

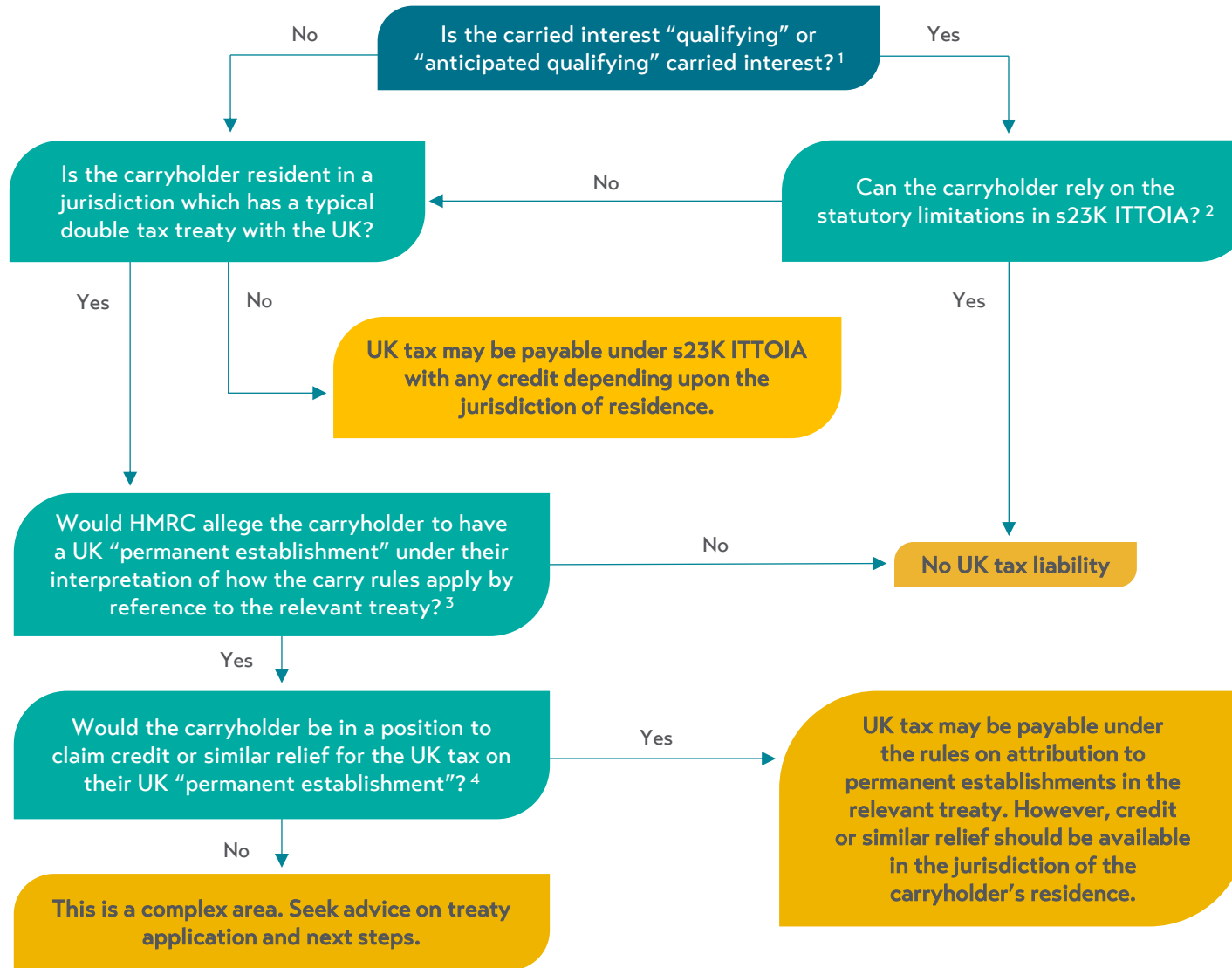
Carried interest and Non-UK residents

The following flowchart is intended to provide members of UK Private Capital who:

- receive carried interest
- have provided investment management services in the UK, and
- are currently resident outside the UK

with a broad overview of whether they may need to pay tax in the UK under the rules on carried interest applying from 6 April 2026. It is not a substitute for carryholders obtaining their own tax advice.

Carried interest and Non-UK residents



1. This depends on the average holding period of a fund's investments. Fund houses may be able to assist carryholders on this point but carryholders need to take their own position.
2. Very broadly, the carryholder would need to work fewer than 60 days in the UK in a tax year or the carry would need to arise more than 3 tax years after the last tax year in which the carryholder worked more than 60 days in the UK. There are also rules discounting days worked in the UK before October 2024.
3. This will be fact and treaty specific and carryholders will need to consider the nature and extent of their UK activities if there is uncertainty on this point.
4. This will also be fact and treaty specific. Some jurisdictions may share HMRC's view of the treaty interpretation in this area and offer credit for any UK tax paid by the carryholder. Others may not. Equally, if a carryholder is not subject to tax in their jurisdiction of residence on their carry then they may have no liability against which to credit any UK tax.