



Date

Case ref

UTR

Dear

Claiming Foreign Tax Credit Relief in your tax return

Our records show that your tax return for the year ended 5 April 2023 included a claim for tax relief. This was for foreign tax that you've paid on your employment income. This is shown on your UK Self Assessment tax return as Foreign Tax Credit Relief (FTCR).

Future claims for Foreign Tax Credit Relief

You may need to make a similar claim on your tax return for the year ended 5 April 2024. This could be foreign tax paid on your employment income, or other income sources. If so, please consider the information below before you claim.

To claim FTCR:

- you must be a UK resident
- you must have paid tax on your foreign income under that country's law – for earnings relating to the days you worked in that overseas country
- the amount of FTCR you claim must not be more than the UK tax you would have paid on the same income
- you need to check how the terms around employment income apply to you if there's a double taxation agreement (DTA) between the UK and the other country
- all references to 'employer' in a DTA must relate to the company that paid for, and took the risks relating to, the activities of your employment rather than any formal legal employer (for example, the company that you signed a contract of employment with)
- for taxes paid in the US, the UK/US DTA only applies to US Federal tax and does not apply to US State taxes – this means you need to claim 'unilateral relief' for any US State taxes you have paid on your employment income

If a double taxation agreement does not give the other country the right to tax your employment income, you cannot claim FTCR – you must claim tax relief in the other country.

You can also find further guidance on HMRC's YouTube channel 'HMRCgovuk' by searching 'Double taxation'.

More information

For more information, go to GOV.UK and search:

- 'Tax treaties' to get a country-by-country list of the UK's tax treaties
- 'Double taxation'

Amending your tax return

If you think you have made a mistake in your previous Self Assessment tax return, you can find advice about how to amend it online. Go to GOV.UK and search 'Self Assessment tax returns'. Then choose 'if you need to change your return'.

If we decide to open a compliance check and find errors in your tax return that you have not corrected, you'll need to pay any further tax you owe. You will also have to pay late payment interest. We may also charge you an 'inaccuracy penalty'. For more information about inaccuracy penalties, please read factsheet CC/FS7a, 'Penalties for inaccuracies in returns or documents'. To find this factsheet, go to GOV.UK and search 'CC/FS7a'.

If you need extra support

If you have an agent, we have also sent them a copy of this letter. You may want to speak with them if you have any questions about income on which you may claim FTCR.

If you have any circumstances that may make it difficult for you to deal with HMRC, please contact us. We'll help you in whatever way we can. For more information about this, go to GOV.UK and search 'Get help from HMRC if you need extra support'.

Yours sincerely

Wealthy and Mid-Sized Business Compliance

Join the millions of taxpayers already using their Personal Tax Account to access a range of services. It takes just a few minutes to get started, go to www.gov.uk/personal-tax-account Or you can use the HMRC app.

To find out what you can expect from us and what we expect from you go to www.gov.uk and search for 'HMRC Charter'.