore trusts outside the UK tax net, according to [proposals](#) published on Wednesday.

The Treasury's consultation on "carefully targeted" changes to the rules for "non-doms" – people who live in Britain but do not consider it their permanent home – would reassure clients after the chancellor decided to axe permanent non-dom status, tax advisers said.

David Kilshaw, partner at professional services firm EY, said the planned changes to the non-dom rules – which exempt offshore income from UK taxation unless it is brought into the country – "reinforce the message that the government is keen to welcome new non-doms without driving the existing ones away".

So in other words we have a change that has no impact at all. I have yet to read the detail, but if offshore trusts are unaffected by this move then frankly it is a waste of time: these trusts are the way that non-doms hide their income from the UK. If they're outside the scope of the new regime the whole thing is little more than a sham.

The lesson would appear to be that, yet again, this is tax haven UK saying one thing and doing another. It's [the second blog on that theme this morning](#).

Wouldn't it be good to have a Chancellor who actually wanted to collect the tax owing by those who live in the UK?