

CORPORATE RE-DOMICILIATION PROPOSAL FOR IMPLEMENTATION PUBLISHED

Following an initial consultation in 2021-2022, an Expert Panel convened by the Department for Business & Trade has now published its report advising the government on how to make it easier for foreign companies to relocate to the UK.

1. What's being proposed?

- An Expert Panel of seven top financial and legal professionals, including Clifford Chance Partner **Nick Spurrell**, has published its report at the request of the Department for Business & Trade setting out its proposal for changing the UK's legal framework to implement a corporate re-domiciliation regime.
- A corporate re-domiciliation regime would allow a company incorporated in a foreign jurisdiction to transfer to the UK while retaining the same legal identity.
- The Expert Panel supports a two-way re-domiciliation regime, enabling companies to move both into and out of the UK.

2. What's the current position?

- The UK currently offers overseas companies no straightforward way of migrating to the UK.
- In general, new UK holding companies need to be put in place, often triggering "change of control" provisions in contracts, leases and licences.

- Re-domiciliation regimes already exist in many other jurisdictions, including EU member states, Singapore, Canada, New Zealand, Australia, Jersey and a number of US states.

3. What sort of inward re-domiciliation regime is the Expert Panel recommending?

- Eligibility criteria to ensure that only solvent bodies corporate can apply.
- Process administered by Companies House, with a solvency statement to be provided as part of application.
- Re-domiciliation becomes effective upon issue of a certificate of re-domiciliation by Companies House.

4. Why would a foreign company seek to re-domicile to the UK?

- To enjoy a more favourable legal, regulatory and/or tax regime in comparison to its current jurisdiction.
- To streamline a group's imprint where the benefits of a particular offshore jurisdiction have fallen away since incorporation.
- To take advantage of business incentives that are only available to UK companies.

5. When will the UK's new re-domiciliation regime be in place?

- The government needs to consider the Expert Panel's recommendations and, if it takes them up, draft and consult on detailed legislative proposals.
- Legislation will need to be passed by Parliament (including substantive changes to the Companies Act 2006), and guidance and procedures will need to be developed for Companies House to manage the process.
- Timing-wise, a new regime could potentially be in place from 2026/2027, but this is subject to finalisation of the terms of the regime and to legislation being passed.

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