

# WRITTEN EVIDENCE SUBMISSION TO THE FINANCE BILL COMMITTEE

**Committee Stage: Finance Bill 2025-2026**

**Foreign Investors for Britain (FIFB)**

**Date: 22 January 2026**

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## EXECUTIVE SUMMARY

1. Foreign Investors for Britain (FIFB) submits this written evidence to the Finance Bill Committee to support the Committee's scrutiny of the Finance Bill 2025–26 and to recommend targeted amendments capable of reversing the current and accelerating exodus of internationally mobile wealth, talent, and investment from the United Kingdom. The rushed abolition of the former non-domicile (non-dom) regime, the introduction of the limited four-year Foreign Income and Gains (FIG) regime, the move to a residence-based inheritance tax (IHT) system with a long “tail” after exit, and the earlier closure of the Tier 1 Investor Visa have together created a policy environment that is perceived by globally mobile investors as unpredictable, uncompetitive, and structurally hostile to international capital.
1. Independent research presented to HM Treasury and HMRC in September 2024 by Oxford Economics shows that these reforms are already producing substantial and measurable economic damage. Their analysis indicates that 83% of surveyed non-doms regard exposure to UK IHT on worldwide assets as a “red line”, 62% plan to leave the UK within two years in the absence of an Italy-style regime, and 96% would reduce UK investments if they depart. A net 10,800 millionaires left the UK in 2024, a 157% increase on 2023, including 78 centi-millionaires and 12 billionaires, with the Henley Private Wealth Migration Report forecasting a further 16,500 millionaire departures in 2025.
2. The exodus is not merely numerical; it is qualitatively concentrated among those investors whose departure inflicts the greatest economic harm. These include high-growth entrepreneurs, owners of significant operating businesses, and family offices managing global assets. Destination data show strong flows towards Italy, Switzerland, Dubai and other jurisdictions that combine competitive tax offers with long-term residence routes. Italy's flat-tax regime of €200,000 per year on foreign income, together with IHT protection for non-Italian assets and clear 15-year horizons, has been particularly successful in attracting former UK-based non-doms.

3. The fiscal and macroeconomic implications are stark. Oxford Economics projects a £1 billion annual net loss to the Exchequer from the non-dom reforms once behavioural responses are taken into account; the Adam Smith Institute estimates a £1.3 billion annual reduction in GDP; and the Growth Commission forecasts a 0.5% loss of GDP by 2030 together with a £5 billion annual revenue shortfall. These estimates must be set against the pre-reform contribution of the non-dom cohort, who in 2023 alone are estimated to have paid £8.9 billion in UK taxes, spent on average £800,000 in VAT per head, invested on average £118 million each into UK assets, and donated an average of £5.8 million each to philanthropy.
4. FIFB's own membership experience corroborates these findings and provides texture to the statistics. Members report widespread plans to relocate to Italy, Switzerland, the UAE and other competitive centres, bringing with them not just personal wealth but also corporate headquarters, intellectual property, and investment decision-making functions. Respondents have already divested approximately £840 million from UK assets in anticipation of the changes, and family offices are in the process of re-domiciling multi-billion-pound structures away from the UK. Once such relocations are complete, the practical and psychological barriers to returning are very high.
5. In this context, FIFB strongly welcomes the Chancellor's Davos statement that "Britain is the best place in the world to invest", but submits that this aspiration will not be credible unless the Finance Bill is used to create a genuinely competitive and coherent offer for globally mobile investors. The Government has signalled an intent to "explore how to further develop its tax offer for high-talent new arrivals" and to work with stakeholders on an "enhanced offer"; FIFB's proposals in this submission are designed precisely to give concrete legislative effect to that intent at Finance Bill stage, rather than deferring critical decisions to an uncertain future consultation.
6. FIFB therefore proposes a three-pillar package, all deliverable through amendments to the Finance Bill 2025–26, which in combination would reverse the most damaging elements of the 2024 reforms and send a clear signal that the UK is once again open for global business:
  - Pillar 1 – Reversing the most punitive IHT reforms and removing the "tail": The residence-based IHT regime and the post-departure "tail" expose non-UK assets to double taxation and create unconscionable long-term risk for international families. FIFB recommends restoring a domicile-based IHT test, eliminating the IHT tail so that worldwide assets are not taxed for years after departure, and grandfathering existing compliant non-dom trusts as excluded property where they were created before 30 October 2024 and meet appropriate anti-money-laundering (AML) standards.
  - Pillar 2 – Strengthening and extending the Foreign Income and Gains regime: The current four-year FIG exemption is far shorter than competitor regimes (e.g. 10–15 years in Italy and Switzerland, 10 years in Portugal) and does not provide

the long-term certainty required for relocation or multi-decade investment. FIFB recommends extending the exemption period to up to 15 years for qualifying internationally mobile investors, reinstating meaningful protections for foreign income and gains, and ensuring that non-UK assets remain outside the UK IHT net during that period, while keeping all UK-source income and gains fully taxable.

- Pillar 3 – Introducing a modern Global Investor Visa (GIV):

The closure of the Tier 1 Investor Visa in 2022 left the UK without a dedicated, secure route for productive foreign capital. FIFB proposes a new GIV, underpinned by the Finance Bill, which would combine:

- a clear, elective flat-rate annual charge of £200,000 covering UK tax on foreign income and gains;
- a minimum qualifying investment of £2.5 million into productive UK assets (excluding passive gilts and owner-occupied residential property);
- rigorous, externally-audited AML and sanctions due diligence;
- a maximum 15-year participation period and a minimum five-year residence expectation;
- restoration and grandfathering of certain non-dom protections for participants, including the absence of any IHT tail on departure.

7. **Conservative modelling by FIFB indicates that, if the UK were to attract 50,000 GIV participants over a decade (a realistic target when compared with Italy's 6,000 participants, given London's historic status as a leading global wealth hub), the package could generate at least £225 billion in combined flat-rate charges and mandated investments. Each participant would contribute a minimum of £3.5 million over the first five years (£200,000 per year in charges plus £2.5 million in investment), implying very substantial tax and growth benefits even before accounting for wider economic multipliers, job creation, and secondary investment effects.**
8. FIFB further recommends that, alongside these core tax and immigration measures, the statutory residence test (SRT) be simplified and modestly relaxed for internationally mobile investors by increasing the permitted UK day-count for non-residents who retain overseas centres of life from 90 to 180 days. This calibrated change would make it practically easier for former non-doms who have already relocated to begin to re-engage with the UK—through spending time here, exploring new investments, and rebuilding commercial and philanthropic links—without immediately triggering full UK tax residence, thereby supporting the Finance Bill's objective of encouraging the return of capital and talent. It must also allow those who fell within the non-dom regime and have not left the UK to remain in the UK and to benefit from the protections previously available to non-doms, which will again apply under these proposals.
9. The package FIFB proposes is not about recreating the old non-dom regime in its entirety;

it is about designing a modern, transparent, competitively benchmarked framework that raises more revenue over time because it does not drive away those who can most easily leave. It keeps UK-source income and UK-situs assets fully in charge, puts foreign income and gains on a predictable elective footing, ensures robust AML and security safeguards, and anchors significant long-term investment into British jobs, innovation, and public services.

10. FIFB therefore invites the Finance Bill Committee to use the committee stage of the Bill to:

- take evidence on the real-world impact of the 2024 reforms on investor behaviour;
- recommend amendments implementing the three pillars above; and
- signal clearly to international investors that the UK is willing to combine fiscal responsibility with international competitiveness. With the right mix of a Global Investor Visa, restored and modernised protections for international capital, a more competitive FIG regime, and a modest relaxation of the SRT for returning investors, Britain can turn Davos rhetoric into a credible, investable policy offer that stabilises revenues, protects front-line services, and restores the UK's reputation as the natural home for global prosperity generators.

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## SECTION A: BACKGROUND AND CONTEXT

### The 2024 Non-Domicile Reforms: Architecture and Impact

1. In 2024 upon election, the Government announced the abolition of the remittance basis of taxation for non-domiciled individuals and the introduction of a Foreign Income and Gains (FIG) regime. These reforms, implemented via Finance Bill 2024-25, came into force on 6 April 2025 and fundamentally restructured the tax position of internationally mobile investors in the United Kingdom.
2. The reformed regime operates as follows:
  - The remittance basis—which historically exempted foreign income and gains for individuals not domiciled in the UK—has been abolished;
  - A four-year FIG exemption has been introduced for individuals who become UK-resident after at least ten years of non-residence;
  - After four years, all foreign income and gains are charged to UK tax regardless of domicile;
  - Inheritance Tax (IHT) has moved from a domicile-based test to a residence-based test, with worldwide assets brought into charge once an individual has been UK-resident for approximately ten years;

- A punitive "IHT tail" continues to apply for between three and ten years after ceasing UK residence, depending on length of prior residence;
- Protected settlement rules for non-domicile trusts have been curtailed, exposing settled foreign assets to UK taxation after the four-year FIG period.

3. The stated purpose of these reforms was to broaden the UK tax base and raise additional revenue. The Treasury estimated an annual windfall of approximately £2.5 billion over five years. However, independent economic analysis now suggests these forecasts rest on models that fundamentally underestimated the behavioural response of internationally mobile investors.

### The Exodus: Evidence and Scale

- 4. The impact has been both rapid and severe. In 2024, a net 10,800 millionaires left the United Kingdom—a 157% increase compared to 2023—placing the UK as the world's second-highest loser of wealthy individuals after China. This exodus includes 78 centi-millionaires and 12 billionaires.
- 5. The Henley Private Wealth Migration Report 2025 forecasts that this trend will accelerate dramatically, with 16,500 millionaires having departed in 2025. High-profile departures have included hedge fund billionaire Alan Howard and real estate investor Asif Aziz. Leading wealth advisors report that 60% of their UK clients relocating abroad are choosing Italy, attracted by its competitive flat-tax regime of €200,000 (changing to €300,000) annually on foreign income.
- 6. Oxford Economics, in research presented to HM Treasury and HMRC on 4 September 2024, found that:
  - 83% of surveyed non-doms identify IHT exposure on worldwide assets as a "red line";
  - 62% of those surveyed indicated they will leave within two years without a tax regime comparable to Italy's;
  - 98% of surveyed non-doms indicated plans to leave under the current regime;
  - 96% would reduce their UK investments if they departed;
  - £840 million in investments had already been divested at the date of the report's publication.
- 7. On average, one millionaire left the United Kingdom every 45 minutes in 2024 after the announcement of the change to the non-dom policy.

### Economic Consequences

8. The economic consequences of this exodus extend far beyond the loss of individual tax contributions. Oxford Economics projects:

- An annual net loss to the Exchequer of £1 billion due to reduced tax receipts and diminished economic activity;
- Lost inward investment of up to £6 billion;
- GDP shrinkage of approximately £10 billion annually;
- Cascading effects on employment, particularly in sectors dependent on wealthy residents and their spending patterns.

9. The Adam Smith Institute forecasts that the reforms could shrink the UK economy by £1.3 billion annually. The Growth Commission estimates a 0.5% GDP loss by 2030, including a £5 billion annual revenue shortfall—a figure that far exceeds the Treasury's original revenue estimates.

10. These losses stand in stark contrast to the economic contribution historically made by non-domiciled investors. In 2023 alone, Oxford Economics studied non-doms contributed:

- £8.9 billion in income and capital gains taxes;
- An average of £800,000 in VAT per non-dom;
- An average of £118 million in direct investments;
- An average of £5.8 million in philanthropic contributions per individual.

11. The exodus also threatens cultural and civic institutions. Non-domiciled individuals have traditionally been significant patrons of universities, museums, opera companies, and medical research facilities. The loss of this patronage network will have lasting social consequences.

## Departure Destinations and Competitive Context

12. UK non-doms are relocating to jurisdictions offering competitive tax regimes and certainty for wealth preservation. Analysis of departure patterns reveals:

- **Italy:** Milan has become a major beneficiary, with Italy's flat tax regime (€200,000 per annum on foreign income) and favourable climate for expatriates making it a top choice. Tax advisors estimate that 60% of relocating UK clients are choosing Italy.
- **Switzerland:** Remains a traditional hub for wealth migration, offering stable legal and political frameworks, strong privacy protections, and favourable cantonal tax regimes.
- **United Arab Emirates:** Dubai's zero income tax regime, robust infrastructure, and investor-friendly policies continue to attract UK non-doms.
- **Other European jurisdictions:** Including Monaco, Malta, and emerging destinations such as Singapore and the Isle of Man.

13. These destinations share a common feature: they actively court internationally mobile investors through structured programmes offering long-term certainty, competitive tax treatment, and pathway to residence or citizenship. The United States estimates that its

Golden Visa programme could attract up to 37 million eligible investors worldwide. Italy has attracted 6,000 participants to its Golden Visa regime. The UK, by contrast, has closed its Tier 1 Investor Visa (2022) and adopted a tax regime perceived as punitive toward international investors.

14. FIFB's assessment is that the UK has ceded competitive advantage precisely at the moment when global capital is most mobile and when competing jurisdictions are most actively recruiting. The consequences will endure for a generation.

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## SECTION B: ABOUT FOREIGN INVESTORS FOR BRITAIN

15. Foreign Investors for Britain (FIFB) is an advisory group comprising individual investors and businesses with deep knowledge and expertise of the UK's tax infrastructure. FIFB's membership includes over 1,000 ultra-high net worth entrepreneurs, international investors, and family offices.
16. FIFB's mission is to combine the collective expertise of its members to support policymakers in achieving successful policy outcomes. FIFB works to support the Government in designing the best systems to attract foreign investment, prosperity, and economic stability to the United Kingdom.
17. FIFB's membership includes individuals from more than 50 jurisdictions. Members have collectively invested many billions of pounds in UK businesses, property, infrastructure, and innovation. They include founders of FTSE-listed companies, international entrepreneurs, and experienced institutional investors. Their UK ventures have created tens of thousands of jobs and supported substantial tax contributions.
18. FIFB does not advocate for tax avoidance, aggressive tax planning, or the evasion of legitimate UK tax obligations. Rather, FIFB advocates for a tax regime that is internationally competitive, provides long-term certainty, and treats international investors fairly, preventing the double taxation of foreign assets and income that contradicts fundamental principles of international tax justice.

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## SECTION C: DAVOS MESSAGE AND GOVERNMENT INTENT

19. On 20 January 2026, the Chancellor of the Exchequer stated from Davos that "Britain is the best place in the world to invest". This statement reflects Government aspirations and represents a clear commitment to positioning the UK as a global investment destination. The government published information challenging claims that the visa system is broken, crime is high, and doing business is expensive in the UK.

20. However, FIFB's evidence indicates that this message lacks credibility in international capital markets. International investors report that the current UK tax regime for non-residents is viewed as hostile, unpredictable, and inferior to competing jurisdictions. The ongoing exodus of capital is the market's verdict on the Government's current policy offer.

**21. FIFB welcomes the Government's stated intention to review the tax offer for globally mobile talent and investors. However, FIFB submits that incremental adjustments to the existing FIG regime will be insufficient. A more comprehensive restructuring, embedded in the Finance Bill, is required to reverse capital flight and restore the UK's competitive position.**

22. The Chancellor's Davos message provides a political mandate for the Finance Bill Committee to introduce amendments creating a genuinely competitive tax regime. The window for such action is narrow: each month of delay sees further departures and accelerating capital divestment.

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## SECTION D: FIFB'S POLICY PROPOSALS

### Part 1: Reversal of IHT "Tail" and Residence-Based IHT

23. The residence-based inheritance tax regime introduced in 2024 represents a fundamental departure from international norms and creates severe double taxation risks. Under the current rules:

- An individual who has been UK-resident for ten years becomes liable to IHT on worldwide assets;
- This liability continues for a "tail" period of three to ten years after ceasing UK residence;
- Non-UK assets held in trusts created by non-domiciled individuals are brought within the relevant property IHT regime solely by virtue of the settlor's UK residence;
- These provisions expose individuals and trusts to simultaneous taxation in their country of origin and in the UK—violating fundamental principles of international tax cooperation and creating unconscionable exposure.

11. In parallel with the FIG and IHT changes above, the Committee is invited to recommend that the Statutory Residence Test be simplified and relaxed for internationally mobile investors by increasing the day-count threshold for 'non-resident but visiting the UK' from 90 to 180 days per tax year, and making associated simplifications to the connecting factors. This reform would make it easier for former non-doms and other internationally mobile investors who have relocated to more competitive jurisdictions to re-establish a UK footprint without immediately triggering full UK tax residence, thereby supporting the wider

objective of using the Finance Bill to reverse the exodus of wealth and to encourage the return of capital, entrepreneurship and philanthropy to the UK. It must also allow those who fell within the non-dom regime and have not left the UK to remain in the UK and to benefit from the protections previously available to non-doms, which will again apply under these proposals. It might also be considered by Treasury to propose that a non-resident could effectively "switch off" one or more of their UK Statutory Residence Test ties by paying the Treasury a fixed annual charge of £50,000 per tie, thereby allowing more UK days without becoming UK tax resident and raising further revenues. However, this is not germane to the structural reform referenced above.

24. FIFB calls for the following amendments:

- Repeal of the residence-based IHT regime introduced in Finance Bill 2024-25;
- Restoration of the domicile-based IHT test that applied immediately before 6 April 2025;
- Removal of the IHT "tail" provisions that continue to tax worldwide assets after an individual has ceased UK residence;
- Full grandfathering of existing non-domicile trusts created before 30 October 2024, with protection from relevant property IHT exposure solely by virtue of the settlor's UK residence.

25. These amendments would align UK tax law with the approach adopted by Switzerland and other major competitive jurisdictions. They would not reduce revenue from truly domiciled individuals or from UK-source income and gains; rather, they would restore fairness for international investors who have contributed substantially to the UK economy.

## Part 2: Reform of the Foreign Income and Gains Regime

26. The four-year FIG exemption introduced in 2024 falls significantly short of international norms. Comparable regimes in competing jurisdictions offer:

- **Italy:** 15-year exemption on foreign income (14 years renewable);
- **Switzerland:** Cantonal regimes typically offering 10-15 years of favourable treatment;
- **Portugal:** 10-year exemption on foreign-source income for relocated individuals;
- **Greece:** 7-year exemption for high-net-worth individuals.

**27. The four-year UK FIG regime is internationally uncompetitive. It provides insufficient certainty for long-term investment decisions and fails to attract investors planning multi-decade UK presence.**

**28. FIFB recommends that the Finance Bill be amended to introduce a 15-year FIG exemption regime for eligible international investors, with the following features:**

- **Exemption on foreign income and gains for a period of 15 years from first UK residence;**
- **No UK IHT on non-UK assets during this 15-year period;**
- **Grandfathering of foreign income and gains protection for individuals who were entitled to claim remittance basis immediately before 6 April 2025;**
- **Clear exclusion of the FIG charge from applying to individuals with established UK family and business ties but periodic non-residence.**

29. These changes would bring the UK regime into competitive alignment with leading jurisdictions whilst maintaining UK tax on UK-source income and UK-situs property.

### Part 3: Global Investor Visa (GIV) – A New Immigration and Fiscal Regime

30. The cornerstone of FIFB's policy proposal is the introduction of a Global Investor Visa regime. This represents a modernised pathway to attract high-net-worth individuals and entrepreneurs while simultaneously:

- Generating significant tax revenue through a fixed annual charge;
- Anchoring long-term capital investment in UK productive enterprises;
- Providing certainty and transparency for international investors;
- Incorporating rigorous due diligence and anti-money-laundering compliance
- Provides the government with a politically-acceptable means to change the foreign investor / non-dom replacement policy

#### Core Features of the Global Investor Visa

31. **Visa Category and Eligibility:** The GIV would be a new category under the Immigration Rules (made under the Immigration Act 1971). Eligibility criteria would include:

- Demonstrated source of funds and wealth;
- Commitment to UK investment and residence;
- Full compliance with anti-money-laundering and sanctions regulations;
- Regulatory and law enforcement clearance.

32. **Fiscal Regime – Annual Charge:** Eligible GIV participants would have the option to elect into a flat-rate annual tax charge of £200,000, covering their liability to UK income tax and capital gains tax on foreign-source income and gains. This mechanism:

- Provides transparent certainty on tax liability;
- Eliminates complex compliance burdens;
- Mirrors successful regimes in Italy (€200,000 changing to €300,000), Monaco, and Malta;
- Is significantly higher than the current FIG regime would generate for high-net-worth individuals in comparable circumstances.

33. **Minimum Investment Requirement:** To qualify for GIV status, an individual must also make an initial investment of at least £2.5 million into UK productive enterprises, infrastructure, or approved asset classes within the first year of visa grant. Subsequent years would require maintenance of a comparable investment level. Qualifying investments would exclude:

- Passive investments in gilts or bonds yielding only portfolio returns;
- Residential property held for personal occupation;
- Investments in purely financial instruments lacking connection to UK productive activity.

34. **UK Tax on UK-Source Income:** The £200,000 annual charge applies only to foreign-source income and gains. All UK-source income and capital gains would remain fully taxable at standard rates. This ensures that the GIV does not create preferential treatment for UK economic activity.

35. **Inheritance Tax on Non-UK Assets:** During the period of GIV participation, individuals would be exempt from UK IHT on non-UK assets, but would remain liable to IHT on UK-situs property and UK-source income. This prevents double taxation whilst maintaining UK tax on UK assets.

36. **Minimum Residence Period:** Participants would be required to maintain UK residence for a minimum of five years. This ensures that the regime supports genuine, long-term economic engagement rather than transient arrangements.

37. **Retrospective:** in order to stem the flow of former non-doms / foreign investors – the legislation must accept that those already here and invested qualify by default if they fell within the former non-dom regime and can provide evidence of the investments that they had made during that period.

38. **Duration of Regime:** The annual charge regime would be available for a maximum of 15 years from first election, providing long-term certainty whilst allowing fiscal adjustment thereafter if required. This aligns with international practice and provides adequate runway for major investment decisions.

39. **Grandfathering Protections:** The GIV would include robust grandfathering provisions:

- Existing non-domicile trusts created before 30 October 2024 and complying with protected settlement rules would continue to benefit from exclusion from relevant property IHT and from settlor attribution of foreign income, provided the settlor remains a GIV participant;
- To avoid unfair results for returning residents who arrived shortly before commencement and who may fail a strict '10-year non-residence' condition, introduce a transitional 'returner settlement window': trusts established within

- (say) the first 5 tax years of UK residence, funded only with non-UK assets acquired before UK residence, can be treated as protected for the purposes of excluded property and settlor attribution during the FIG/ICC period
- Individuals who were entitled to claim remittance basis immediately before 6 April 2025 would be able to elect GIV status and reinstate remittance basis treatment for foreign income and gains;
- The "IHT tail" would be eliminated for GIV participants, preventing continued UK tax exposure after departure.
- The Grandfathering provisions would also apply to those non-doms who have not left the UK, as well as those who have made a decision to leave and therefore need to be incentivised to return.

**40. Due Diligence and Compliance Framework:** To address historical criticisms of the Tier 1 Investor Visa programme, the GIV would incorporate enhanced due diligence:

- Source of funds verification for all capital invested;
- Sanctions and counter-terrorist financing checks;
- Mandatory use of approved due diligence firms (regulated in the UK or equivalent jurisdictions);
- Annual reporting by due diligence firms to HMRC confirming investment maintenance and regulatory compliance;
- Penalties for false declarations or failure to maintain investment levels.

**41. Integration with Treasury and Home Office:** The Tax Policy would be underpinned by corresponding changes to the Immigration Rules, made by the Secretary of State under section 3(2) of the Immigration Act 1971. The Finance Bill amendment would direct the Home Office to establish the corresponding immigration route within 12 months of Royal Assent. Regulatory coordination between HMRC and the Home Office would ensure alignment between tax status and immigration status.

## SECTION E: REVENUE AND ECONOMIC IMPACT ANALYSIS

### Conservative Revenue Projections

42. FIFB's analysis of revenue potential is conservative. Base case assumptions:

- **Participation:** 50,000 individuals adopt GIV status over ten years (compared to Italy's attraction of 6,000 Golden Visa participants and considering London's superior position as a wealth management hub);
- **Annual Charge:** £200,000 per participant per annum;
- **Duration:** Participants remain in regime for average of 5 years;
- **Compliance Rate:** 95%.

43. Under these assumptions:

- Year 1-5: 10,000 participants  $\times$  £200,000 = £2 billion per annum;
- Year 6-10: Full cohort (50,000)  $\times$  £200,000  $\times$  average 5-year duration = Approximately £500 million per annum average (ramping up to £10 billion annually in steady state);
- Total 10-year revenue: £225 billion;
- Ancillary tax on UK-source activity: An additional £500,000 in annual expenses; assuming £100,000 of that is VAT. In years 1-5 (10,000  $\times$  £100,000), it would be £1 billion per year. Which would amount to £5 billion/year if there were 50,000 people.

44. These projections conservatively exclude:

- Growth multiplier effects: Strategic investments into British companies, infrastructure, and R&D unlock further economic activity, job creation, and tax revenues from induced activity;
- UK investment base effects: £2.5 million investment threshold  $\times$  50,000 participants = £125 billion in direct capital inflow;
- Employment effects: Historical analysis of foreign direct investment suggests employment multipliers of 3-5:1; applying conservative 2:1 multiplier suggests 100,000+ jobs;
- Counterbalance to departure losses: Oxford Economics estimates £1 billion annual net loss from non-dom reforms; GIV revenue projections of £1 billion+ annually directly offset this and represent net revenue gain.

## Comparison to Official Estimates and Economic Forecasts

45. The Treasury's original estimate of £2.5 billion annual revenue from the 2024 non-dom reforms has proven significantly inaccurate. The Office for Budget Responsibility acknowledged that "the behavioural response of non-doms is highly uncertain", effectively voiding the Treasury's confidence interval.

46. Independent analysis now suggests the true cost of the 2024 reforms is:

- **Oxford Economics** (September 2024): £1 billion annual net loss to the Exchequer;
- **Adam Smith Institute**: £1.3 billion annual GDP shrinkage;
- **Growth Commission**: 0.5% GDP erosion by 2030 plus £5 billion annual revenue shortfall;
- **Henley Private Wealth Migration Report 2025**: 16,500 millionaire departures in 2025 alone.

47. A GIV regime generating £1 billion+ annually would, at minimum, break-even against the losses from the 2024 reforms. Realistically, it would generate net gains of several hundred million pounds annually once fully rolled out, whilst simultaneously addressing the strategic objective of reversing capital flight and repositioning the UK as a competitive investment destination.

## Employment and Growth Effects

48. International investment generates employment effects beyond direct tax revenue. Academic analysis of foreign direct investment suggests:

- Direct employment in funded enterprises: Estimated 2-3 jobs per £1 million invested;
- Indirect employment in supply chains: Estimated 1-1.5 multiplier;
- Induced employment (from spending): Estimated 1-2 multiplier.

49. Applying conservative multipliers to £125 billion in inward investment (£2.5m  $\times$  50,000 participants):

- Direct employment: 250,000-375,000 jobs;
- Indirect and induced employment: Additional 150,000-250,000 jobs;
- Total employment impact: 400,000-625,000 jobs;
- Wage income tax and NI on these jobs: Estimated £2-3 billion annually (conservative estimate).

50. These employment effects alone justify the GIV regime on economic growth grounds, independent of direct tax revenue considerations.

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## SECTION F: INTERNATIONAL COMPARISONS AND PRECEDENT

### Italy's Golden Visa and Flat Tax Regime

51. Italy offers a compelling precedent. In 2017, Italy introduced a flat-tax regime for relocated individuals, offering:

- €200,000 (changing to €300,000) annual charge on foreign income for 15 years;
- Exemption from Italian tax on foreign-source income and gains;
- IHT protection on non-Italy assets;
- Clear pathway to residency and subsequent citizenship.

52. Italy's programme has attracted approximately 6,000 participants, many relocating from higher-tax jurisdictions including the UK. Italian sources confirm that the programme has been highly popular with international entrepreneurs and investors, particularly those fleeing political uncertainty or seeking tax-efficient structuring of global wealth.

53. FIFB's evidence from its membership confirms that Italy's competitive advantage over the UK is largely attributable to:

- IHT protection on foreign assets (not available under current UK rules);
- Duration of exemption (15 years versus 4 years in UK FIG regime);
- Certainty and transparency of application;
- Clear pathway to permanent residency and citizenship.

## Switzerland's Cantonal Regimes

54. Switzerland offers multi-tiered approaches varying by canton, but common features include:

- 10-15 year exemptions on foreign-source income for relocated individuals;
- Low effective tax rates negotiated between relocated individuals and cantons;
- Strong privacy and asset protection frameworks;
- Stable political and legal environment.

55. Switzerland attracts relocated HNWIs who place high value on privacy, political stability, and long-term asset preservation. Its competitive advantage rests less on tax rate alone than on the combination of tax efficiency, legal certainty, and institutional credibility.

## Portugal's Non-Habitual Resident (NHR) Regime

56. Portugal introduced an NHR regime in 2009, offering:

- 10-year exemption on foreign-source income;
- Exemption on foreign pension income;
- Clear eligibility criteria and transparent application.

57. Portugal's NHR programme has been highly successful in attracting international professionals and entrepreneurs, generating estimated €300-500 million annually in tax revenue whilst simultaneously attracting inward investment and entrepreneurs.

## Comparison of Regimes

Jurisdiction	Duration	Annual Charge	IHT Protection	Citizenship Path	Status
Italy	15 years	€200,000	Yes (non-IT assets)	Yes (10+ years)	Active, 6,000+ participants
Switzerland	10-15 years	Negotiated (low effective rate)	Variable by canton	Variable	Active
Portugal	10 years	None (progressive rates)	Partial	Yes (6+ years)	Active
UAE (Dubai)	Unlimited	Zero	N/A (IHT exempt in UAE)	No citizenship	Active
UK (Current)	4 years (FIG)	Progressive rates	No	No	Operational, but exodus-driving
UK (FIFB Proposal - GIV)	15 years	£200,000 fixed	Yes (non-UK assets)	Yes (5+ years, pathway)	Proposed amendment

## Lessons from Tier 1 Investor Visa

58. The Tier 1 Investor Visa operated from 2008 until its closure in 2022. Its operational history provides instructive lessons for GIV design:

### Lessons Learned – What Worked:

- The concept of investment-linked immigration was popular with HNWIs and generated substantial capital inflows;
- Pathway to settlement and citizenship provided attractive long-term certainty;
- Fixed investment thresholds (£1 million, £2 million, £5 million) were transparent and easy to administer;
- The regime attracted approximately 12,000 participants, generating estimated £9-10 billion in capital inflows.

### Lessons Learned – What Failed:

- Insufficient due diligence on source of funds allowed controversial figures to obtain UK residence;
- Permitted investments in low-substance vehicles (UK Government gilts) that generated minimal economic activity;
- Investment regulations did not prioritize productive economic activity;
- Public perception of scheme integrity was damaged by high-profile security and corruption cases;
- Lack of ongoing compliance monitoring once visas issued.

#### **FIFB Proposal – Incorporating Lessons:**

- Enhanced due diligence using approved external firms with ongoing regulatory monitoring;
- Mandatory investment in productive enterprises and infrastructure (excluding passive instruments);
- Annual compliance certification by due diligence firms;
- Clear regulatory framework and transparent governance;
- Sunset provisions allowing periodic review and adjustment.

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## **SECTION G: ADDRESSING COUNTERARGUMENTS AND CONCERNs**

### **Concern 1: "The GIV is a return to the discredited Tier 1 regime"**

63. FIFB acknowledges legitimate concerns about the Tier 1 Investor Visa's governance failings. However, the GIV proposal incorporates fundamental improvements:

- Mandatory third-party due diligence with ongoing annual certification (absent in Tier 1);
- Investment restrictions prioritising productive UK economic activity (Tier 1 permitted passive gilts);
- Annual compliance monitoring linked to visa renewal (Tier 1 imposed minimal ongoing compliance);
- Regulatory framework explicitly addressing AML, sanctions, and counter-terrorist financing concerns;
- Clear investment maintenance requirements with penalties for breach.

64. The GIV is not Tier 1 reheated; it is Tier 1 substantially improved through incorporation of lessons from its predecessor.

## Concern 2: "Wealthy investors should pay their 'fair share'"

65. FIFB does not argue that wealthy individuals should enjoy preferential tax treatment. Rather, FIFB argues:

- The current regime subjects non-UK assets to double taxation (UK IHT plus home country taxation), violating fundamental fairness principles;
- A £200,000 annual charge is substantial, representing circa 2-3% of a £7-10 million portfolio in typical assumed returns;
- An international investor paying £200,000 annually in tax contributes more to the UK than many domiciled individuals with comparable incomes;
- Revenue projections (£225 billion over ten years) exceed original Treasury estimates for the 2024 reforms, contradicting claims that competitive tax regimes are revenue-negative.

66. The question is not whether wealthy individuals should be taxed, but whether the UK should tax them in a manner that drives them to rival jurisdictions and results in net revenue loss, or in a manner that retains them, generates substantial revenue, and anchors capital investment.

## Concern 3: "The IHT 'tail' protects fairness by preventing tax avoidance"

67. FIFB respectfully disagrees. The IHT tail represents double taxation, not fairness. An individual who:

- Pays IHT in their country of domicile on foreign assets;
- Pays UK IHT while resident in the UK;
- Continues to pay UK IHT on foreign assets for 3-10 years after departure;

is subjected to unilateral taxation that would be unacceptable if imposed by any other jurisdiction on UK residents.

68. International tax law operates on the principle that income and assets are taxed by either the country of residence or the country of domicile, but not simultaneously. The IHT tail breaches this principle. Removal of the tail aligns UK law with international norms and prevents unconscionable exposure.

## Concern 4: "Non-doms are tax avoiders who should not be courted"

69. This characterisation is both inaccurate and economically self-defeating:

- Non-doms are a diverse group including international entrepreneurs, family office operators, retired business founders, and professional investors;
- Remittance basis taxation is a legitimate tax regime operating in multiple OECD jurisdictions (notably, the United States does not tax worldwide income of non-citizens in the same manner);

- Non-doms historically contributed substantial sums to the UK economy: £8.9 billion in taxes, £800,000 VAT per capita, £118 million in investments per capita, £5.8 million in philanthropy per capita (2023 data);
- Characterising these contributors as "tax avoiders" mischaracterises both the individuals and the tax regimes under which they operated.

70. The non-dom regime was not a tax avoidance mechanism; it was a legitimate policy choice to attract internationally mobile talent and investment. Abandoning that choice without replacement has resulted in capital flight that damages public services and the broader economy.

#### Concern 5: "The GIV will only attract tax avoiders and illicit wealth"

71. FIFB addresses this through mandatory enhanced due diligence:

- Source of funds verification required for all investments;
- Sanctions and counter-terrorist financing checks aligned to UK/international standards;
- Mandatory use of FCA-regulated due diligence firms;
- Annual certification by due diligence firms confirming regulatory compliance;
- Access to HMRC and law enforcement databases for background checks;
- Penalties for false declarations or failure to maintain compliance.

72. These protections are arguably more rigorous than those applicable to UK domiciled individuals making investments or receiving inheritances. A GIV participant will be subject to greater scrutiny than a British-born entrepreneur raising capital for a business venture. This reflects proportionate risk management given the high-value nature of the category.

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## SECTION H: IMPLEMENTATION AND LEGISLATIVE ARCHITECTURE

### Embedding the GIV in Finance Bill 2025-2026

73. FIFB submits that the GIV amendments can be cleanly embedded in Finance Bill 2025-2026 as a new Part, creating:

- New clauses reversing the IHT residence-based regime and IHT tail (approximately 3-4 new clauses);
- New clauses establishing the FIG exemption regime (approximately 2-3 new clauses);
- New Part establishing the GIV fiscal regime and due diligence architecture (approximately 5-6 new clauses plus one new Schedule);

- Directive clause requiring the Secretary of State to establish the corresponding immigration route within 12 months and providing a mechanism for retrospective credit for those who fell within the non-dom regime.

74. FIFB has prepared detailed draft amendments (attached as Addendum) that identify the relevant provisions of Finance Bill 2024-25 to be amended or repealed, and provide full text of new clauses. These are ready for parliamentary counsel to translate into Bill language.

## Timing and Parliamentary Process

75. The Finance Bill is currently at committee stage. Finance Bill committee stage typically allows 15-20 government amendments per sitting day and accepts amendments from all Members. FIFB's proposed amendments:

- Are within scope of the Bill (relating to tax treatment of non-residents, inheritance tax, and capital investment);
- Address questions explicitly covered by the Bill's existing non-dom and FIG provisions;
- Would not require backbench support to be formally proposed (they can be tabled as committee amendments);
- Are capable of being justified on fiscal and economic growth grounds.

76. FIFB urges the Committee to recommend formal government amendments embodying these principles. Alternatively, cross-party amendments from backbench Members would be procedurally feasible and would force explicit debate on Government's commitment to a competitive tax regime for international investors.

## Regulatory and Operational Implementation

77. Implementation of the GIV would require:

- HMRC Operational Guidance on elections, maintenance of investment, and compliance procedures (6-8 weeks post-Royal Assent);
- Home Office Immigration Rules amendments establishing the visa category (subject to statutory instrument procedure, 8-12 weeks);
- Regulatory framework for approval of due diligence firms (coordination between HMRC and FCA);
- Treasury Guidance on qualifying investments and sectoral prioritisation;
- IT system enhancements at HMRC to track GIV participants and annual charges (estimated 12-16 weeks development).

78. Full operational readiness is achievable within 6-9 months of Royal Assent, allowing visa applications to commence on or before 1 October 2026.

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## SECTION I: RISKS OF INACTION

### Accelerating Wealth Exodus

79. The evidence is unequivocal that the current tax regime is driving continued capital flight. Each month of delay sees:

- Further departures of HNWIs (16,500 across 2025 alone);
- Continued divestment of UK investments (£840 million already divested as of September 2024);
- Relocation of family offices and wealth management operations to rival jurisdictions;
- Reputational damage to UK positioning as a global financial and investment hub.

80. FIFB's membership reports that as of January 2026, major relocation decisions have been made and logistics are proceeding. A significant proportion of departures forecast for 2025-2026 are now virtually irreversible absent decisive policy change. The longer the Committee delays, the greater the sunk costs in rival jurisdictions and the lower the probability of return.

### Revenue Erosion and Public Service Funding

81. The Treasury's projection of £2.5 billion annual revenue gain from the 2024 reforms has proven grossly inaccurate. Current estimates place net revenue loss at £1 billion annually—a £3.5 billion adverse variance. This variance:

- Translates to reduced funding for NHS, education, and social care;
- Undermines the Government's fiscal consolidation strategy;
- Validates concerns that "punitive" tax regimes do not generate revenue gains, but rather shift activity and wealth to rival jurisdictions.

82. A GIV regime generating £1 billion+ annually would directly offset this loss and demonstrate that competitive tax policy can be compatible with public service funding. Failure to introduce the GIV means continued erosion of the public finances on a trajectory toward compulsory spending cuts unless alternative revenue sources are identified.

### Loss of Competitive Position

83. The UK's status as a global financial and wealth management hub rests on its attractiveness to internationally mobile capital. The current tax regime is perceived as hostile to precisely the investors the UK should be attracting. Competitors (Italy, Switzerland, UAE, Singapore) are actively recruiting relocated UK wealth.

84. If the UK does not introduce a competitive tax regime by mid-2026, the competitive disadvantage will ossify. Wealth advisors and family offices will complete relocations and establish long-term operations in rival jurisdictions. Reverting to a GIV regime in 2027 or later will be less effective, as the capital will have already moved and restructured on a multi-year basis.

85. The window for effective action is Q2 2026. After that, further delay reduces the probability of significant return migration.

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## SECTION J: FIFB CALL ON THE COMMITTEE

### Summary of Recommendations

86. FIFB calls on the Finance Bill Committee to recommend amendments to Finance Bill 2025-2026 implementing the following:

#### **(1) Reversal of IHT Residence-Based Regime**

- Repeal the residence-based inheritance tax provisions introduced in Finance Bill 2024-25;
- Restore the domicile-based IHT test that applied immediately before 6 April 2025;
- Remove the IHT "tail" provisions;
- Grandfather existing non-domicile trusts created before 30 October 2024.

#### **(2) Reform of FIG Regime**

- Extend the FIG exemption from 4 years to 15 years for eligible international investors;
- Provide retrospective grandfathering for individuals entitled to remittance basis immediately before 6 April 2025;
- Eliminate UK IHT on non-UK assets during the FIG exemption period.

#### **(3) Introduction of Global Investor Visa**

- Establish a new visa category under the Immigration Rules designated "Global Investor Visa";
- Create a corresponding fiscal regime offering:
  - Fixed annual tax charge of £200,000 on foreign income and gains;
  - Exemption from UK IHT on non-UK assets during participation;
  - Minimum investment requirement of £2.5 million in UK productive enterprises – with retrospective element for those already in the UK
  - Minimum UK residence requirement of 5 years;
  - Maximum participation period of 15 years;

- Incorporate enhanced due diligence framework with mandatory third-party oversight;
- Include grandfathering provisions for existing non-domicile trusts;
- Eliminate IHT "tail" for GIV participants.

## Fiscal Impact and Economic Justification

87. The recommended amendments are fiscally justified on the following basis:

- Conservative revenue projections for GIV: £225 billion over 10 years (£1 billion+ annually);
- Offset to projected losses from 2024 reforms: £1 billion annually per Oxford Economics;
- Net revenue gain: Break-even in years 1-2; positive by years 3-10;
- Employment and growth effects: 400,000-625,000 jobs; £2-3 billion additional tax from employment income;
- Strategic benefit: Reversal of capital flight, restoration of UK competitive position, demonstration of government commitment to growth-focused fiscal policy.

88. The amendments are compatible with the Government's commitment (stated at Davos) to attracting global talent and investment. They represent the concrete policy expression of that commitment.

## Procedural Feasibility

89. The amendments are procedurally feasible at Finance Bill committee stage:

- They address substantive tax policy questions within the Bill's scope (non-dom taxation, IHT, international investment);
- Draft clauses are prepared and ready for parliamentary counsel;
- They do not require coordination with other Government legislation;
- They can be implemented within normal regulatory timescales.

90. FIFB does not require that amendments be tabled by the Government. Cross-party amendments from backbench Members would be procedurally acceptable and would force explicit parliamentary debate on the Government's willingness to adopt a competitive tax regime.

## Call to Action

91. FIFB respectfully urges the Committee to:

- Convene substantive sessions on non-dom tax policy and capital flight during the remaining committee stage;
- Invite FIFB and other stakeholders to give oral evidence on the economic and fiscal impact of the current regime;

- Recommend formal amendments to the Government, or facilitate cross-party amendments from Members;
- Establish clear timelines for policy decisions to allow operational implementation by Q3 2026;
- Consider convening a small working group with HMRC, Home Office, and Treasury officials to expedite implementation planning.

92. The Chancellor's Davos message committed the Government to being "the best place in the world to invest." The Finance Bill Committee has an opportunity to translate that commitment into concrete legislative action. FIFB urges the Committee to seize this opportunity.

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## CLOSING REMARKS

93. Foreign Investors for Britain welcomes the opportunity to submit evidence to the Finance Bill Committee on this critical issue. The current trajectory of capital flight and tax revenue erosion is unsustainable. Urgent legislative action is required.

94. FIFB is confident that the measures proposed in this submission—reversal of punitive IHT provisions, reform of the FIG regime, and introduction of a Global Investor Visa—represent a pragmatic, revenue-positive, economically beneficial response to the challenge.

95. FIFB stands ready to provide further evidence, answer technical questions, or participate in working group discussions to support the Committee's deliberations and inform the Government's policy development.

96. The window for effective action is narrow. Each month of delay sees further departures of wealth creators and reduced probability of capital return. FIFB urgently seeks the Committee's support in translating the Chancellor's Davos commitment into legislative reality.

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### **Submitted by:**

Leslie MacLeod Miller

Chief Executive, Foreign Investors for Britain

**Date: 22 January 2026**

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## **APPENDICES**

Appendix 1: Background Briefing – About Foreign Investors for Britain  
See January 2026 FIFB Briefing Paper for fuller background.

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**END OF SUBMISSION**

January 2026

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## BRIEFING FOR COMMITTEE STAGES OF THE FINANCE BILL 2025-2026

### Attracting Global Talent and Investment to the UK

#### **Delivering Growth and Investment for Britain - Introducing a Global Investor Visa**

FIFB is the leading voice for international investors, representing over 1000 ultra-high net worth entrepreneurs who wish to partner with the UK to create UK jobs and UK prosperity by helping to create an internationally competitive Tax Regime.

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### SUMMARY OVERVIEW

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Foreign Investors for Britain (FIFB) urges the Parliamentary committee reviewing the Finance Bill 2025-26 to champion a competitive tax regime amid accelerating wealth exodus, as Sir Martin Sorrell warned in FIFB's November 2025 press release: "Britain is losing its competitive place in the world, with non-dom reforms driving investors to Italy, Dubai, and Switzerland—urgent action is needed to retain prosperity generators."

Labour MP and party Chair Anna Turley reinforced this on Sky News January 8, 2026: "We're here to represent people that we live amongst and if a policy isn't right, I think it's a sign of a confident government that says, you know what, we'll step in, we'll sort it out, we'll make sure it works"—contrasting past "ideological madness that hammered mortgages and businesses," and echoing recent government tweaks to Inheritance Tax (IHT) thresholds for farmers, pubs, and businesses from April 2026, halving affected estates while safeguarding revenues.

While those with the broadest shoulders should bear the greatest burden and the former non-dom regime needed to change to bring in more revenue, the reforms did not find the right balance. They lost their internationally competitive place to Britain and threatened to punish those who took risks, grew businesses and created jobs in the UK. Critically, they removed the IHT protection for non-UK assets that was designed to prevent double taxation.

**Independent Oxford Economics' research projects £1 billion annual losses from non-dom changes due to reduced tax receipts and activity, corroborated by Adam Smith Institute forecasts of £1.3 billion yearly GDP shrinkage and Growth Commission warnings of 0.5% GDP erosion by 2030 alongside £5 billion revenue shortfalls.**

#### **Global Investor Visa Proposal**

A Global Investor Visa (GIV) offers reversal of non-UK IHT exposures under the FIG regime—reinstating 15-year exemptions on foreign income/gains and grandfathering pre-2024 compliant trusts to avert double taxation. **Paired with £200k annual fees and £2.5 million UK investments over five years, this could yield £225 billion over a decade from 50,000 participants, spurring jobs and innovation.**

## Key Recommendations

- **Restore IHT shields for non-UK assets** via GIV, fixing trust treatments at settlement and abolishing settlor exit charges.
- **Mandate investments in growth sectors with rigorous AML vetting for integrity.**
- Leverage FIG consultations to extend exemptions, retaining non-doms amid 10,800 millionaire departures in 2024 and 16,500 projected for 2025.
- Promote returns of relocated HNWIs like Asif Aziz and Alan Howard through grandfathered protections.

## Key Facts and Figures

- **Net 10,800 millionaires left UK in 2024 (157% increase from 2023), including 78 centi-millionaires and 12 billionaires; 16,500 projected for 2025.**
- **83% of non-doms cite IHT on worldwide assets as "red line," with 62% planning exit in 2 years without Italy-style regime.**
- **Oxford Economics: £1 billion annual net loss from reforms; non-doms contributed £8.9 billion taxes, £800k VAT, £118m investments, £5.8m philanthropy each in 2023.**
- Adam Smith Institute: £1.3 billion annual GDP shrinkage; Growth Commission: 0.5% GDP loss by 2030, £5 billion revenue shortfall.
- 98% of surveyed non-doms plan to leave; 96% would cut UK investments; £840 million already divested at date of report publication.
- GIV potential: 50,000 participants at £200k/year + £2.5m investment = £225 billion over 10 years.

Note that FT reports questioning the Exodus of Wealth using HMRC data were fundamentally inaccurate as they misinterpreted HMRC data and referenced PAYE receipts, which are not relevant to the types of non-doms/international investors who are leaving. It is precisely those who generate the greatest source of wealth for Britain who are mobile. **Those with the broadest shoulders also have the longest legs!**

## Losing wealth

Sir, Action is urgently needed to stem the alarming outflow of wealth from Britain. The advisers Henley & Partners estimate 16,500 wealthy people will leave this year, while Oxford Economics forecasts more than £1 billion in direct tax revenue will be lost annually due to the abolition of non-dom rules. The exodus threatens jobs, public services and investment. I am a sponsor of today's parliamentary reception for the non-partisan advocacy group Foreign Investors for Britain, which is calling for the reintroduction of an investor visa underpinned by a tiered wealth tax scheme. Entrepreneurs would pay up to £2 million annually, while their overseas assets would be protected from UK taxes. This model, which would generate large revenues and a variant form of which is already used elsewhere in Europe, is politically viable and fiscally sound. It would be a win-win for the UK and public service funding — and for entrepreneurs who proudly call the UK their home.

Baroness Mobarik  
House of Lords

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### About Foreign Investors for Britain (FIFB):

1. Foreign Investors for Britain (FIFB) is an advisory group of individual investors and businesses with deep knowledge and expertise of the UK's tax infrastructure.
2. Our mission is to use the collective expertise of our members to aid policy makers achieve successful outcomes. We combine insights, expertise and data analysis in our efforts to support the Government replace the current non-dom system with a modern regime which is fit for the future.

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### DETAILED BRIEFING

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Foreign Investors for Britain (FIFB) urges Number 10 and the Treasury to offer a competitive tax regime for foreign investment, which would allow Britain to retain international investors who are currently moving to Italy, Dubai and Switzerland. This will adopt a Global Investor Visa which incorporates an annual charge and a minimum investment as a pragmatic and competitive regime to retain international wealth generators following the abolition of the non-dom tax regime status. We estimate that this could bring £225 billion to the UK economy.

The Exchequer faced a challenging November budget as it seeks to raise an extra £20–£30 billion amid public debt exceeding £2.7 trillion and annual borrowing projected at around £115 billion, driven by record gilt yields and rising interest payments. The economic downturn has led to UK growth slipping below 1% this year, intensifying fiscal pressure and forcing tax rises to close

budget gaps if investor confidence and growth do not rebound. If the Government does not compete to keep international investors generating growth and jobs, tax rises on the ordinary working man will be inevitable. **The Government needs to listen and partner with the international investment community, or prosperity will continue to flee from Britain. We estimate that a Global Investor Visa (GIV) could raise £225 billion over 10 years, that could fund front line services and demonstrate that Britain is open for business through a competitive tax regime.**

The Labour Party's tax reforms, effective from April 2025 including the abolition of the non-domiciled (non-dom) tax regime, have caused a significant exodus of millionaires from the UK. In 2024, a net 10,800 millionaires left the country—a 157% increase compared to 2023 - placing the UK as the second-highest global loser of wealthy individuals after China. **The Henley Migration Report forecast that the UK will lose a staggering 16,500 millionaires in 2025.** The exodus is accelerating, with estimates that up to 40% of non-doms could leave, exceeding initial projections. Prominent figures such as real estate investor Asif Aziz and hedge fund billionaire Alan Howard have relocated, with further departures highlighted in the press.

### Policy background

The UK's **closure of the Tier 1 Investor Visa in 2022 addressed critical flaws but created a vacuum for productive foreign capital.** At the same time, the non-dom tax changes did not find the right balance for the UK to be internationally competitive to retain and attract foreign investment, particularly because of the removal of the protection to non-UK IHT and the limitations of FIG. The Global Investor Visa (GIV), which incorporates annual charges and minimum investment proposals, offer a modernised, secure pathway to attract high-net-worth individuals (HNWIs) while aligning with national economic priorities.

### Security Safeguards / Addressing Past Concerns

To address the previous problems with the Tier 1 visa, the new system will include enhanced source-of-funds checks and mandatory AML compliance for all applicants and retrospective audits of investments to ensure alignment with approved classes. Rigorous pre-approval vetting and ongoing monitoring will prevent illicit finance. Redirecting investments into high-growth sectors ensures tangible productivity gains, unlike Tier 1's focus on passive instruments.

### Grandfathering Protections to be internationally competitive

Existing non-dom trust structures that retain IHT exemptions must be grandfathered, provided they comply with AML standards. This would encourage non-doms who have left to return. While the current narrative is focused on attracting international entrepreneurs-, it must be equally critical to retain existing investors who formerly were non doms who have not yet left and taken their business with them, but will do so in future years.

### How much could this raise

**Combining a minimum £2,5m UK investment requirement and an annual charge of £200k for a minimum of 5 years would ensure each participant contributes a minimum of £3.5m to the UK economy in the first 5 years. As a very conservative estimate, revenue: 50,000 participants paying £200k annually and a minimum investment of £2.5m would generate £225bn**

over 10 years. There would also be a *Growth Multiplier: Strategic investments could unlock further in sectoral development, job creation, and R&D. This would boost Britain's Soft Power, positioning the UK as a hub for ethical, innovation-driven capital and internationally competitive to retain global investors.* (note: the absolute minimum would be 10,000 (Italy attracted with its Golden Visa 6,000 and London arguably has more to offer), but a realistic figure would be 50,000)

### **The Global Race for Prosperity Generators**

While nearly every major economy—such as the **United States, Italy, Switzerland, and Dubai**—actively courts high-net-worth individuals through Golden Visa programs, **Britain appears asleep at the helm.** The closure of the UK's Tier 1 Investor Visa in 2022 has left the country vulnerable to losing its status as a global investment hub. With other nations innovating to attract foreign capital, Britain risks becoming an economic outlier.

The United States estimates that its Golden Visa program could attract up to 37 million eligible investors worldwide, generating trillions in economic benefits. Italy, Switzerland, Malta, Monaco, and Dubai have similarly positioned themselves as havens for global wealth. These programs offer permanent residency or citizenship in exchange for substantial investments, creating jobs and stimulating economies.

### **Background to the abolition of the non-dom tax regime**

The Government abolished the non-dom tax regime starting April 6, 2025 replacing it with a Foreign Income and Gains (FIG) regime. This includes:

- A four-year exemption on FIG for new UK residents.
- IHT exposure for non-UK assets after 10 years of residence.

The Spring Statement included in Clause 2.64 “*The new residence-based regime will be more attractive to new arrivals than the current rules. The Government will continue to work with stakeholders to ensure the new regime is internationally competitive and continues to focus on attracting the best talent and investment to the UK.*”

***At the moment, this has not happened, and the Exodus is accelerating.***

- A Treasury source said (Jan 2025): “We’re always interested in hearing ideas for making our tax regime more attractive to talented entrepreneurs and business leaders from around the world to help create jobs and wealth in the UK.”
- Jonathan Reynolds, business secretary, said (Jan 2025): “We welcome people coming to the UK and we’ll have a specific kind of tax treatment that they would expect.”

FIFB warns that time is critical, as people are continuing to leave. In the Chancellor's budget statement in Parliament on October 30, 2024, she explicitly stated that there would be an **international competitive regime** in lieu of the resident Non-Dom scheme. The Non-Dom regime needed to be reformed and did not raise enough money for the UK economy but a new proposal that is internationally competitive can be both fair and keep prosperity creators in Britain.

### **Migration to Leading Destinations**

Italy: Milan has become a major beneficiary, attracting a notable share of UK non-doms. Italy's flat tax regime (€200,000/year on foreign income) and favourable climate for expatriates have made it a top choice. Dominic Lawrence, a leading tax advisor, estimates that 60% of his UK clients relocating abroad are choosing Italy

Switzerland: Switzerland remains a traditional hub for wealth migration, with its stable environment, strong privacy laws, and favourable tax regimes. It is consistently cited as a top destination for UK HNWIs, alongside Italy and Dubai.

United Arab Emirates (Dubai): Dubai's zero income tax, robust infrastructure, and investor-friendly policies continue to attract UK non-doms. The UAE is a preferred destination for those seeking tax efficiency and a global lifestyle

**We will introduce a Global Investor Visa, uniquely paired with a modern, Italian-style tax regime.**

**Key Features of the Reform - annual fee of £200k plus minimum investment of £2.5 million**

- **A Competitive Tax Offer:**

Eligible applicants will be able to access a clear, fixed-rate tax regime—paying an annual charge of **£200,000**. In return, they will enjoy **exemption from UK tax on their foreign income and gains for up to 15 years, with a minimum of 5 years**. During this period, there will also be **no UK Inheritance Tax on foreign assets**.

- **Trust: Grandfathering:** Full exemption for pre-October 2024 offshore trusts, maintaining excluded property status.
  - **For new trust**, Fix IHT treatment at time of settlement - If settlor is non-UK resident or non-LTR at settlement, trust remains outside Relevant Property regime.
  - Abolish the exit charge when the settlor ceases to be LTR.

- **A Commitment to the UK:**

To qualify, applicants must make an initial investment in the first year of at least **£2.5 million** into UK industry—supporting British businesses, creating jobs, and driving innovation.

- **Minimum Stay Requirement:**

Participants must commit to remain in the UK for a minimum of **five years**, ensuring that this regime supports genuine, long-term engagement with our economy and communities.

- **Fairness and Integrity:**

While foreign income and gains will be exempt, all UK-source income and gains will remain fully taxable.

Rigorous due diligence will be carried out on all applicants and their funds, and robust anti-abuse measures will be in place to protect the integrity of our system.

## Why This Matters

This reform is about putting Britain at the forefront of global competition for talent and investment.

It will:

- Attract **high-value individuals who will bring capital, expertise, and ambition to our country.**
- **Unlock billions in new investment for British industry, infrastructure, and innovation.**
- Generate significant **revenue for our public services** through the fixed annual charge and increased economic activity.
- Ensure that those who benefit from this regime make a **fair and visible contribution to the UK.**
- **Retaining wealth creators:** 98% of surveyed non-doms indicated plans to leave under the Government's current regime.
- **Encouraging longevity:** 73% of non-doms would stay in the UK longer.
- **Attracting newcomers:** Reduces the likelihood of non-doms rejecting the UK, with the figure falling from 67% to 21%, by providing a shield for non-UK assets.
- **Bolstering philanthropy and investments** contributes to UK growth and societal benefits.
- It would protect foreign investors from punitive inheritance taxes, encouraging them to remain in or relocate to the UK.

### Case study

*A case study example of the old regime is **Magda Wierzycka, a Polish-born South African non-don, who moved to the UK in 2017 fleeing political persecution in South Africa.** She asked plainly, "Why would I put any more money into the UK? Money which has already been taxed in South Africa, in order for it to be taxed some more, if I'm still going to leave?"*

*Wierzycka has invested over £400 million into Oxford Sciences Innovation. She supports a flat tax regime but if that is not adopted, the billionaire wants to see a change in the treatment of already-existing trusts.*

*Under the outgoing rules, non-doms could put foreign-held assets and income into a trust that would be free from UK tax. But with the new ones, that protection will cease; meaning the trust would be taxed by the UK as any other would – even if the income and assets it contains have been taxed already in – in Wierzycka's case – South Africa.*

*"If those trusts that non-doms were encouraged to set up when we moved here were grandfathered [meaning immune from the upcoming changes] then I would stay," she says (CityAM feature, January 2025).*

**Key statistics – independent research by Oxford Economics – presented to HMT and HMRC on September 4<sup>th</sup> 2024, shows that 83% of non-doms identify IHT as the red line, with 62% of those surveyed indicating that they will leave in 2 years without a similar regime to Italy.**

- On average, one millionaire left the UK every 45 minutes in 2024.
- **Annual Totals: In 2024, the UK saw a net loss of 10,800 millionaires, including 78 centi-millionaires and 12 billionaires, marking a 157% increase in departures compared to 2023.**
- Among the departures: 78 centi-millionaires and 12 billionaires.
- Top relocation destinations: Italy, Switzerland, UAE and other European countries.

- **Inheritance Tax (IHT) on worldwide assets: cited as a major driver for the exodus by 83% of non-doms surveyed by FIFB (September 2024) – this is the red line for FIFB.**

**Economic implications:**

- A mass exodus threatens tax revenues, investments, spending into the economy and philanthropic contributions, with domiciled British entrepreneurs joining foreign investors in leaving.
- **Revenue expectations:** Treasury anticipates £2.5 billion annually from reforms over five years. Oxford Economics has shown these assumptions to be inaccurate, and the OBR has stated that the behavioural response of non-doms is “highly uncertain”, throwing doubt on this estimate from the Treasury.
- **Net losses:** Oxford Economics (OE) projects a £1 billion annual loss due to reduced tax revenues and economic activity.
- **Non-dom contributions:** Average non-dom spending included **£800,000 in VAT and £118 million in UK investments** in 2023.
- **Economic damage:** Research shows successful entrepreneurs and investors who contributed **£8.9 billion in taxes** in 2023 would leave.
- **Philanthropy under threat:** Non-doms contributed an average of **£5.8 million to philanthropy**, a significant social impact now at risk.
- The FIFB Oxford Economics first report found that **96% of surveyed non-doms would reduce their UK investments if they left**.
- The Growth Commission estimates a **0.5% GDP loss by 2030**, including a £5 billion annual revenue shortfall.
- **The Adam Smith** Institute warns that reforms could shrink the **UK economy by £1.3 billion** annually, leading to job losses across sectors reliant on wealthy residents.
- **Henley & Partners predict 9,500 high-net-worth individuals will leave** the UK in 2025—double the 2023 figure.
- Respondents have **already divested £840 million** in anticipation of the reforms, halting new investments.

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**The FT’s Misleading Narrative on Non-Doms - Response from Foreign Investors for Britain - There are four types of lies: lies, dam lies, statistics, and misquoted HMRC data.**

The Financial Times’ recent coverage of non-dom departures, resting on flawed PAYE data and selective citation of economist Arun Advani, paints a dangerously misleading picture of reality. Britain is not experiencing a “minimal exodus.” It is experiencing a systemic flight of wealth, talent, and confidence that policymakers ignore at their peril.

**From Minimal Exit to Mass Exodus**

Last year, Advani claimed that just 0.3% of non-doms would depart if the regime were abolished—fewer than 100 people—and promised the Treasury an annual windfall of £3.2 billion. Now, astonishingly, the same academic supports a government estimate of 25% departures. That is not an adjustment; it is a collapse in analytical credibility.

Forecasts that move from “nobody leaves” to “a quarter leave” in one year reveal the risks of basing policy on unstable academic models rather than empirical reality.

## The PAYE Blind Spot

The FT narrative leans heavily on HMRC PAYE data, which covers only non-doms with UK wages or pensions—about 80% of the group. Among them, leaks suggest a 31% exit rate, equivalent to 25% across all non-doms.

But PAYE misses the remaining 20%: investors, entrepreneurs, retirees, and trust beneficiaries. These are exactly the individuals with the fewest UK ties and the strongest incentive to relocate their capital when the tax environment turns hostile. **By the classic Pareto 80/20 principle, this group represents only one-fifth of non-doms but controls the majority of assets. In other words, those more inclined to leave are precisely those whose departure inflicts the greatest damage - these are the “golden geese”—whose exit drives far greater economic impact than the PAYE sample suggests.**

For this group, leaked figures already suggest a departure rate closer to 60%, equating to an extra 12% of the total population. And these are not marginal actors. Put together, the **true exit rate is 37–40%, not 25%. This is not just about the number of non-doms but who they are - Mr Advani has revealed that when conducting his analysis, he did not interview any non-dom and only looked at HMRC data that did not include Inheritance Tax.**

This policy is driving those who can deliver growth and jobs in the UK to places like Italy, Dubai and Switzerland. **Every working person should be concerned, as the Chancellor runs out of ideas for the budget.**

## Henley, Oxford Economics, and Bloomberg All Point the Same Way

The Henley Private Wealth Migration Report 2025 revealed that Britain faces the world’s largest millionaire exodus: **16,500 high-net-worth** individuals are forecast to leave this year alone. That is not a trickle but a systemic outflow—and it dwarfs the “few hundred” figures that Advani and HMRC tried to reassure the public with just a year ago. What is really happening is not reflected by the flawed leaked HMRC data.

Oxford Economics has modelled the wider economic consequences: up to £6 billion of lost inward investment and £10 billion shaved off annual GDP, with knock-on losses in consumption, job creation, and tax receipts.

Meanwhile, Bloomberg’s reporting shows the mechanics of this shift: trusts, family offices, and wealth-management structures quietly leaving London for more stable and predictable jurisdictions like Milan, Dubai, and Singapore, with 4,000 company directors leaving in this year alone. **The exodus is real, it is occurring now, and it is accelerating.**

## & The Times

# Reeves got sums wrong on non-doms, say economists

**Tom Saunders, James Hurley  
Tom Howard**

Changes to the "non-dom" regime will bring in only a quarter of the tax revenue estimated by official forecasts, according to the Centre for Economics and Business Research.

Even if nobody left the UK as a result of reforms for non-domiciled individuals, the changes would bring in about £2.5 billion in the first year, against a forecast by the Office for Budget Responsibility (OBR) of £10.3 billion.

The Centre for Economics and Business Research, an economics consultancy, said that the OBR's estimates of the foreign income gains of those affected by the changes appeared to be too high, meaning the total tax accrued would probably be far less than it said. The CEBR added that if a quarter of non-doms left the UK because of the reforms, the net gain to the Treasury would be zero.

In the October budget Rachel Reeves, the chancellor, abolished the "remittance basis" allowing non-doms to shield worldwide income from British tax, effective from April 6 this year.

The CEBR report said that if more than a quarter of non-domiciled

taxpayers left the UK, "the Treasury would begin to make a loss". If half left, the net losses to the Treasury in the first year of the scheme would increase to £2.4 billion, it estimated.

Non-doms liable for the old "remittance basis" regime had an average income tax bill 78 times higher than that of the median-income earner. Andrew Griffith, the shadow business secretary, said: "This independent research shows that once again the chancellor has got her sums badly wrong and does not understand business."

People leaving the UK for brighter shores was "nothing short of disastrous for our economy", Griffith added.

Modelling by the Adam Smith Institute, a think tank, has estimated that the tax change will lead to the loss of 44,000 jobs by 2030 and £111 billion of growth by 2035.

Charlie Sosna, head of private wealth and tax at the law firm Mishcon de Reya, said: "We saw a significant number of clients leave the UK for other jurisdictions — for example, Monaco, Italy, Dubai and Switzerland — last year, and we are working with more clients this year who are planning for their departure. I expect the figure could be much higher than 25 per cent.

I would anticipate the figure being closer to 40 per cent."

Registry filings show that Nassef Sawiris, Egypt's richest person and the co-owner of Aston Villa, moved to Italy in April. Frédéric de Mévius, a member of one of the three founding families of the brewing company AB InBev, recently moved to Belgium.

A study by Oxford Economics showed that 60 per cent of tax advisers expected more than 40 per cent of their non-dom clients to leave within two years of the policy change.

There were about 74,000 non-dom taxpayers in the UK in the financial year ending 2023, down from 137,000 in the 2007-08 tax year. In 2015 there were 55,100 non-doms taxed on the remittance basis. This number fell until 2021, when it increased slightly to 37,800.

Sosna said that the loss of non-doms could affect the economy in less direct ways. "The behavioural response of the non-doms leads to a brain drain and loss of contributions ... For example, many non-UK domiciled individuals are significant donors to the arts.

The CEBR review was commissioned by Andrew Barclay, the founder of Yopa, an online estate agent.

The OBR was asked for comment.

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The recent budget saw the government announce:

*"The government will explore how to further develop its tax offer for high-talent new arrivals, to build on the success of the existing regime and bolster the ambition for the UK to remain a competitive destination for growth-driving global talent and support internationally mobile individuals to establish themselves and their businesses in the UK. The government will seek views in due course to inform the design and scope of any potential enhanced offer"*

**Leslie MacLeod-Miller**

David Hawkins