

Use these Notes only to help you complete form NRL1.

If you need assistance, please contact HM Revenue & Customs **Charity, Assets & Residence - Residency** unless your main HMRC office is Public Department 1. *The addresses and phone numbers are shown on the form NRL1.*

## General

### Purpose of form NRL1

United Kingdom (UK) rental income is liable to UK tax whether the landlord lives in the UK or not, and normally a letting agent or tenant has to deduct tax when paying rent to any landlord whose **usual place of abode** is outside the UK. Form NRL1 enables an individual whose usual place of abode is outside the UK to apply to have his or her UK rental income paid without deduction of UK tax. **But our approval of the application does not mean that the rent is exempt from UK tax**, and we may later ask the individual to let us know whether they have any tax to pay by completing a UK Self Assessment Tax Return.

### Exclusions

This form is for individuals only. Nominees must not use it. If you are a company, use form **NRL2**. If you are a trustee, use form **NRL3**. You can get copies from the website [www.hmrc.gov.uk/cnr](http://www.hmrc.gov.uk/cnr) or by phoning the helpline on **0151 472 6208** or **6209**.

### Which individuals have a usual place of abode outside the UK?

Individuals have a usual place of abode outside the UK if they usually live abroad. Individuals who leave the UK for over 6 months also have a usual place of abode outside the UK, even though their absence may be temporary and their local HMRC office continues to treat them as resident for tax purposes following their departure.

### What are the terms for applying?

You must satisfy one of the conditions set out in Notes 9, 10 and 11 overleaf.

### When can you apply?

You can apply immediately. You do not have to wait until your UK property is let.

### What if more than one person owns the property?

If the UK property is jointly owned (for example, by a husband and wife) then each owner must complete their own application form.

A partnership cannot usually apply on its own behalf in the way that a company does. (This is because a partnership is not generally regarded as a resident for tax purposes of the country in which it is set up). In these cases each partner must claim separately for their share of the partnership income using form **NRL1**, **NRL2**, or **NRL3**, depending on whether the partner is an individual, a company or a trustee.

## Confidentiality

All the information that you provide to HMRC is confidential. We can therefore discuss your tax affairs only with you or someone that you nominate, for example, a tax adviser.

### If you need more space

If you do not have enough space on the form to answer a question fully, write the additional information on another sheet of paper and attach it to the form.

## Guidance Notes

- 1 Not your first application.** If you have previously completed a form NRL1 you do not need to complete another one. There is no need to apply for approval on an annual basis. If you simply wish to advise us of any changes to your circumstances you may do so in writing or by telephone. The address and telephone numbers are shown on page 3 of the NRL1.
- 2 Address overseas(Questions 4 & 5).** In box 4, please give your main residential address outside the UK. If you can only give a 'care of' address or a Post Office box number because that is the only form of address used in the country where you have your own residence, write that in box 5 and give a brief explanation in box 4. Please note it is acceptable to give a 'care of' address in the UK.
- 3 Change in letting agent or tenant (Question 10).** Please tell us if the details of your letting agent (or tenant, if you have no letting agent) change. Approvals to pay rent gross are not transferable. If you appoint a new agent or change your tenant we will need to write to tell them not to tax your rent. You do not have to fill in another form NRL1.
- 4 HMRC reference number (Question 11).** Letting agents (or tenants, where there is no letting agent) of overseas landlords, have to register with HMRC. When they do, we give them a reference number. Ask your letting agent or tenant for this number and show it in the box on the form.
- 5 Date your rental business started (Question 12).** Please give the date on which your UK rental business started. This may not necessarily be the date on which it first began to receive UK rental income (for example, some tenancies begin with a rent-free period).

- 6 **UK personal tax allowances (Question 17).** If you are not resident in the UK and you satisfy one of the conditions listed below, you are entitled to the same allowances and reliefs that would be available to you if you were resident in the UK.

The conditions are that

- a. You are a Commonwealth citizen.  
(**Note:** a **Hong Kong** citizen may only claim to be a Commonwealth citizen if he or she is a British citizen, a British overseas citizen or a British national (Overseas).
- b. You are a national of a state within the European Economic Area (EEA), that is Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden and the UK.
- c. You are or have been employed in the service of the British Crown.
- d. You are employed in the service of any UK missionary society.
- e. You are employed in the service of any State under the protection of Her Majesty.
- f. You are resident in the Isle of Man or the Channel Islands.
- g. You have previously resided within the UK, and you are resident abroad for the sake of your health or the health of a member of your family living with you.
- h. You are a widow or a widower whose late spouse was employed in the service of the British Crown.

If you satisfy one of the following conditions, you will need to get a certificate from the overseas tax authority stating that you are a resident there for tax purposes for the period of the claim, and have documents (for example, a passport) to show that you are a national of that country. Keep the certificate and documents in case they are needed later to support your claim. The conditions are that

- i. You are a national of Bulgaria or Israel.
- j. You are a national who is also resident of Argentina, Azerbaijan, Belarus, Bolivia, Bosnia and Herzegovina\*, China, Cote d'Ivoire (Ivory Coast), Croatia\*, Egypt, Indonesia, Japan, Jordan, Kazakhstan, Korea, Macedonia\*, Montenegro\*, Morocco, Oman, Philippines, Poland, Romania, Russian Federation, Serbia\*, Slovak Republic, Sudan, Switzerland, Taiwan, Tajikistan, Thailand, Tunisia, Turkmenistan, Turkey, Ukraine, Uzbekistan, Venezuela, Vietnam, Federal Republic of Yugoslavia\*.  
(\*NOTE: Entitlement continues under the Double Taxation Treaty the UK had with the former Yugoslavia until such time as a new agreement takes effect.)

- k. You are a resident of Austria, Barbados, Belgium, Fiji, France, Germany, Greece, Ireland, Kenya, Luxembourg, Mauritius, Myanmar (Burma), Namibia, Netherlands, Portugal, Swaziland, Sweden, Switzerland and Zambia.

- 7 **Letting agent or tenant has been deducting tax (Question 20).** If the person who has been deducting tax is the person whose details you have given in reply to Question 10, simply write 'See Q10'.
- 8 **Declaration.** If more than one box applies please tick the relevant boxes. However, if you do not tick any of the boxes, this will delay your application, as the form will be returned to you for completion.
- 9 **Your UK tax affairs are up to date (Declaration).** Tick this box if you have complied with all your UK tax obligations by sending them all the Tax Returns issued to you (except those for which the filing date has not yet passed) and paying all the tax due.
- 10 **You have not had any UK tax obligations before the date of this application (Declaration).** Tick this box if you have never had any income from property or other sources in the UK.
- 11 **You do not expect to be liable to UK income tax for this year (Declaration).** Even if you are not resident in the UK you can still be liable to tax on income that arises in the UK. But if you do not expect to have any liability to UK tax for the tax year (ending 5 April) in which the application is made, for example, because you expect your allowable expenses to be more than your rental income, tick this box.
- 12 **You undertake to comply fully with your UK tax obligations (Declaration).** Part of your obligation will be to
- complete any Self Assessment Tax Return we send you
  - pay any tax on time
  - answer questions relevant to your UK tax affairs.
- If you fail to meet your undertakings we will withdraw our approval for you to receive your rent without tax.
- 13 **Signing the form (Declaration).** The non-resident landlord must sign the form personally. We cannot accept a form signed by an agent or nominee. If the landlord is mentally or physically incapacitated and therefore unable to sign the form, the person who looks after the affairs (for example, the person holding a Power of Attorney) must sign it. The attorney or other person must have full knowledge of the landlord's affairs. We will need an explanation as to why the landlord was unable to sign the declaration. But we are not prepared to accept the signature of an attorney where the landlord is capable of signing the form but is unavailable, perhaps because of absence.

## How we use your information

HM Revenue & Customs is a Data Controller under the Data Protection Act 1998. We hold information for the purposes specified in our notification to the Information Commissioner, including the assessment and collection of tax and duties, the payment of benefits and the prevention and detection of crime, and may use this information for any of them.

We may get information about you from others, or we may give information to them. If we do, it will only be as the law permits to

- check the accuracy of information
- prevent or detect crime
- protect public funds.

We may check information we receive about you with what is already in our records. This can include information provided by you, as well as by others, such as other government departments or agencies and overseas tax and customs authorities. We will not give information to anyone outside HM Revenue & Customs unless the law permits us to do so. For more information go to [www.hmrc.gov.uk](http://www.hmrc.gov.uk) and look for *Data Protection Act* within the *Search* facility.

These notes are for guidance only and reflect the UK tax position at the time of writing. They do not affect any rights of appeal.