



Private Client Services
at Rawlinson & Hunter LLP

PRIVATE CLIENT SERVICES

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Rawlinson & Hunter is a leading firm of Chartered Accountants established in 1933, and through its international grouping now operates from 12 offices in 10 countries with over 50 partners and directors, over 500 staff and over 10,000 clients. The Firm offers taxation, accountancy and advisory services to individuals, families and businesses. Rawlinson & Hunter is also the largest firm of Chartered Tax Advisers in the UK.

This publication offers an insight into the Firm's approach to private client work, includes a short summary of the Firm's history and provides information about the following private client services:

- UK Personal Tax Reporting Services
- Personal Tax Advisory Services
- Tax Investigations and Enquiries
- Internationally Mobile Employees
- Trust Services
- UK/US Private Client Tax Team
- Estate and Probate Services
- Consolidated Wealth Reporting
- Philanthropy Services
- Family Office Services
- Business Tax Advisory Services
- Property Tax Services and SDLT
- Non-Resident Trusts
- Foreign Domicile and the Remittance Basis of Taxation
- Tax Services for Fund Management Firms and Executives
- VAT on Luxury Assets

OUR CORE VALUES

A Commitment To Our Clients: ensuring we put exceptional hands-on client service at the heart of what we do and that we always go the extra mile for our clients.

A Commitment To Technical Excellence: ensuring that we provide the highest quality technical advice in a conservative, sensible and ethical manner, and that we are recognised as leading experts in our field.

A Commitment To Independence: ensuring that we maintain independence of mind by coming to our own views without fear or favour, and that we are unafraid to tell it how it is.

A Commitment To Each Other: embracing and respecting our differences, whilst ensuring that we work together as a team to achieve goals and putting these goals before self-interest.

A Commitment To Our People: ensuring that we create an environment where staff are fairly rewarded for their contribution, where open, honest feedback is given, and where everyone has the opportunity to achieve their potential.

A Commitment To Our Communities: ensuring that we contribute positively to society by offering a necessary business service, by operating in sympathy with our environment, and through charitable giving and philanthropic policies.

RAWLINSON & HUNTER LLP

A BRIEF HISTORY

To understand the Firm's core values today and how they became inculcated into its DNA, one has to look back to its origins in 1933 and all that has happened since. The Firm has been shaped not just by events themselves but by the choices made in response to those events by the rich tapestry of individuals who have served the Firm as partners over the years. Rawlinson & Hunter LLP is rather unusual as an accountancy Firm dedicated largely to services to private clients, many of whom have been as unusual, eccentric and exceptional as the partners of the Firm. The Firm's rather individual history, from the early careers of its two founding partners up to the start of the first Coronavirus lockdown, has been recorded in detail in a private publication authored by partner Andrew Shilling, 'Rawlinson & Hunter 1919-2019 – Taking the Road Less Travelled'. If you would like a copy, let us know. In the meantime, we hope that you find this interesting as historical background to the Firm.

The Firm was established in London in 1933 by Alfred Rawlinson and Robert Hunter. They were chalk and cheese. Hunter, who was a forceful and assertive character and a first class tennis player, dealt with the administration of the Firm and took most of the decisions, while Rawlinson was a quiet, gentle and unassuming personality who took no exercise as a result of injuries sustained in the 1914-18 war. Yet they found that they could work together very well and the practice flourished. In the early days of the practice, the Firm dealt with a combination of international corporate work for cases such as Nestlé together with a smattering of personal tax cases. In 1934, Felix Chivers, who had won the tax prize in the Institute's exams, was recruited to the Firm. He became a partner in 1941 and served as partner for 30 years.



Above: Co-Founder Robert Hunter in 1945

It was Chivers, rather than Rawlinson or Hunter, who was responsible for the Firm's orientation towards private client work for wealthy individuals. He began to advise in depth on Estate Duty and attracted many influential new clients to the Firm. This type of work led him to become involved in family trusts and trust work, which became an important part of the Firm's service offering, as it remains today. He was by all accounts a real character who was very closely and intimately concerned with the affairs of his clients. On one occasion he was left babysitting a client's young child and on another, he was responsible for arranging the repatriation from abroad of the body of a deceased client. The Firm offers a 'partner-led' service, and Chivers was perhaps the first proponent for this style of client relationship.



Above: A deadly V-1 flying bomb attack on Aldwych on 30 June 1944, which damaged R&H's London office.

During the Second World War, working conditions in London became difficult. Hunter recounts; 'We had hardly any staff left, and those we had were all arriving late or leaving early because of the threat of bombing. So I set out to find a refuge outside of London, and found an old house, Masons Farm, with 13 rooms in a small beautiful village in Oxfordshire. My family were installed there and the rest of the house was used as our offices.' We consider this to be an early example of working from home, 80

years ahead of its time. A few members of staff continued to work in the Firm's office in Aldwych, which survived intact in spite of damage caused by a V-1 flying bomb attack on 30 June 1944.

As the Firm emerged from WWII, it began to look beyond Britain's shores for business opportunities. A client asked the Firm to deal with the accounting affairs for his hotel in Bermuda. Work permits were obtained to enable staff to spend all year there, which led to the establishment of the Bermuda office in 1963. The partners continued to look for expansion opportunities and future senior partner, Peter Hetherington, spearheaded the establishment of the Jersey office in 1972 after his biggest client moved there to escape Chancellor Roy Jenkins' imposition of a 136% tax rate on investment income exceeding £15,000 (the highest tax rate in British history!).



Above: Masons Farm in Oxfordshire

The Firm's entrepreneurial spirit was demonstrated with the opening of offices in Cayman, BVI, Guernsey, Switzerland, New Zealand, Australia and, in 2013, in Singapore. This brought a significant number of international clients to the Firm and many of the London Firm's clients to this day are individuals with overseas aspects to their tax affairs. Partners

are encouraged to develop clients in sectors where they have a personal specialism or interest, and the Firm currently has a number of clients in the art world, motor sport and private equity, to name but a few.



Above: The starting line up for the British Grand Prix held at Silverstone in 1965

Rawlinson & Hunter is a Firm which is rich in history, a history which has shaped not just what we do but the core values which we apply in doing it. We are all, partners and staff, proud of the Firm, its independence, our clients and the quality of the service which we offer.

PRIVATE CLIENT SERVICES AT RAWLINSON & HUNTER LLP

Rawlinson & Hunter is a firm of Chartered Accountants and Chartered Tax Advisers which was founded in 1933 and is based in central London. Whilst it provides a traditional range of corporate, accounting and tax services, it is best known in the profession for its award-winning services to private clients. It is this which drives the Firm's business and we are constantly looking to develop our range of services to meet the needs and requirements of our clients.

Over the many decades of the Firm's existence, size has never been regarded as important. Indeed, the partnership ethos is central to the philosophy and values of the Firm and the basic credo of partners across the generations is that if the number of partners exceeds 20, that ethos begins to break down. The objective of each and every partner has been to focus on quality, not size. By this, we mean enhancing the quality of service delivery by ensuring that we as partners are as expert in our respective fields as we possibly can be, and that the staff who support the partners are professionally qualified and trained to the highest degree and have at their disposal the latest technology. This has enabled us, over time, to gain an enviable reputation in the profession for our services to the private client community in the UK and internationally.

Rawlinson & Hunter LLP specialises in particular in looking after the affairs of high net worth individuals and their families. Typically, we will look after their UK tax affairs, carefully handling their relationship with HMRC. We will provide accounting, tax and (where invited) trustee services for their wealth holding structures and charities, both from London and, where appropriate, through the Firm's international offices. We can provide sophisticated wealth reporting services through our industry-leading software and offer reporting and support services to their family offices. Death (as well as taxes!) is inevitable and we provide full support to the executors of estates in administration, including probate services where required.

We have developed and expanded our suite of services to support our private clients and their families throughout their lives. In so doing, we pride ourselves on delivering a genuine partner-led service. Our partners are all specialists who lead the advice to our clients, supported by staff who are amongst the best in the profession. We aim to give clear and direct advice without 'fence-sitting'.

We are used to operating as part of a team of professionals and regularly collaborate with lawyers (in a range of disciplines and jurisdictions), investment managers, bankers and other advisers in a collegiate way in supporting our clients. Through this process, we have over time built up an extensive informal network of contacts, and where our clients require specialist support beyond our areas of operation, we usually have just the right person to refer them to.

In relation to our services to private clients, David Barker, former managing partner, commented upon his retirement:

The partners and staff at this Firm are remarkably good at what they do. My theory is that the exceptionally high quality of clients which we have at this Firm leads to all of us developing exceptional qualities and skills in order to service them. The end result is that as a Firm operating in our area of practice, we are in an elite group of one.

We all understand here that we are never any better than our last piece of advice, and maintaining our standards is vital in maintaining our reputation. In this folder, we describe the private client services which the Firm provides, all of which are delivered using the principles, values and approach explained above.



UK Personal Tax Reporting Services

It is absolutely essential, now more so than ever, that individuals with complex tax affairs file accurate annual tax returns with HMRC. The cost of getting it wrong has never been higher.

Many of our clients have complicated tax reporting needs. Some of them have significant and diverse investment assets both in the UK and overseas, sometimes held through foreign investment structures which are not set up for UK tax reporting. Other clients have complex remuneration reporting involving options, vesting share arrangements and restricted stock units where there might be international considerations. Many of our clients are entrepreneurs with businesses which also bring intricate tax filing challenges.

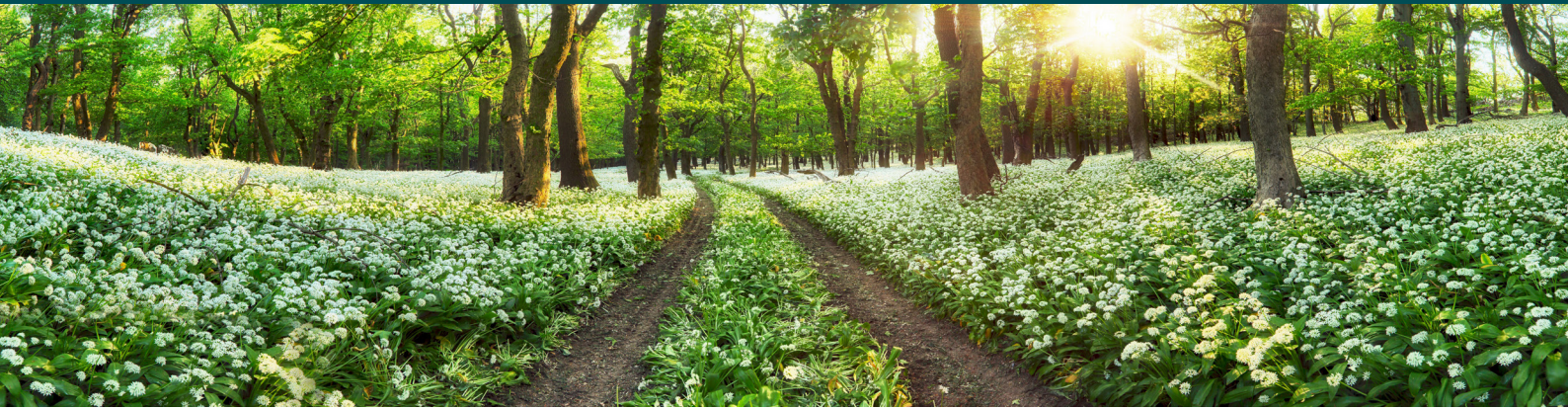
Just as tax reporting has become more demanding, there has been a much closer concentration of effort by HMRC on the tax affairs of wealthy UK taxpayers. HMRC's investigative capabilities have been greatly enhanced by the volume of information provided to them by both institutions in the UK and by other countries under automatic exchange of information agreements. At the same time, the tax law has been changed to give HMRC a greater length of time to investigate foreign aspects of a taxpayer's affairs and impose significantly greater penalties for reporting failures.

Thoroughness and a rigorous approach are therefore paramount in the preparation of our clients' tax returns. We generally operate a 'triple-lock' approach whereby the tax return is prepared by a professionally qualified junior, reviewed carefully by a manager and is then subjected to a final high level review by the partner. In that way, we seek to reduce the risk of inaccuracies and omissions.

'Our highly qualified private client team manages our clients' tax filing requirements and relationship with HMRC with consummate care. With the experience of many years of dealing with Rawlinson & Hunter as tax agents for high net worth taxpayers, HMRC will take it as read that a tax return filed by the Firm will be of a high standard of accuracy.'

Our UK tax return filing cycle follows the process described below:

- A review of the file over the preceding year to identify any new matters which might have reporting consequences
- Writing to third parties and institutions for relevant information
- Writing to the client for information which cannot be obtained from third parties
- Preparation of the tax return
- Considering any narrative disclosures which are required to supplement the return, to reduce the likelihood of HMRC enquiry
- As part of the review of the tax return, brainstorming any tax planning considerations which appear relevant
- Sending the tax return to the client for approval, with any explanations clearly flagged up
- Advising the client of imminent tax liabilities to be settled
- Submission of the approved tax return to HMRC



Personal Tax Advisory Services

Our clients frequently need advice on tax matters. It is crucial that when there are events in clients' lives, whether it is a business transaction, a change in family circumstances, a move from one country to another or some other situation, whether planned or unexpected, they have the right people with the right expertise to support them.

We believe that the best way to provide our clients with effective support is to act for them in relation to their tax reporting. This gives us an insight into what they are doing from year to year and a detailed understanding of their business and financial affairs. Most of our clients at some point need to call upon our expertise and our familiarity with their affairs to provide effective and timely tax advice. The knowledge gleaned from a relationship with our clients built over many years enables us to advise with authority when the need arises.

Often, clients come to us in the first place because they are involved in a situation or a set of circumstances where specialist guidance is needed. Having concluded this initial project, clients then often remain with us for many years, taking advantage of both the tax reporting and advisory services which we can offer.

Our approach to the giving of tax advice is measured. We recognise that the tax legislation was enacted for a specific purpose, and in giving advice we consider carefully the reasoning behind the tax law which we seek to rely on. We avoid overly aggressive planning which, in our experience, is invariably challenged by HMRC and defeated in the Courts. We have regard to our clients' profile with HMRC and keep the advice on the sensible side of the line.

'The Firm is a niche practice specialising in the affairs of the private client, and the giving of tax advice to individuals and their families has been at the heart of what we do for many decades. In advising our clients, we always consider carefully whether our proposals are robust and would stand up in the event of scrutiny from HMRC.'

We cover all aspects of personal tax advice, but some of those areas where we typically get involved are:

- Inheritance tax mitigation and succession planning
- Capital Gains Tax planning, loss utilisation etc.
- Planning using trusts
- The acquisition and sale of business assets
- Tax efficient giving to charity
- Coming to or leaving the UK
- For foreign domiciled clients, advising on how to bring funds to the UK tax efficiently
- Cross-border compensation packages and how they are taxed
- The tax treatment of image rights etc.

Tax Investigations and Enquiries

HMRC has been reorganised with the objective of maximising its ability to close the 'tax gap'. As part of this, taxpayers with significant wealth or complexity have been corralled into tax offices serviced by the Wealthy Team, the focus of which is to identify cases for enquiry.

Many of our clients are serviced by these specialist tax offices and we are therefore used to dealing with them on a daily basis. Our experience is that HMRC personnel are better trained than ever before and better equipped to detect irregularities or grey areas in a taxpayer's tax return. They also have a wealth of information from third parties, both in the UK and abroad, against which they can cross-check the accuracy of a return and identify potential omissions.

Tax enquiries are a fact of life for clients with complex affairs. Most of these enquiries are not random, but are selected carefully by the HMRC officer because there are aspects of a submitted tax return which warrant further scrutiny and might result in an increased tax liability. Sometimes, the tone of HMRC enquiry letters can seem accusatory or threatening, and can be a source of worry to clients who regard themselves as diligent and honest in their tax affairs. At Rawlinson & Hunter we recognise the emotional stress which a tax enquiry can place on a client, as well as the disruption to personal and business life which can result. Our experience allows us to demystify HMRC correspondence and explain the issues at stake in a clear and precise manner. We represent our clients in correspondence, calls and meetings with HMRC with the objective of bringing the enquiry to a successful conclusion as soon as possible.

Sometimes, new clients come to us because irregularities have been identified in their tax affairs, either by them or by HMRC in the course

of an enquiry. We are experienced in making a full disclosure to HMRC, presenting the strongest technical interpretation and negotiating with them to reduce any tax geared penalty to the statutory minimum allowed under the law.

'Our long history of tax experience in both the UK and international arenas and our strong reputation with HMRC have enabled us to agree a pragmatic approach in resolving sometimes long-running disputes with the tax authorities. This saves clients time, professional fees and stress.'

We assist clients with all sorts of tax enquiries, including the following:

- Self-Assessment full and aspect enquiries
- Enquiries into domicile status
- Worldwide Disclosure Facility disclosures
- Assisting with the preparation of cases for Tax Tribunal hearings
- Code of Practice 9 investigations
- VAT, PAYE and NIC inspections
- IRS disclosures for US taxpayers



Internationally Mobile Employees

In an increasingly small world, more people than ever are moving between countries to work. Each country has its own tax rules. Navigating a path through the intricate maze of overlapping and sometimes conflicting national laws to ensure that earnings are apportioned consistently and taxed only once can be a challenge.

Whether coming to the UK or leaving the UK, the first task in determining the tax treatment of earnings is to establish the person's tax residence position. UK tax residence or non-residence can be ascertained with certainty since there is a very detailed Statutory Residence Test in UK law which applies. There is then a significant number of issues to be addressed as a matter of urgency. For instance, some overseas employers seconding executives to the UK wish to operate 'tax equalisation' so that the employee has the same earnings after tax as would have the case before the transfer. This can involve quite complex calculations. Employees coming to the UK who are foreign domiciled may be able to claim 'overseas workday relief' so that if, in the tax year of arrival and the subsequent two tax years, they have duties both in the UK and overseas, the remittance basis might apply to the earnings apportioned to the foreign duties. To be effective, this requires some advance planning both in terms of bank account structuring and obtaining HMRC agreement so that the estimated foreign element of the earnings is not subject to tax at source under PAYE.

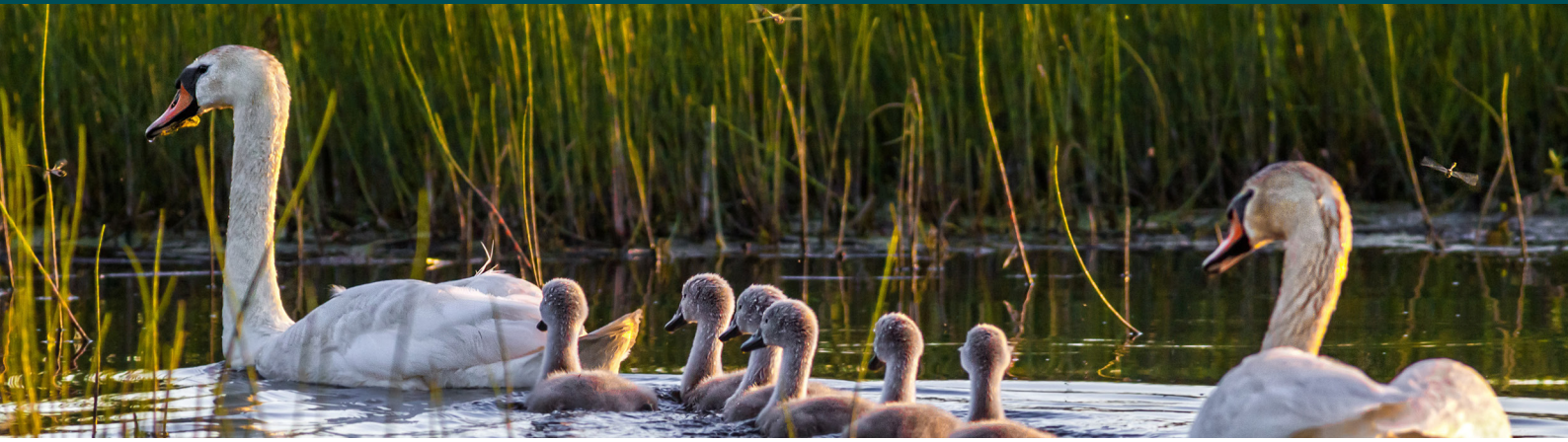
Remuneration packages can themselves have many elements to them, beyond simple contractual cash reward. There may be deferred bonuses, share options which were granted before becoming resident in the UK, restricted stock units, employee share plans, pension arrangements of various types, non-cash benefits and reimbursed travel, subsistence and relocation expenses. The way in which these earnings are taxed can be very nuanced, especially where the earnings periods cover time spent in more than one country. It is rare that

company payroll units have sufficient tax expertise to apply PAYE correctly to these arrangements, and specialist support is crucial when filing tax returns for internationally mobile earners. National Insurance can be easily overlooked and whether it applies will depend on where the person seconded to the UK is based, whether there is a reciprocal agreement between the UK and the home country, and how long the secondment is projected to last.

'Keeping on top of all of the challenges which internationally mobile employees face can be a daunting task, but our team at Rawlinson & Hunter has the skills and experience required to provide clear advice and professional support in these areas.'

We get involved in all UK tax aspects for internationally mobile employees, including the following:

- Advising on residence and domicile
- Reviewing employment contracts from a UK tax perspective
- Advising on Overseas Workday Relief
- Advising on the tax treatment of non-cash remuneration
- UK tax reporting for internationally mobile employees
- US tax reporting for internationally mobile employees
- Advising on tax equalisation arrangements
- Advising on liability to NI and agreeing collection arrangements with HMRC



Trust Services

Trusts frequently feature as an important part of a family's inter-generational wealth and succession planning, for many diverse reasons. Fundamentally, they can be used to preserve capital and provide an income stream for current and future generations.

The tax treatment of trusts can be complex. UK resident trusts are subject to income tax and CGT in their own right and many are subject to Inheritance Tax every 10 years. Trustees are also required to enter information about the trust, its terms, its assets, its settlor and beneficiaries on a trust register.

Administering a trust in the UK has considerable responsibilities associated with it. Some of these are compliance and reporting responsibilities such as the bookkeeping of transactions, the preparation of accounts for the trust, the preparation of trust tax returns, ensuring that entries on the trust register are properly updated and that any regulatory disclosures are made accurately and on a timely basis. Other requirements are less routine. Trustees need careful guidance in making decisions about trust assets and the trust fund itself, especially where they are required to exercise their discretion in making distributions of income and capital to beneficiaries, making loans etc. A professional understanding of trust law and trustee responsibilities is crucial.

This is why we often act as trustee alongside our clients, where trusts form part of their family succession planning. We prefer to do this through our trust corporation, The R&H Trust Co (UK) Ltd, since this offers flexibility (most of our private client partners are also directors of the trust corporation) and continuity, since the problems and costs encountered when replacing or appointing a trustee on the retirement or death of an individual are avoided.

'Driven by the needs of our clients, Rawlinson & Hunter's experienced team of trust practitioners can provide a comprehensive and holistic service of advice, oversight, administration and compliance in respect of our clients' family trusts.'

The range of services includes the following:

- Advice on the use of a trust, and the tax implications of establishing, administering, varying or winding up a trust
- Bookkeeping of trust transactions from source data
- Dealing with annual tax filing requirements, including income tax and Capital Gains Tax reporting
- Advising on and dealing with necessary Inheritance Tax reporting
- Making and updating the entry in the trust register for the trust
- Ascertaining and then dealing with domestic and international regulatory reporting
- Professional corporate trustee services
- Advising on the management and control of assets for trustees and beneficiaries



UK/US Private Client Tax Team

It was in 1966 that George Harrison was inspired by his personal experience to write the Beatles song, 'Taxman'. 'If you get too cold, I'll tax the heat, if you take a walk, I'll tax your feet', he belted out with feeling. Unfortunately, for US citizens the extent of tax exposure goes beyond the norm, the US being one of the very few countries to have a tax system based on citizenship as well as residence. This makes interaction with other jurisdictions interesting and complex.

Several years ago we created our own team of 'dual-handlers' with the necessary technical expertise to deal with both UK and US tax filings. Led by two partners, the team has flourished and has a strong presence in the Firm's overall private client offering, representing our clients with both HMRC (as agents) and the IRS (as enrolled agents). We now deal with many clients with UK and US, or just US, tax exposure. While many of them are US citizens or Green Card holders living in the UK, we also deal with US individuals living in third countries, US based individuals with international assets and non-US individuals who have a US tax footprint because they have US situated property or receive US income.

Getting the tax filing correct in both countries is the first step. If we are dealing with a US individual who is resident in the UK, the priority is to ensure that the tax payable across the two jurisdictions is not higher than it needs to be. This requires our team to have an enhanced understanding of the remittance basis of taxation where the client is not domiciled in the UK, and full familiarity with the operation of the UK/US Double Tax Treaty. Another crucial point is to ensure that available tax credits are created at the right time, utilised in the right direction and not wasted. But the compliance work is really just the tip of the iceberg. Pre-planning is highly recommended since there are so many mismatches of tax treatment in areas such as investment products and vehicles, charitable donations and the timing of income and gain recognition (to name but a few) which can increase the global tax burden for such clients, unless care is taken.

'Britain and America may, as George Bernard Shaw observed, be two nations divided by a common language, but they are equally divided when it comes to systems of taxation. US individuals living in the UK have the unenviable task of having to navigate through both sets of rules.'

Here are some of the many areas where we can assist, and frequently do:

- Preparation of UK and US tax returns
- Dealing with Foreign Bank Account Reporting and other regulatory disclosures
- Advising on the treatment of trust interests in both the UK and US and dealing with reporting requirements
- Advising on UK and US anti-avoidance provisions
- Advising on tax effective UK/US charitable giving
- Advising on the tax treatment of UK and US pensions, investment vehicles, insurance contracts and funds
- Advising on the interaction between US Estate and Gift Tax and UK Inheritance Tax
- Advising on mixed marriage (where one party is a US person, the other is not) issues
- Advising on the US classification of business entities, whether that can be altered if desired, and on the US personal tax reporting for US interests in foreign companies, partnerships of business interests, and relevant elections
- Assisting with the US tax reporting of non-US interests in US corporate entities, including single member LLCs



Estate and Probate Services

With the Firm's partner-led service, our clients tend over time to forge a close and trusting relationship with the partner responsible for their affairs. It is therefore perhaps unsurprising that many clients ask a partner of the Firm to act as an Executor under their Will. This can be done either through a personal appointment or through the Firm's trust corporation.

At a difficult time for the family, our role is to ensure that the estate is administered with efficiency and discretion. With our existing detailed knowledge of our clients' financial affairs, we are well placed, with a comprehensive understanding of their financial affairs, to identify the assets falling within the estate, liquidate them where necessary and distribute the estate to the beneficiaries in accordance with the Will. Where the Will provides for the creation of a trust to hold the assets from the estate going forward, we are then able to provide a full range of trustee and trust administration services.

As tax specialists, we can also advise carefully on the Inheritance Tax implications of the estate. Sometimes, beneficiaries of an estate wish to disclaim or vary their entitlements and this can have an impact on the Inheritance Tax position. This is an area in which we frequently advise and have significant experience.

'The Firm is authorised by the ICAEW to conduct probate work, and a number of the Firm's partners are qualified to provide these services. We can therefore work with the co-executors of the estate and its beneficiaries and offer full and immediate professional support through to the end of the administration period.'

Here are some of the matters in which we get involved where we provide services related to an estate in administration:

- Collecting information on the assets and liabilities of the deceased's estate
- Completing and submitting the Inheritance Tax return
- Liaising with HMRC in agreeing the deceased's tax position up to the date of death
- Applying for grant of probate
- Collecting the assets of the estate and liquidating them where necessary, and discharging liabilities
- Advising on variations and disclaimers
- Preparing and filing tax returns for the estate in administration
- Making interim and final distributions to the estate's beneficiaries
- Preparation of estate accounts



Consolidated Wealth Reporting

We have developed a system which provides individuals and families with bespoke investment reports which consolidate their entire net worth. By creating a central investment record, we can produce a variety of reports including investment value, investment performance, portfolio risk profile, income and expenditure and management accounts.

The system structure incorporates a common core processing engine which is flexible to any investment provider, yet contains precisely designed reporting output. High levels of automation achieved through direct data transfer results in minimal manual input into the reporting, which ensures that data accuracy and integrity are maintained. This also leads to a cost-effective solution for clients using this system. We are perfectly prepared to capture data manually when unavoidable, as we are committed to producing reporting which reflects the entire picture.

The beauty of the service is the flexibility of the reporting. It can consolidate assets in any way that our clients may think about them, whether broken down by family member, entity/trust, investment provider, geographical location or asset class – the options are endless. Reports can be devised so as to look through entities to see underlying assets and split them across asset classes, by currencies or by other criteria. The system can also accommodate income and expenditure reporting, so that family members can track income and expenditure over reporting periods and monitor cash flow against historic levels or against forecasts.

‘The Firm’s wealth reporting service is a pioneer in its field technologically, and is a cost-effective and highly valued offering. Many clients, whether individuals, families or family offices, who use it come to find it indispensable.’

The capabilities of the reporting system are extensive and bespoke, so that clients can cherry pick the reports which are useful to them. These include:

- Investment and asset valuations at a specified date
- The movement of investment and asset valuations between reporting periods
- Reports by reference to the valuation of asset classes, to facilitate re-balancing
- Reporting by reference to bespoke criteria, such as currency, location, investment house etc.
- Income and expenditure reporting
- Comparison of income and expenditure against forecasts
- Monitoring of cash flow



Scan here to see
an example of our
reporting



Philanthropy Services

Many of our clients are engaged in supporting charitable causes both in the UK and overseas. This activity nearly always involves generous financial support, where guidance on tax-effective giving is required. Some clients seek greater involvement, establishing their own charity or donor-advised fund and playing an active role in determining the causes and charities which derive benefit from the fund.

Giving is often done under the Gift Aid scheme, enabling the charity to enhance the gift by reclaiming the basic rate income tax which the cash gift is treated as having suffered. However, this can backfire if the donor has paid insufficient tax to 'frank' the tax reclaimed by the charity, resulting in an additional tax liability. It is possible to make a donation to charity under Gift Aid and treat it as though it had been paid in the previous tax year, although this has to be timed carefully. Tax relief can be claimed on a gift of real estate to a charity, or a gift of quoted shares or funds which are collective investment schemes. With care, it may be possible for US taxpayers who are resident in the UK to make a donation in such a way that relief is available in both countries. Charitable giving is a complex area where specialist advice is essential. Giving money to charity can be a complicated and expensive process requiring great care as to timing, amount and method of donation.

For those wishing to establish their own charity, we have a team experienced in providing accounting and reporting services which is also used to dealing with the Charity Commission, Companies House and HMRC on a daily basis. The team gets involved in all aspects of administration of a charity, both financial and practical. For instance, in addition to getting involved in budget and cash flow forecasting, we often operate bank accounts, raise cheques, deal with payment requests etc. We also get involved with trustee meetings, preparing agendas, putting together meeting packs and preparing minutes.

'We have deep practical experience of what is needed to run a charity allied to a hands on style of approach, and can therefore provide support in a multitude of ways.'

Our services can be tailored to all sizes and types of charity, and include the following:

- Advice on the formation and structure of the charity
- Registration of the charity with HMRC and the Charity Commission
- Preparation of statutory year-end financial statements
- Compliance with requirements of the Charity Commission, Companies House and HMRC
- Applying for Gift Aid donation tax refunds
- Financial projections and forecasts for the charity
- General administration for the charity
- Preparation and review of policies, Fit and Proper declarations, risk reviews etc.



Family Office Services

Some of our clients are family groupings who have complex financial affairs which require a significant degree of administration and support. It is common for such clients to manage their affairs using a family office.

In practice, many of the private client services which Rawlinson & Hunter offers are delivered via the family office, so we are experienced in liaising both with the office personnel and with other professionals involved with the client, whether lawyers, bankers, investment managers or others. This has led to an enhanced understanding of the family office, how it operates and what it needs, putting us in a prime position not just to advise the family office in a range of different ways but also to advise the clients on the structure and operation of the family office itself.

For instance, we can advise on the establishment of a family office in order to centralise administration, streamline decision making and enable the family to run its affairs along business lines. We can assist in deciding on appropriate governance of the office. Indeed, partners of Rawlinson & Hunter sometimes sit on the family council or advisory group. We tend to take a pragmatic approach, designing a structure and processes which will operate smoothly. Once the office is operational, the Firm can deliver a wide range of private client services, many of which are summarised in this publication, to the family via the family office.

We are fortunate to be in a position where our clients trust us to see the full picture. Where a client chooses not to have a family office, there are also a number of services which the Firm can offer which are of a nature which a family office would provide.

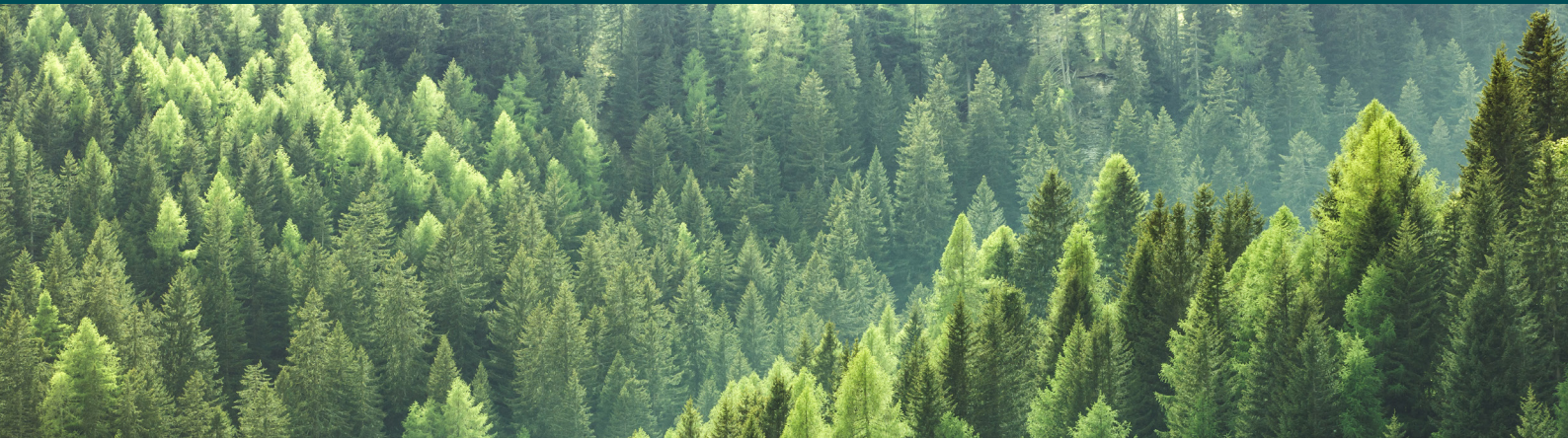
‘Our experience is such that we can advise on the establishment of the client’s family offices, support the family office with a multiplicity of services and even act as the client’s family office ’

The Firm’s services in respect of a family office or in place of a family office include the following:

- Advising on the establishment and governance of the family office
- Ad hoc support, such as forecasting cash flow ahead of a purchase, providing financial material for a fee negotiation
- Administration of the family’s affairs and structures
- Assisting with selection processes for a new service provider (e.g. lawyer, investment adviser, property manager)
- Full support on IT and HR matters
- Assisting with the multitude of regulatory compliance issues for investors, which differs by provider and jurisdiction
- Project monitoring, such as tracking costs and delivery against a service agreement, while steering a project towards the end result required by the client
- Project management and liaison with other professional advisers
- Assisting with financial education of the next generation of the family
- Strategic advice on philanthropy



Scan here to see our
Family Office Support
Services brochure



Business Tax Advisory Services

Many of our clients are wealth creators through entrepreneurial activity. They make a significant emotional and financial investment in their business, which becomes a part of their life and their family.

Providers of traditional accountancy services tend to see a business as a client which is separate from its owner, and they direct advice to the business without taking full account of the bigger picture. Our view is different. Our private client services have been built around the protection of wealth and we understand that business owners have very particular circumstances and needs. Their decision-making is closely linked with their own personal welfare and with the ultimate wellbeing of their family, and we bear this in mind at all times when providing services in relation to our clients' businesses.

Rawlinson & Hunter has an experienced team which is dedicated to providing tax compliance and tax advisory services to our clients' businesses. The team covers all aspects of UK tax advice which may be needed for the business at all stages of its existence. But at the same time, where appropriate they work closely with our private client specialists to deliver an integrated and holistic service which takes account of any impact on the business owners.

Our aim is to provide tax compliance services to the business efficiently and accurately in order to keep the client's relationship with HMRC on a solid footing. Beyond this basic requirement, we aim to provide advice and support which enables our clients' businesses to run as smoothly as possible and grow to their full potential.

'We never forget that the interests of the business and the owner are inextricably linked and we will always ensure that the welfare of both is fully considered.'

The Firm provides a comprehensive range of advisory services to businesses, including the following:

- Business structure and formation
- Remuneration planning and share incentive plans
- Raising finance in a tax efficient way
- Research and Development claims
- Maximising Capital Allowances claims
- Transfer Pricing
- VAT and indirect tax
- Valuations of shares in unquoted companies and business interests
- Corporate transactions, including mergers, acquisitions and business disposals



Property Tax Services and SDLT

Property transactions are complicated and costly for clients. There are many different taxes and fees involved throughout all stages of a property's life cycle. From Stamp Duty Land Tax ("SDLT") to Capital Gains Tax ("CGT") it is essential for clients to seek advice to limit their tax liability and ensure that they pay no more than the correct amount.

At Rawlinson & Hunter we use our experience and expertise to tailor our advice, whether the client is an individual or a company. We are experts with extensive knowledge of property related taxes, and the know-how to reduce the tax liabilities faced during a property's life cycle. We guide our clients through the processes of paying and limiting their tax liabilities.

We also specialise in critically examining recent residential property purchases to establish whether the correct amount of SDLT was paid under the four different charging regimes which apply to properties. This has become a complex area of tax law where establishment of the precise features of a property can significantly influence the amount of SDLT which is due, and we find that these rules are not always properly understood by professionals acting for the buyers. Where we conclude that an incorrect amount was paid we then advise on the actions that may be taken to remedy the position with HM Revenue & Customs ("HMRC"), including securing the recovery of overpaid stamp duty within the short repayment window permitted by the law. We neither promote nor advocate stamp duty avoidance schemes. Instead we seek to efficiently plan our clients' property tax affairs by only utilising Government approved statutory tax rules contained within the tax legislation, so that our clients only pay the tax intended by parliament.

'We advise private individuals and companies on efficiently managing their property tax liabilities. We smoothly and effectively handle our clients' tax affairs with HMRC. Our approach is personal, high quality and tailored to each client's specific needs.'

The areas where we most frequently get involved on property tax matters are:

- Recovery of overpaid SDLT
- Liaising with HMRC on our clients' behalf
- Dealing with HMRC enquiries
- Mitigation of SDLT liabilities
- CGT calculations
- CGT tax returns, including non-resident CGT returns
- Applicable reliefs
- Tax efficient ownership structuring



Non-Resident Trusts

Trusts can play an important role in the disposition, preservation and succession of a family's wealth. For international families with a UK footprint, there will normally be a preference for a wealth holding structure situated and administered abroad.

Advising on the most appropriate way to hold family assets and investments is a core part of what we expect to do for our international clients. A trust may assist in allowing family assets to devolve across the generations without the inconvenience and publicity of probate. Equally, it may help to avoid wealth becoming dissipated through careful stewardship of trustees, rather than allowing wealth to pass directly to sometimes young individuals. A trust might also enable a wider group of family members to derive benefit in circumstances where 'forced heirship' laws might otherwise direct everything to a few. For families which are resident in the UK but have foreign domicile status, UK tax law contains special provisions which can be beneficial but are complicated to navigate and apply in practice.

The Firm provides trustee services outside the UK through its network of overseas offices. A trustee is often a key figure in the lives of family members and occupies a position of great trust. In our international partners, we have highly experienced individuals in several jurisdictions who, working closely with us and with our clients, provide fiduciary services and administer trust structures with empathy and expertise. Our international partners are based in Jersey, Guernsey, Switzerland, Bermuda, the British Virgin Islands, Cayman, Singapore, New Zealand and Australia. All have a deep understanding of trust law and trust administration.

'All trusts are different and great care is required to ensure that their terms meet the requirements of the clients and their families, and that the tax consequences are fully considered.'

Through collaboration between the London office and our overseas offices, we provide a joined up suite of services in relation to non-resident trusts which includes:

- Advising on the potential benefits of trust arrangements in the client's specific circumstances
- Working with the client to identify the most suitable trustee
- Reviewing trust documentation prior to execution
- Advising on all UK tax implications for the settlor and beneficiaries of establishing and receiving benefit from the trust
- Liaising with tax professionals in other countries, as necessary
- Trustee services in administering the trust, liaising with the family, preparing accounts etc.
- Compliance with regulatory disclosure requirements
- Monitoring investment performance of trust investments against benchmarks
- Dealing with all tax reporting for the trust and for the settlor and beneficiaries



Foreign Domicile and the Remittance Basis of Taxation

People coming to live temporarily in the UK may have a choice in the way that they are subject to UK tax for their first 15 years of residence, if they have a foreign domicile. As an alternative to paying UK tax on their worldwide income and gains, they may be able to pay tax just on their UK source income and gains and on only so much of their foreign income and gains as they use in the UK. This is known as the ‘remittance basis of taxation’.

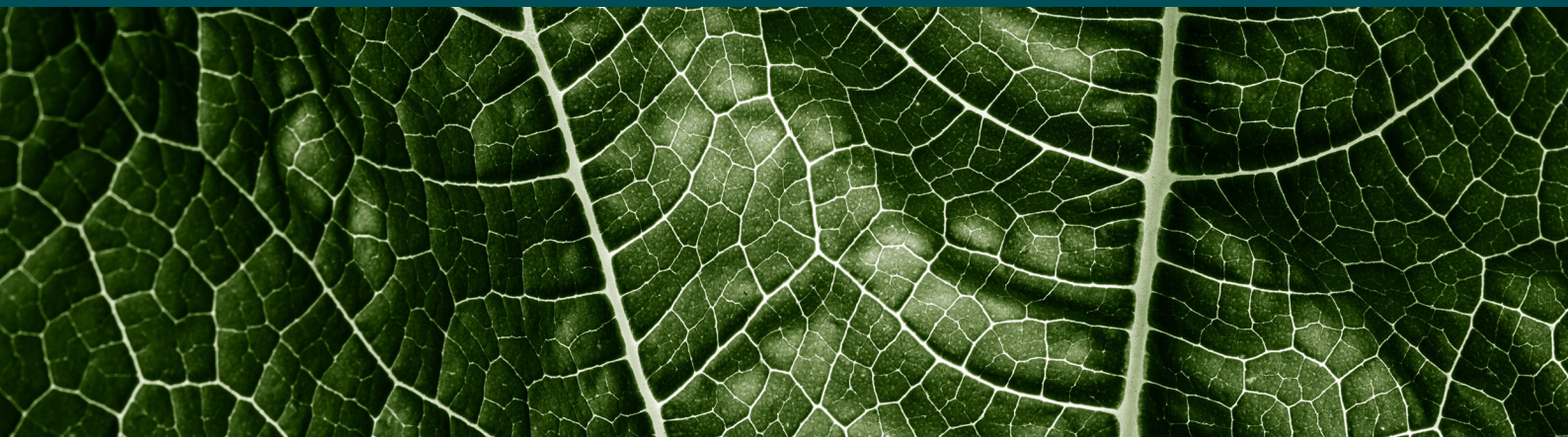
Someone wishing to take advantage of this regime faces a number of hurdles, both immediately and annually. Firstly there is the issue of ascertaining what exactly is the person’s country or state of domicile, a peculiar concept under English law under which the person’s family history, personal history and intentions are all likely to be relevant. Having reached this stage, a number of other important practical issues then come into play.

It may be possible to anticipate a person’s financial needs before becoming resident in the UK and set aside a sum of money which can be used subsequently without triggering a ‘taxable remittance’ of foreign income or gains. Not all income from foreign investments is eligible for the remittance basis, so a review of investment portfolios before arrival is essential. It may be possible to work with a client’s non-UK bank to set up an account structure which enables particular types of income, gain or capital to be remitted in priority to others. Some clients who come to the UK to work but have duties both in the UK and abroad may be able to adopt the remittance basis for the foreign portion of their earnings for the first three tax years of UK residence, but this needs to be handled with great care to avoid mistakes.

‘Clients seeking to adopt the remittance basis need to understand that the significant benefits come with a high degree of complexity. HMRC enquiries into the tax returns of foreign domiciled individuals are relatively commonplace so specialist support is essential.’

Here are some of the areas that we get involved in for our foreign domiciled clients:

- Advising on UK tax residence and domicile status
- Pre-arrival planning
- Advising on portfolio investments from a UK tax perspective
- Advising on bank account structuring
- Ascertaining taxable remittances for UK reporting purposes
- Dealing with HMRC enquiries into domicile and remittances
- Advising on the UK tax implications of wealth holding structures



Tax Services for Fund Management Firms and Executives

Since 2014, fund managers working in the UK have been subject to a complex tax regime specifically targeted at the industry they operate in. As a result, the need for practical, accurate and measured tax advice has become fundamental to enable these individuals to understand their tax position.

We believe that the partner-led service approach provided by the Firm offers our clients who work in the fund management industry a unique and effective way to manage their tax affairs. With the additional scrutiny from HMRC into the tax affairs of those individuals with complex investment fund returns, fundamental to this service is ensuring that the tax return preparation is timely and accurate. This can often involve a high level of partner involvement to ensure that the most suitable approach is taken to the carried interest and co-investment reporting, based on the information that may be available.

No two clients have the same set of facts and advice is provided to each client based on their own unique circumstances. The UK and US tax advisory services provided to our clients can cover a wide range of areas, and will consider a client's residence and domicile status, the use of trusts, their charitable ambitions and the wider aspect of their family arrangements.

The Firm regularly assists with the more corporate aspects of the industry, offering the full range of taxation and accountancy services to the fund management firms, funds, portfolio companies and investors. The firm is uniquely placed in this respect, having regularly advised our wider client base on the implications of making investments in private equity funds.

'Advising private clients is at the heart of what we do. The Firm's expert understanding of the tax issues facing those in the fund management industry and its history of advising wealthy families put us in a prime position to provide high quality advice to our clients.'

The range of services provided to those in the fund management industry includes:

- UK and US Tax Return preparation for individual fund managers and their families
- UK and US tax advisory services on the tax treatment of their investment fund returns
- Accountancy services, Corporation Tax, Partnership tax and Employment-Related Securities returns for fund management businesses
- UK tax reporting services for investors and carried interest holders
- Wealth reporting services, covering an individual's interest in their own investment fund together with their wider personal interests
- Advising individuals coming to and leaving the UK, and the tax treatment of complex compensation arrangements



VAT on Luxury Assets

As people's lifestyles become ever more multi-national, we find that our clients frequently move around for both personal and business reasons. Many of our clients have multiple homes in different jurisdictions and regularly travel between them.

Often we will be asked by clients about moving their assets from one home to another, for example, or about purchasing a new sculpture or work of art. Sometimes clients will be carrying out a major refurbishment project on one of their homes and need advice. Or they may ask about purchasing a private jet to facilitate travel between their various homes or need support in buying a luxury yacht.

All of these purchases or projects come with various different VAT or Customs implications, and we are well-equipped to advise on the most efficient procedures and reliefs available.

Since Brexit took effect on 1 Jan 2021, all movements of goods between the UK and the EU are now subject to the same Customs controls and procedures as movements to non-EU countries. Gone is the free movement of possessions (and other goods) between Paris and London. Such movements require an export of the goods from France and a Customs import declaration into the UK, along with payment of associated VAT and Customs duty as appropriate.

We can advise on Customs reliefs available in certain circumstances, such as a client moving their main residence to the UK or goods which originated in the UK being returned to the UK. Clients importing works of art into the UK will wish to ensure that only 5% import VAT is paid where possible. Clients buying a private jet or yacht will wish to consider the most appropriate entity in which to make the purchase, depending on where the aircraft or yacht will predominantly be used and the primary purpose. We can advise on the treatment of the VAT incurred

on the purchase and also any VAT due on chartering arrangements or deemed private use of the asset. Clients converting or refurbishing residential properties in the UK may be able to qualify for some of the building services to be charged at the reduced VAT rate of 5% or even zero rated VAT on new build dwellings.

'Our VAT team has extensive experience of all areas of VAT, obtained over many years both within HMRC and in private practice. Our specialists regularly ensure that clients comply with their VAT obligations whilst also maximising VAT opportunities to ensure VAT savings wherever possible'.

We cover all aspects of VAT but typically advise clients on the following in connection with personal assets:

- Moving of personal assets between homes in different jurisdictions and associated import / export implications
- Acquiring assets overseas for use and enjoyment in the UK
- Relief from VAT on temporary admission into the UK
- Donations of works of art or other goods to charity
- Import VAT relief when moving main residence to the UK
- Importation of works of art and VAT on reduced value, giving 5% effective VAT rate
- VAT implications of purchase and chartering of yachts and aircraft
- Reduced VAT rate or zero rating on residential building projects



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